managers in each sub-exchange or district, and all others interested, collaborate all suggestions advanced, and adopt a uniform system of packing, and packing house work, and prices, and so increase the advantages of co-operation. The success of orange raising is going to depend upon the "survival of the fittest."

DISTRIBUTION OF FRUIT TO THE CONSUMER

E. Stuart Hubbard, Arlington, N. Y.

Mr. President, Ladies and Gentlemen:

There has been a good deal of agitation in the press lately regarding the final method of distributing fruit to the consumer. There have been a good many claims made that the present manner of distribution is wrong and that it is a great deal more expensive than it should be; that is, the consumer has to pay a great deal more in proportion to what the grower receives, than he should. There have been statements made in the papers which are very misleading, often false, with regard to the prices which the consumer has to pay. For instance, with regard to oranges, in one of our late papers there was a statement made by a California grower that was something like this, as I recall it, that eighteen cars of California oranges had been sold on two successive days in New York market at auction at an average of $1.80 per box, and that those same oranges would cost the consumer an average of something like $4.50 per box; making $2.70 profit to the brokers and retailers. A statement like that is an absolute falsehood.

There is a small proportion of trade in New York or any of the large cities which pays a high price for oranges; this trade is supplied by the best oranges which reach the market. These prices are above the average of the sales. If you will look at your auction sales for any one day, you will find there are a few boxes which sell for much higher prices than the average. There are a few boxes of large sizes, like 126's or 150's of the best brands, which will sometimes sell for $2.00 or $3.00 a box more than the average prices.

The man who usually writes these articles is often an expert who is given the position of investigating, and he goes to the stores where this fine fruit is sold at high prices, buys fruit there, and goes back and writes these figures as his basis.

In the meantime, the great mass of fruit, good average fruit, is bought by the middle classes and the lower classes at very much cheaper prices.

I am primarily an apple orchardist, and while I have been brought up in Florida, and have grown and shipped oranges, I am now raising apples with my uncle in New York State. We have not been satisfied with the methods of selling fruit through commission men, and we have lately been selling it ourselves to the retailers. In that way, we have been try-
ing to find a better way of selling fruit. We have found that the fruit is bought by the consumer in three different ways: first, the best stores, grocery stores or fruit stores, handle only the best trade, and they deal almost entirely in small lots delivered to the houses or apartments of consumers on telephone or personal order, and sell on credit to a large extent. This is a small part of the great bulk of the fruit that is sold in the big cities, and it is the best fruit. It is true, these stores pay a premium for it in the market. This class of buyers will come to you usually, and say, "I don't care what you charge for the goods, so long as they are right." They want flavor, and if it is an orange, they want it of uniform size all through the box. They want the best that can be had, so that they can sell it at a higher price than the average; they have to have a big profit, because they have heavy overhead charges.

This is the class of stores most of these investigators go to, and they get the prices there and base their sensational articles on them.

Second, there is the smaller store which sells to the middle classes and which, in a great many cases, sells for cash. They handle a grade of fruit which is good average fruit; fruit that will bring average prices. They sell at a closer margin and they pay less rent than the stores first mentioned; their expenses are less and they can sell cheaper. They sell at reasonable prices. They expect to make, say, 75 cents or $1.00 a box on oranges.

The third class is the peddler. The peddler is becoming more and more important. In New York City, they are mainly Russian Jews and Polish Jews, and they will take a wagon and a helper, buy a bag or two of potatoes, a box of oranges, a box of grapefruit, some onions and cabbage and be set up in business. Each peddler usually has his own district, so that he is fairly well known and has to give pretty good satisfaction or else, of course, his patrons will not buy from him again. They sell at very close margin. Now, we have a good grade of apples; we raise good apples and buy a good many. These peddlers use nearly 75 per cent of our fruit. Our fruit is well up to the average of the fruit in the market. We have peddlers who will buy fifty barrels of apples and one hundred boxes of oranges at a time. They go right down to the auction, and if they do not buy for themselves, they have a good, bright man buy for them, and it takes a good, bright man to buy fruit at the auction. Then they sell that fruit at a cent a piece; that has been the price all through the winter for 250-size oranges. So long as they can make 25 cents a box, they are satisfied. They will sell two or three boxes in a day, and a barrel of apples, and if they can make a profit of $2.00 or $3.00 a day, they are satisfied.

One of these peddlers, a Russian deserter, said to me this winter, "Business is bad; too much competition. All a man has to do is to take $10.00, rent a wagon and horse for $2.00, buy a bag of potatoes, a box of oranges and a barrel of apples; that is all it takes to make him a business man." There is so much competition that it is almost impossible to make a profit.

That, too, is the way with the small
stores. There have been more changes and failures in the New York stores this winter on account of the poor business than were ever known before. We have a list of over one thousand stores, and every time we sent out a price list, many of the cards came back because the stores have gone out of business.

The profits are not large; they are very small, and the present method of distribution is, I think, as nearly correct as we can have it where the big markets are near enough to the consuming public.

If you have a wholesale market ten or fifteen miles away, it takes but little expense to get the fruit that distance. But if you have too many smaller wholesale markets and carload lots of fruit shipped there, the markets are liable to be overfilled. It is just as bad to get too much fruit on a small market as it is to have your big markets too far away. The fancy store wants just what it needs. Some stores will use only 126's of the best oranges. You cannot sell them anything else, because they cannot use it. The smaller stores want only the small oranges, 200's and 250's, because that is what their demand is for, an orange that sells at a fair, average price. The peddlers use anything under the sun, so long as they can get it cheap.

The peddlers are the most valuable part of the trade you have, because they can change so quickly to satisfy the needs of the market. If you get over-stocked in one line, they will clean that line right up, if you sell it cheap. If you ship a lot of sour, unpalatable oranges in the fall, the better grades of stores may handle the first shipments, because some of their customers are convinced that they must have oranges; but they do not buy more than once. Then the fruit settles in the markets all over the city, and they are finally sold cheap to the peddlers. Their customers taste them, and they are not good; so they don't buy any more. Finally the peddlers clean up that poor, cheap fruit at low prices, but it takes quite a good while. Then the peddlers begin to sell the good fruit, and an enormous amount is consumed, because we have to depend always on the masses of the people who are supplied to a large extent by peddlers to consume the bulk of the fruit.

This talk about raising hundreds of thousands of boxes that will bring the top price is out of the question. You have to raise all grades of fruit. You have to get fruit that all the people will buy and can afford to buy. The whole problem for the orange people and the apple people is to raise the standard of the quality of the fruit, and its eating quality, so that even the peddlers can get plenty of it, and they will be willing to pay satisfactory prices for it. If the peddlers cannot get cheap fruit, they will buy the better fruit; if they cannot get oranges for $1.00 a box, they must pay the market price, even as high as $3.00 per box.

This year apples and oranges were exceedingly cheap and we sold a great quantity of apples, but the retailers made no money on them, and they are all hoping that next year there will be a little less, so that prices will be a little higher and they can make more money.