Cooperative Markets for Farm Home Products

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FOREWORD

The home demonstration division of the Montana State College Extension Service is interested in the development of cooperative markets for farm home products, such as are herein described. Many farm women find that they have many articles going to waste, and that there are others which they could easily produce in excess of family requirements if marketing facilities were afforded.

The success of a home products market depends in a large measure upon handling **standardized products** of a good quality. Uniform recipes must be used in preparing all cooked food for sale. The same method of uniform preparation must be used in dressing poultry and getting other products ready for the market.

A market of this sort should not be started unless likely to be a success. Careful consideration should be given both to the number of persons who would become regular customers and those who would be regular consignors of standardized products. Both groups are vital to the success of a market.

The Montana State College Extension Service will be glad to cooperate with the people of any community in the state in determining the feasibility of starting a market, and also in organizing one on a workable basis. We will, upon request, furnish recipes for standardized products.

BLANCHE L. LEE,
State Leader, Home Demonstration Work.
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The marketing of surplus products of the farm home at a profit is a problem that confronts women in most rural communities. Usually there is no satisfactory agency by which can be sold those commodities produced in excess of family requirements. For certain products there is no market, and for others only a limited market. As a rule, the local baker will not handle home-baked products; the butcher does not care to buy small quantities of dressed poultry and meats; the grocer is cautious not to buy too large a quantity of perishable vegetables and must pay a price low enough to insure a margin of profit, often taking it "on trade only." The average local market, therefore, offers little incentive to farm women to prepare for sale anything other than those few staple products which are always in demand. Thus the opportunity for them to make "pin money," or cash to help support the family, is limited.

The purpose of this publication is to describe how farm women in many localities in the United States, particularly in two rural communities of Montana—the Moccasin Valley community of Wheatland County and the Forsyth Flat community of Rosebud County—have worked out for their produce marketing problem a solution that is worthy of consideration by farm women in other localities of the state. What may be termed "Farm Women's Produce Markets" have been established in towns near these communities. The plan of cooperation which has been applied in other agricultural marketing enterprises has been employed successfully in disposing of farm home products. Not only do these agencies enable the farm women to sell all kinds of farm home products profitably, but they make it also more convenient for the town housewives to obtain these desirable commodities.
Value of Home Produce Markets

Some of the advantages of these produce marketing agencies are:

(1) Peddling Eliminated. They make it unnecessary for farm people to peddle their produce from door to door.
(2) Market Provided. They provide a regular market for staple produce and an agency for selling many commodities which otherwise could not be sold.
(3) Specialists Developed. In meeting the trade demands for certain articles, many women become specialists in certain lines.
(4) Better Relations Between Town and Country Established. The farm people and the town people become better acquainted as a result of the contacts at the market, and goodwill results.
(5) Cash Income for Farm Women Provided. Farm women are not obliged to apply their produce "on trade" at a particular place, but receive cash and can do their trading wherever they wish.
(6) Need of Rural Credit at Stores Reduced. Local merchants find it less necessary to allow credit to those farm women who are obtaining substantial sums of cash from the sale of home produce.
(7) Tables of Town People Supplied. These markets constitute an agency through which town people may, with regularity and convenience, procure wholesome country products for their tables.

The Farm Women's Produce Counter at Harlowton

The "Farm Women's Produce Counter" at Harlowton is operated by the women of the adjoining Musselshell Valley rural community. It was established in 1921 as an activity growing out of the local women's Country Club that had existed for several years. It had been the policy of this club to include in its program considerable study of rural home-making problems in addition to the usual social and literary activities. For some time much attention had been given to the best meth-
ods of sewing, canning, gardening, and flower culture. Most of the club members had attained a degree of proficiency that gave them confidence in their ability to produce commodities which would satisfy trade demands, but there was little opportunity for them to sell their products.

One of the enterprising members of the club conceived the idea of establishing for farm women a produce market similar to the vegetable markets for professional truck gardeners in cities. After receiving encouragement from the county agricultural agent and a promise of publicity from the editor of a local paper, she submitted the proposition to the club. Only ten of the members desired to cooperate in such an enterprise. As this number was only a fraction of the club’s membership, these ten women decided to form a marketing agency independent of the club. A constitution and by-laws were adopted, a set of marketing rules was formulated, and the produce counter was opened for business on March 1, 1921.

When it was made known that the farm women intended to start a produce market, a number of Harlowton stores of-
ferred free counter space. Two of these offers came from grocerymen, even though their stores then handled several of the articles the women planned to sell. These invitations were accepted, and for four years various merchants not only generously provided counter space, but also cooperated by furnishing ice and by aiding in other ways.

The volume of business increased to the point where separate and permanent headquarters for the market were desired, hence a room in a building adjoining the post office was leased a year ago. Here the advantages of larger space for the display of products and the accommodation of customers, the permanence of headquarters, and the favorable location, more than make up for the cost of rent.

When the ten women formed the marketing organization, it was not their purpose to exclude other farm women. Instead, an invitation was extended to every farm woman in the locality to sell her produce at the counter, and this invitation was accepted by many. At present, approximately thirty farm women sell produce through the market.

The Farm Women's Produce Market at Forsyth

The Farm Women's Produce Market at Forsyth is operated by the women of the adjoining Forsyth Flat rural community.

This marketing agency is an activity growing out of the local Home Demonstration Club. At one of the meetings in the spring of 1923, the topic of better methods of disposing of home produce was discussed. A visitor who had seen the Harlowton Farm Women's Produce Counter explained its operation. The women of the club then decided to start a similar market, but for some months no one assumed active leadership in getting it organized. It was not until June 7 of the following year, when the gardens were bountiful, milk and butter abundant, and chickens ready to fry, that the market was opened for business.

Only seven members of the club cared to cooperate in the project at the outset. As the season progressed and the pressure of farm work incident to harvesting and threshing increased, one after another of these women dropped out until
finally only one, the manager, ran the market. In the fall some others came back and assisted until Thanksgiving, when its operation was suspended for the winter.

The next spring the market resumed operation on a larger scale, with ten women regularly selling their produce through it. Knowing that a market would be available, they had planted larger gardens, raised more chickens, and prepared many articles for sale. The volume of business has increased and the market has been operated regularly since that time. At present about twelve farm women regularly sell their produce through the market.

When it was announced that the farm women planned to start a market, a woman who owned a vacant store building just off the main street, being interested in the success of the enterprise, offered the free use of her property. This building was used until a year ago, when it was desired to have a more central location and a room nearer the main part of town was secured.
The Products Sold

At the markets are sold all kinds of farm home products. The principal ones are: (1) baked articles: white and whole wheat bread, buns, pies, cakes, doughnuts, cookies, cinnamon rolls; (2) dairy products: milk, buttermilk, cream, butter, and cottage cheese; (3) dressed poultry: young and old chickens, turkeys, and squabs; (4) vegetables: potatoes, beets, parsnips, carrots, peas, beans, squash, pumpkin, cucumber, cabbage, tomatoes, lettuce, melons, radishes, onions, rhubarb and sweet corn; (5) meats: cured hams, sausage, head cheese; (6) home canned goods; (7) cooked foods: boiled ham, baked beans, vegetables, salads, salad dressing; (8) relishes and pickles; (9) eggs and (10) cut flowers.

The women of the Forsyth market are planning to add a line of fancywork articles, pine needle baskets and rag rugs.

Volume of Business

The total weekly sales of the Harlowton market alone range between $100 and $135, averaging probably $125. This makes an annual total of $6,500 that the women of this one community receive from their home produce.

The annual receipts to a number of women amount to a few hundred dollars each. Last year the total sales by one woman sometimes ran as high as $45 a week, and averaged $30, making a total income of more than $1,500 for the year.

Last season one of the women obtained $81.25 from the sale of dressed squabs alone; another $50 from sweet peas. During the same period a woman received $125 from the sale of her cakes, while another sold more than 500 cakes for an average of more than one dollar each. On a Saturday in August when the writer visited the market, one woman sold $22.05 worth of roasting ears. At least 50 pounds of butter, a dozen cakes, and 25 dressed fowls are sold at the market each week.

Management

At first it was the practice for each woman to sell her own produce at the markets, but as trade increased space often became too crowded. Furthermore, women who had only small quantities of produce to sell frequently had to wait several
hours to dispose of it. Consequently they have adopted the practice of having only the manager operate the counter with the assistance of two or three of the women who bring in the largest quantities of produce on a given day. This plan has been more satisfactory.

The manager is chosen from the membership of the marketing organizations. She has general direction of all phases of the enterprise. One of her duties is to inspect the products submitted for sale, to see that they are of good quality and well prepared. She also helps to determine the prices. It is her further duty to see that the supply of any product does not exceed the probably demand on any given day. Inasmuch as the volume of trade does not vary greatly from week to week, she knows about how much of each product can be handled. It is customary for the other farm women to make arrangements in advance to bring in definite amounts of produce on the following Saturday. The manager not only prevents the supply from exceeding the probable demand, but also sees that there shall be a sufficient quantity of all the regularly desired products, by requesting one of the consignors to bring articles which otherwise would not be supplied.

The greatest care is exercised to insure that all products sold at the counter shall be satisfactory. The rules are:

1. Quality: all products must be of good quality.
2. Cleanliness: everything must be scrupulously clean.
3. Grade: all products must be assorted as to size and quality.
4. Display: every effort must be made to display the products attractively.
5. Guarantee: anything sold at the counter shall be guaranteed by the entire organization.

The Prices

The markets were not organized to obtain excessive prices, but only to obtain what is reasonable and fair. Inasmuch as the farm women are not dependent upon outside agencies to handle their produce they do have some voice in determining prices. They intend to adhere to the current market or to a
fair price, however, and during the periods the markets have been maintained the charges have been such that customers feel that they have made substantial savings.

All business is on a strictly “cash and carry” basis. At the close of the day each woman receives the cash from the sale of her produce.

The markets make no deliveries, although the business firms where the counters have been located often have delivered some of the produce along with their own.

Both managers have found that advertising pays. When the markets were organized, good write-ups in the local papers served to stimulate interest in the enterprise, and in a short time everyone in the communities knew about the markets, and many were patronizing them. Lists of products to be sold the following Saturday are published frequently in newspaper and theater advertisements, and posted on bulletin boards.

The Forsyth marketing organization has had several signs placed along the highway that traverses the community, and these have been effective in attracting tourist trade. In fact, the income from sales to tourists has been considerable, although the greater volume of trade is with the townspeople.

Mrs. James Rice, the manager of the Harlowton market, states: “The principal factors in maintaining trade have been the regularity of operation on Saturdays for nearly five years, and the handling of uniformly good products. Our satisfied customers are our best advertisers.” That there are many of them is shown by the fact that it is necessary to keep the door locked until 9 o'clock on Saturday morning to give the women time to unpack and arrange their produce. The room frequently is crowded with customers shortly after the door opens.

Funds to cover the expense of operating the markets are obtained by the payment of 50 cents monthly dues by the members of the marketing associations and the charging of a five per cent commission on all produce sold for non-members. The major expenditures are for rent, fuel, advertising, wrapping paper, paper sacks, cartons and string.
The markets operate only on Saturdays, from 9 to 4 o'clock, when it is most convenient for the farm women to bring in their produce, and when town women do their heaviest buying. Frequently, town customers arrange with some of the farm women to furnish them certain articles on other days of the week, but these articles are not handled by the market. Several of the women have developed a highly lucrative outside trade by reason of the reputations they have gained through the sale of their products at the markets. One woman supplies cakes for most of the important social affairs of the locality; another has developed the trade in dressed squabs to the point of supplying a railroad's dining service with this product in several states.

**Similar Agencies in Other States**

There are scores of cooperative markets of various types throughout the United States for farm home products. Most of these are operated by members of home demonstration clubs, under the direction of county home extension agents. According to estimated reports of all these agents in the United States, the farm women with whom they dealt obtained $4,866,665 last year from the sale of their home products. Of this amount, $2,250,000 was for fruits and vegetables, $1,083,333 for poultry and eggs, $1,116,666 for canned and cured meats, and $416,666 for miscellaneous products. Much of this produce was sold cooperatively through club markets.

In North Carolina last year there were such markets in 28 counties, where 13,942 farm women produced standardized and graded products for sale. The value of the products sold amounted to $154,749. The cooperative market for farm home products in Little Rock, Arkansas, handled commodities for 900 of the surrounding farm people and sold to 174,000 buyers, with the total sales amounting to $144,544.

While the management of the markets in other states is similar to management in Montana, there are some differences, due principally to the further development of the marketing activities in some other localities. This is particularly true with respect to marketing on a county-wide basis. In Garfield County, Oklahoma, for example, 17 rural women's clubs have
formed a county federation through which they market their home products. Where such procedure is followed, there usually is a manager in each community to insure that the products are assembled and sent to the points where they are to be sold.

The success of these markets, especially the larger ones, has been due in a marked degree to the handling of standardized products only. Rules for the making or preparation of articles are formulated and rigidly enforced so that buyers know exactly what they are getting when they purchase an article at the market. For example, there are definite instructions for dressing poultry, and if a consignor fails to follow them, her product will not be handled by the market. Standardization rules require that each woman use the same recipes and methods of preparation, making it possible to charge the same price for commodities made by different women. It results in the development of large-scale trade for these articles.

Many individual consignors who have sold through cooperative markets have built up large and lucrative outside sales. The 4-H club members in a community in Ohio, for example, have developed an extensive trade in tomatoes, canned according to the same recipe and sold under the same label. In another state, the reputation for strawberry preserves made by the women of a certain community has spread until now a railroad dining car service and hotels in several localities are buying all that the club can furnish.

Roadside Markets

Not only are cooperative markets for farm home products operated in towns in many states, but perhaps even more are conducted along roadsides. With the improvement of highways and the increased popularity of touring by motor car, the selling of farm produce to tourists has developed into a highly lucrative enterprise in many sections of the United States.

Suggestions for Starting and Conducting a Home Produce Market

Before undertaking to start a produce market in a community, interested persons must make a careful canvass of local conditions to determine whether the enterprise will be likely to succeed. When there are satisfactory existing agencies for marketing all the articles farm women care to produce, there
obviously is no need for starting another. Furthermore, a market should not be established unless it is assured that there will be a sufficient amount of produce, supplied regularly, to justify the undertaking. Still another important factor to consider is the possible number of purchasers a market might attract. The most successful markets are in large towns and cities, but some in smaller centers are highly successful. An important contributing factor to the success of such enterprises is the presence of migratory workers and others who do not raise gardens.

Following are some points which should be observed in establishing and conducting a market:

**Have a Good Working Organization.** At the outset, adopt a constitution and by-laws and formulate marketing rules covering the plan of management. This will tend to prevent misunderstanding.

**Secure a Good Manager.** The success of a market depends in a large measure upon the efficiency of management.

**Secure a Good Location.** Accessibility is an important factor in securing trade. Get a location as central as possible, where the most people pass by.

**Advertise.** Make use of newspapers, road signs, and other available advertising agencies. It will pay. Advertising is just as essential to the success of a produce market as to any other retail business establishment.

**Handle Good Products Only.** Sell only good products that are clean, properly graded and guaranteed. This is an important factor in securing trade.

**Keep the Market Open Regularly.** Be open for business at definitely stated times. To be irregular in business hours will result in loss of trade.

**Charge Fair Prices.** This can be done by keeping in close touch with current prices. Eastern roadside produce markets aim to charge a price somewhere between retail and wholesale prices.

**Display Products Attractively.** Use cut flowers, clean linen or paper and suitable containers to make the counters attractive.
Acquire Regular Customers. Have certain commodities for sale whenever the market is open. People will then become regular purchasers of these articles.

Abide by Laws and Customs. Be careful to secure all licenses required by the city and state. Follow local customs relative to hours and other matters. This will prevent trouble and merit good will.

Suggested Constitution for a Marketing Association

Section 1. Name and Object.

Article 1. Name:
The name of this organization shall be the ___________________________ women’s cooperative marketing association.

Article 2. Object:
The object of this association shall be to market farm home produce cooperatively.

Section 2.

Article 1. Qualification for Membership:
Any woman living in the ___________________________ community shall be eligible for membership.

Article 2. Conditions of Admission:
To become a member, a person must receive a majority vote of the association, and agree to abide by the constitution and by-laws.

Section 3. The Officers, Their Election, and Duties:

Article 1. Officers:
The officers shall be a president, a vice-president, a secretary-treasurer, and a market manager. Each shall perform those duties customarily pertaining to her office.

Article 2. Executive Committee:
There shall be an executive committee composed of the president, vice-president, secretary-treasurer, and two other members chosen by the association. The county extension agent and the market manager shall be advisory members. The executive committee shall determine the general policies of the market.
Article 3. Election of Officers:
All officers, except the market manager, shall be elected at the first meeting in a year.

Article 4. Market Manager:
- The market manager shall be chosen by the executive committee.

Section 4. Meetings.
There shall be regular meetings on the first Saturdays in January and June, and special meetings upon request of the executive committee.

Section 5. Quorum.
A quorum shall consist of one more than half of the membership of the association.

Section 6. Amendment.
This constitution may be amended upon three-fourths vote of the members.