MARKETING MONTANA'S TURKEY CROP

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Montana's turkey industry of today presents an entirely different picture from that of territorial days. On Christmas 1862, prior to the forming of Montana Territory, a turkey was imported from the vicinity of Salt Lake City to the Bannock mining camp. It was like “eating their very gold nuggets” since, it is recorded, the turkey cost better than one dollar per pound. During the mining history of the state, turkeys were decidedly on an import basis.

When the state began developing agriculturally, a few ranchers tried raising turkeys. To their astonishment the turkeys did not all die with blackhead as frequently happened in the east. The reason was that the Montana turkeys were being grown on clean, uncontaminated soil. Hence, since Montana apparently was a good turkey country, the state began

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**Figure 1**—Shows the distribution of turkeys in the United States in 1919 and 1929 and 1934. It should be emphasized that the figures for 1929 are not comparable with the other years, as the census usually refers to birds over three months on the farms January 1, while the 1929 census referred to turkeys raised that year. However, effective comparison is possible.
supplying its own needs. Expansion has continued until the state reached an export basis. Unfortunately, prior to 1922 there were few records to indicate how many turkeys were raised or how many more were produced than could be used within the state.

With the coming of cooperative collecting agencies, the turkey industry of the state grew rapidly. The 1920 census figures reported about 29,000 turkeys grown in Montana. The figure for 1930 was 442,000 (See figure 1, page 3.) This material expansion came at an opportune time since the turkey population of the United States had decreased, mainly because of blackhead, from 9,000,000 in 1890 to 3,600,000 in 1920.

The eastern seaboard needed Montana's turkey increase for holiday dinners. However, by the end of the '20's the east, through the efforts of pathologists, had begun to understand blackhead control. Also, prices gradually rose, reaching a peak of 47c per pound for a special pack of turkeys in 1929. Hence, the turkey population of the east again began increasing and at a rapid rate.

This large increase in eastern numbers coincided with the decrease in industrial activity and employment beginning in 1929. The resultant prices, reaching as low as 11 to 12 cents per pound for prime young toms in 1932, seriously threatened the turkey growing industry of Montana.

Montana is located far from the populous eastern consuming markets and it is expensive to ship perishable products this far. However, Montana and the northwest generally, have certain production advantages which have tended to offset any disadvantages in location.

The factors which made it possible for the turkey growers of the northwest to stay in the picture at this time also made for permanency of the industry. Eastern buyers discovered that the Rocky Mountain turkey was a juicier, white meated bird with a superior flavor. This is the result of a shorter growing season with cool nights and because the turkeys are wheat, instead of corn fed. Consequently the Rocky Mountain growers found that when the identity of their birds was maintained a premium could be realized.

Perhaps the greatest factor in keeping the Rocky Mountain grower in the industry, however, was the change in consumption habits. Instead of the turkeys being limited to the holiday meals, they began to enjoy a year round consumption and to be considered a staple article of food. Although storage holdings were greater than before, the coolers generally cleared nicely before the next crop came on the markets. Federal grades and grading also came at this time, which likewise has helped the Montana turkey grower.

In its present stage, Montana's turkey industry is worth about $1,224,000, or about the same value as the potato industry of the state. This raises the question regarding the present situation and the outlook for the future.

Present Trends—During the era of expansion and high prices, turkeys were produced almost entirely from small breeding units. It was the rule for a rancher or farmer to carry over from eight to 10 hens and
one tom. In fact, the production of any given area of the state was generally in direct proportion to the number of farms in that area. (See figure 2, page 5.)

The ratio of feed cost to price of turkey meat was so favorable that little attention was given to scientific or economical production. The ranchers took pride in their foundation stock, often paying from $50 to $75 for a single breeding individual. Even with these prices and an average of not more than 10 to 15 offspring per hen, the rancher was still able to make money.

Under the present set-up, production as well as marketing costs need to be reduced. The high grade breeding flocks of the state are almost non-existent. The turkey grower now must procure poults at the least possible cost in order to make a profit. Consequently, many of the growers are seriously trying out turkeys on a strictly commercial scale. This involves the purchase of day-old poults and of artificial brooding, since poults can be purchased cheaper than a breeding flock can be held and fed during the winter. Also clean poults on clean ground cuts the risk of loss from disease materially. With the purchase of poults all the birds are handled the same, since they are the same age and will all finish for market at approximately the same time. However, with this method the number of poults in a unit must be increased greatly in order to reduce costs and maintain an economic labor income. For the same reason the birds must be fed a balanced ration and proper amounts of feed in order to produce quick and economical gains. Also these large scale producers find that assembling costs are reduced, since a pool can give all the advantages to a few larger growers that it can to many small growers and at a lower cost.
The difficulties of this trend in production, nevertheless are very serious. New and numerous turkey diseases are bound to come in from commercial hatcheries unless growers are very particular about the source of their poult. Also, under a large scale, organization profits suddenly may be wiped out through disease, poor feeding, or improper management.

Shift in Turkey Population in Montana—The trend in the size of business has brought about a decided shift in the turkey population of the

Figure 3.—A farm flock of Eastern Montana.

Figure 4.—A commercial flock of Western Montana.
The drought years have put many of the growers in the eastern part of the state out of the turkey business. What will happen when that part of the state recovers is problematic, since it is distinctly a grazing and grain section. It all depends upon whether the farmers can afford to raise turkeys on a small flock scale. The commercial flock is not suited to their present farm set-up.

Western Montana now is more of a factor in turkey production than formerly. For example, the 1929 census shows Sanders County with only about 6,000 turkeys. In 1936, one grower in this same county had 5,000 turkeys. In addition, other growers were raising from 500 to 1,000 birds.

**Outlook**—The outlook for the turkey industry looks promising. The high prices of 1927 and 1928 may not come often, but there is a chance for those who understand the turkey business and who are thrifty, to make a profit in turkeys. That is, those people will succeed who know how to make the most money out of a pound of turkey.

The problem of making a profit from turkeys involves more than how to produce a pound of prime turkey economically, although a careless grower cannot hope to make money even when his turkeys are marketed efficiently. The problem also involves the proper preparation of birds for market; how to offer the product for sale so as to attract the discriminating buyer who will pay top prices and how to sell the product efficiently.

In 1922 the first car of turkeys was shipped cooperatively. The car was assembled and shipped with no thought of making history but rather to meet a necessity. Nevertheless it was national history. It is now debatable whether the Pondera Association of Montana or the Basin Pool of Wyoming made the first cooperative shipment of turkeys in the United States. Both made their first shipment in December 1922.

No accurate data are available on turkey marketings prior to 192; nor are all data available since that date. Figure 3 and Table 1 show the trend in shipments by pools since 1922.

**PREPARATION FOR MARKET**

**Live Weight Versus Dressed**—There are always a few who feel that the labor involved in killing and picking overbalances additional profits gained in selling dressed birds. There are no available figures to prove this, however. The average itinerant buyer of live turkeys has neither the facilities nor the knowledge to give growers the premium due them for exceptional quality. Furthermore, turkeys do not lend themselves to being shipped alive. It has been shown conclusively that birds shipped alive more than 30 miles lose so much weight that the shrink overbalances any advantage gained by centralized dressing plant assembling.

**Dressing Plant Disadvantages**—A grower is always at the mercy of a careless picker when he sends his turkeys away alive. If he has not already received his payment he has no recourse for poorly bled or torn

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1 For an analysis of production problems the grower is referred to Montana Extension Bulletin 101, “Turkeys in Montana” or United States Department of Agriculture Farmers Bulletin 1409, “Turkey Raising.”
TABLE NO. 1 COOPERATIVE SHIPMENTS*

<table>
<thead>
<tr>
<th>Year of Membership</th>
<th>Number of Associations</th>
<th>Pounds Shipped Cooperatively</th>
<th>Amount Received By Association</th>
<th>Av. Price for Season</th>
<th>Season Prime Young Toms</th>
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<tbody>
<tr>
<td>1922</td>
<td>1</td>
<td>15</td>
<td>48,000</td>
<td>$11,000.00</td>
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<tr>
<td>1923</td>
<td>1</td>
<td>?</td>
<td>646,873</td>
<td>194,063.00</td>
<td>.34</td>
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<td>1924</td>
<td>10</td>
<td>?</td>
<td>829,000</td>
<td>255,332.00</td>
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<tr>
<td>1925</td>
<td>16</td>
<td>?</td>
<td>575,347</td>
<td>223,702.39</td>
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<tr>
<td>1926</td>
<td>17</td>
<td>?</td>
<td>700,000</td>
<td>300,000.00</td>
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<td>17</td>
<td>?</td>
<td>1,068,293</td>
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<td>3,196</td>
<td>1,318,268</td>
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<td>3,200</td>
<td>1,192,360</td>
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<td>1930</td>
<td>21</td>
<td>3,300</td>
<td>386,981</td>
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<td>21</td>
<td>3,110</td>
<td>856,491</td>
<td>186,556.60</td>
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<td>1932</td>
<td>21</td>
<td>3,614</td>
<td>949,578</td>
<td>116,576.21</td>
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<tr>
<td>1933</td>
<td>21</td>
<td>2,255</td>
<td>1,196,275</td>
<td>178,494.66</td>
<td>.16</td>
</tr>
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<td>1934</td>
<td>23</td>
<td>2,614</td>
<td>1,204,444</td>
<td>243,960.59</td>
<td>.22</td>
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*From census figures, it is apparent that only about 30% of the crop moves through cooperative channels. Part are consumed on the ranch, part within the state and part exported by independent dealers.

birds. Probably the worst feature of some dressing plants is the growing tendency to slack-scald. This method is not without merit. However, it is not thoroughly understood as yet. Slack or semi-scalled birds are dipped in water at 125°F to 130°F for one-half minute. They look like dry picked birds but they do not stand up as well. The fat has a tendency to become rancid. It has proven altogether impractical where proper chilling and holding facilities are not available. Until more is known about the process and how to use it, a grower who sends his birds to a dressing station using the slack-scald method, takes some risk.

With cool Montana nights there is no need to send birds away alive. The birds can easily be cooled to the required 36°. When home-dressed there is rarely any out-of-pocket expense. Turkey shipments come at a time of the year when most other rush farm work is done,—from November 1, to January 15,—hence, there generally is time for home dressing. Even when the grower must hire some labor he still has the opportunity of supervising the dressing.

Federal Grades—Since all of the home dressed birds sold through Montana pools and a large proportion of the birds sold to reliable private firms are sold on the basis of federal grades, it is well for the grower to study them before killing a bird, so that specifications may be met. (See table 2, pages 9 and 10). There are certain advantages of selling on grade. In offering any product for sale the chances for making the sale are greater if buyers' demands can be met.

Although the grades did not come into general use until 1930, it is already difficult to sell turkeys on the Los Angeles market that are not U. S. graded. New York is rapidly following suit. A certain chain store operating extensively in the east purchases only U. S. graded turkeys.
### U. S. GRADES

#### QUALITY SPECIFICATIONS FOR INDIVIDUAL BIRDS

<table>
<thead>
<tr>
<th>Grade</th>
<th>Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U. S. SPECIAL or U. S. GRADE AA</strong></td>
<td>Young, fine-grained, soft-meated female bird, with broad full-fleshed breast, and with the entire carcass fully covered with fat. Must be well-bled, well dressed and practically free of pinfeathers, and have empty crop. No flesh bruises allowed; and only very slight skin abrasions, bruises or discolorations permitted, none of which shall be on the breast. Slightly dented breast bones (not to exceed 1/4 inch in depth) permitted but no crooked breasts or other deformities allowed. A broken or disjointed wing above the wing tip, or a broken or disjointed leg, not permitted. Must be dry picked or semi-scalded and must be dry packed.</td>
</tr>
<tr>
<td><strong>U. S. PRIME or U. S. GRADE A</strong></td>
<td>Young, soft-meated female bird, with well-fleshed breast, and with entire carcass well covered with fat. Must be well bled, well dressed, with breast practically free of pinfeathers and only few scattered pinfeathers over remainder of carcass. Crop must be empty. Only very slight flesh or skin bruises, abrasions, or discolorations permitted, with breast practically free of such defects. Slightly dented breast bones (not to exceed 1/2 inch) permitted, but no crooked breasts that would interfere with the slicing of the meat, or other deformities, allowed. Broken wings above the wing tips or broken legs not permitted. A disjointed leg or wing permitted if only slightly bruised. Birds with crops properly removed and sewn up may be included in this grade. Must be dry picked or semi-scalded and must be dry packed.</td>
</tr>
<tr>
<td><strong>U. S. CHOICE or U. S. GRADE B</strong></td>
<td>Young female bird, with fairly well-fleshed breast, and with carcass fairly well covered with fat. Must be fairly well bled and dressed, and may show scattered pinfeathers over the entire carcass. Crops must be practically empty of feed. Slight flesh or skin bruises permitted, but not more than three such defects on any bird. Slight skin abrasions or discolorations permitted. Abrasions or tears over three inches in diameter not allowed, unless properly sewn up. Dented or slightly crooked breast bones or other slight deformities permitted. One broken wing or one broken leg permitted if bone does not protrude through the flesh and if not showing excessive bruise or blood clot.</td>
</tr>
<tr>
<td><strong>U. S. COMMERCIAL or U. S. GRADE C</strong></td>
<td>Young female bird which may be poorly fleshed and with carcass poorly covered with fat. May show evidence of poor bleeding and have numerous pinfeathers over the entire carcass. Skin abrasions and discolorations permitted. Hunch back or other deformities allowed if birds are fairly well fleshed. Birds badly bruised so as to make any appreciable part of the carcass inedible not permitted. Birds showing emaciation or external evidence of disease or other condition which would render them unwholesome or unfit for human food not permitted.</td>
</tr>
<tr>
<td>CLASSES</td>
<td>U. S. GRADES</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>YOUNG TOM</td>
<td></td>
</tr>
</tbody>
</table>
|              | U. S. SPECIAL or U. S. GRADE AA | Young male bird with quality specifications the same as for U. S. Special or U. S. Grade AA.  
|              |                       | Young hen with due allowance made for fleshing conditions characteristic of its sex.                    |
|              | U. S. PRIME or U. S. GRADE A | Young male bird with quality specifications the same as for U. S. Prime or U. S. Grade A.  
|              |                       | Young hen, with due allowance made for fleshing conditions characteristic of its sex.                    |
|              | U. S. CHOICE or U. S. GRADE B | Young male bird with quality specifications the same as for U. S. Choice or U. S. Grade B.  
|              |                       | Young hen, with due allowance made for fleshing conditions characteristic of its sex.                    |
|              | U. S. COMMERCIAL or U. S. GRADE C | Young male bird with quality specifications the same as for U. S. Commercial or U. S. Grade C young hen. |
|              |                       |                                                                                                          |
| OLD HEN      |                       |                                                                                                          |
|              | U. S. SPECIAL or U. S. GRADE AA | Mature female bird with quality specifications the same as for U. S. Special or U. S. Grade AA young hen, with due allowance made for fleshing conditions characteristic of its age. |
|              |                       |                                                                                                          |
| OLD TOM      |                       |                                                                                                          |
|              | U. S. SPECIAL or U. S. GRADE AA | Mature male bird with quality specifications the same as for U. S. Special or U. S. Grade AA young tom, with due allowance made for fleshing conditions characteristic of its age. |
|              |                       |                                                                                                          |
The reason for this is simple. When a buyer purchases a lot of government graded birds he knows exactly the kind and quality purchased. Furthermore if the birds are overgraded, he is entitled to adjustments. In view of this fact, the buyer not only has a preference for the graded birds but also is often willing to pay a premium. This, of course, is to the producer's advantage.

The grower who sells on government grade is protected from the unscrupulous buyers who turn down or lower grades of birds on a falling market. Also producers of superior products enjoy greater returns under federal grades on a market when high quality is the average. For example, on a Christmas market when nearly all birds are prime, it has been the practice to tighten grades. “This bird might have graded 'prime' on a Thanksgiving market,” was a common remark under the old system. This cannot happen under federal grading.

Another benefit to producers arising from federal grading is the information gained by observing the actual grading by a disinterested federal grader, who can explain why birds are put in certain grades. Because of this, a grower who must ship to a distant point for grading is at some disadvantage. Therefore, whether selling to a cooperative or to a private firm, the grower's first consideration should be to sell dressed birds on federal grade.

**Fleshing and Fatting**—Taking for granted that birds are to be handled by a federal grader, let us examine the grading specifications. The first thing considered is the condition of the bird prior to slaughter. “A well fleshed bird with the entire carcass well covered with fat,” is the requirement for prime birds. This is explicit. At first this would appear to be entirely a production problem, but it also has its marketing aspect. A bird need not be killed until prime.

If the birds are not ready by the first week in November, when they must leave Montana for the Thanksgiving New York market, they should be kept until the first week in December for the Christmas market. If still unfinished, there is always the “freezer pool,” which is moved the middle of January. The additional cost for feed required to hold birds generally is more than offset by the extra amount received through more poundage and placing birds in a higher grade. A good method of finding out whether a bird is finished is to examine a pin feather and squeeze the quill. If the quill is practically dry the bird is mature. If filled with dark bloody material the bird requires further fattening. Also the feathers over the breast may be parted and the flesh examined. If the skin has a bluish cast the bird is not “well covered with fat.” The fat bird has the lean meat interspersed with fat or is “well marbled with fat.”

In like manner the rest of the dressing definitions should be thoroughly understood before birds are slaughtered.

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1For killing directions see Montana Extension Bulletin 101 “Turkeys in Montana.”
Cooling—Cooling is such an important factor in marketing that it deserves a separate discussion. After birds are completely dressed they must be cooled for at least 24 and preferably 36 hours or until the body heat is entirely removed and the internal temperature is 36°F. Unless the body heat is removed spoilage will occur, therefore government graded birds cannot be packed until the internal temperature registers 36°. Furthermore, there is nothing that slows up a pool more or requires more extra labor than time required to cool hot birds. Therefore it is money in the growers' pocket to bring in properly cooled birds. Also it should be remembered that birds cannot cool to 36° in a room temperature over 36°. When the inner portion of the bird is thoroughly cooled the abdominal fat becomes rigid like a tallow candle.

Those who desire to deliver birds not thoroughly cooled, in order to avoid shrink are only deceiving themselves. If excess shrink occurs after delivery it is reflected back to the pool or private firm, and hence to the producer. Even U. S. grades will not give protection in case of excessive shrink.

Heads, Feet and Mouth—A grader is instructed to lower a bird one grade if feet are dirty, blood is in the mouth, or material in the vent. These must be attended to by the grower. The feet should be scrubbed
in hot—not scalding—water and dried before the bird is cooled. Also the vents must be squeezed and no material allowed to soil the carcass. In regards to blood in the mouth, some prefer to wait until the body has thoroughly drained, then snap the clot from the mouth, while others wish to wash out the mouth in hot—not scalding—water and dry. In washing both feet and mouth care must be taken to get no water on the carcass.

Delivery—If birds are properly cooled there will be very little danger of bruising or scuffing. Nevertheless, care must be taken to have birds properly protected when taking them to town. They should be covered with blankets or something and not piled too deep. If carried in a wagon box, clean straw should be placed in the bottom or the wagon. In sub-zero weather extra precautions should be taken to avoid frozen birds, either while cooling or while delivering to the assembling plant. A thawed bird is apt to become slimy and to spoil in transit. Frozen birds cause pools nearly as much trouble and expense as hot birds.

Figure 6—(1) Prime, the broad breast especially desirable (2) Prime, (3) Choice, slight crook, not as well fleshed, (4) Choice, slightly pinny, lacks fleshing.
ASSEMBLING PROBLEMS

So far only the problems of preparing a product to meet market demands have been discussed. A second part of the marketing problem is how to offer the product for sale and how to decrease marketing costs. This brings up the question of whether it is more economical for the grower to ship and sell his crop individually or to deliver it to an assembling plant, either privately owned or cooperatively managed. Except where a person has a special local market, or has a crop large enough to make a carlot shipment by himself, the arguments are all in favor of assembling with other growers. Both cooperative and private concerns are in a better position than the individual to cut assembling and shipping costs and gain a national reputation for their properly assembled product.
However, the grower should be informed of the problems of assembling and shipping. This is especially true, if the grower is a member of a cooperative organization. Through understanding these problems he is better able to help reduce operating costs and thus increase his own personal returns.

Volume—The foremost factor in reducing marketing costs and hence narrowing the spread between producer and consumer is volume. Everything else hinges upon this. During the 14 years that cooperative organizations have been in operation in Montana, they have found it unwise to attempt to make a car stop or assemble at a point unless they were assured of at least 6,000 pounds of turkeys. This often handicapped isolated growers. But with the new concentration point rate which went into effect recently and which was the direct result of a cooperative selling agency's effort, a grower can send even a small shipment to a concentration point. This new rate schedule adds only 9¢ per 100 pounds to the rate from point of origin, which is a material saving over either an l.c.l. or express rate to the concentration point.

As stated above volume has an important bearing on all other assembling point problems. With increased volume, the cost per pound for labor, management, boxes, and other supplies is reduced. Furthermore, with a considerable volume the assembling agency is able to make a more presentable pack and thus obtain a better price for the product.

The average assembling cost for the cooperative agencies of the state runs from a little over one cent to about two cents per pound.

Package and Packing—It is most important to have volume in order to make an attractive pack. The eastern buyer judges the produce by its appearance in the box. To make a sale and get the price, the assembling point must defer to the buyer's wishes. He wants the birds in each individual box sized to a pound and segregated by class and grade. He further wants a light box, one that is easy to handle and one that can be easily displayed. The new wire bound box used by a majority of the pools and private firms seems to be the best suited. A glance at these demands of the discriminating buyer who will pay the top of the market shows how impossible it would be for an individual grower to meet them.

A discussion of boxes and packing would not be complete without a bit of the history and progress made in packing and packages during the last decade and a half. When that first car was shipped in 1922, the pool knew little about packing or packages. All the available barrels were collected and the turkeys crammed into them. But there were not enough barrels, hence the remaining turkeys were racked-up on two by four lumber across the car. When the car got to Chicago the turkeys were frozen stiff, and had to be taken to produce houses to be thawed before they could be graded and packed.

The next year an unwieldy double layer box was introduced. It was both costly to purchase and expensive to ship. After that there was a
rapid succession of boxes of various types. However, the box factories' output both in type and weight of box, showed a steady improvement, mainly through the encouragement and efforts of the cooperative organizations. The result to date, is the new single layer wire bound box which costs much less and weighs only about half as much as the earlier ones. This lessening of weight means a great saving in freight. Also, the new box has the added advantage of being constructed so as to accommodate both toms and hens. This eliminates the guess work of how many boxes to order of each kind. In addition, it makes a much neater and more efficiently packed car.

This box lends itself to display in selling centers. It can be opened easily, displays the product nicely, and can be closed again without injuring the appearance of the box in case a sale is not made. Perhaps the greatest advantage of the new box, however, is that warm birds can be car-cooled in it, with much less labor than was formerly involved.

The average cost for box and paper per pool is about $.003. This, of course, depends upon the volume and how efficiently the packer boxes the birds.

The Packer—This brings up the question of packers. An expert packer is a real asset to a pool. He can make or mar the appearance of the
product, and thereby have considerable bearing on the price the association is able to receive. In consequence most pools pay their packers more than they do ordinary labor and try to hire the same packers year after year. The average packer's wage in Montana is from $.60 to $.80 per hour, which amounts to an average of about $.0023 per pound.

Labor—Ordinary labor gets less pay than the packers. In most cases, the labor used in assembling car lots of turkeys runs from $.40 to $.50 per hour. The number of men that are necessary depends entirely upon the volume. Most pools find it cheaper to hire sufficient help to get the work done in a short time, as the work is done more efficiently. The average cost for labor is about $.0039 per pound for Montana pools.

The Manager—A pool seldom flourishes if it operates on donated labor. Often the growth and tonnage of the pool varies directly with the salary given to the manager. If a manager receives little compensation he cannot afford to spend much time in trying to increase membership. The pool having the largest tonnage in Montana also pays the highest salary, yet because he finds it worth his while to work for the pool, his salary has amounted to only $.001 per pound while the state average is $.0026 per pound.

The Grader—The salary of the government grader is fixed by a cooperative agreement between the State Department of Agriculture and the United States Department of Agriculture, so that the average cost per pound depends entirely upon the tonnage of the pool. The average cost for the state pools is $.0009 per pound. A good grader is very important and his personality contributes much to the success of the pool.

Other Salaries—Some of the pools employ paid secretaries. But for the most part the managers take care of these duties, as most of them feel that the work comes within their province anyway. The average cost of secretaries is about $.0013 per pound in Montana. Some of the pools pay their directors a definite amount for attending regular meetings. This cost in Montana amounts to about $.00021 per pound. One pool also has a paid president, though in all other pools the president only receives the same as the rest of the directors.

Cartage and Drayage—Some of the state pools are unfortunate enough to be located away from the railroad and others have assembling rooms that are not “on track.” However, through the generosity of the railroads most of the pools have the use of the freight house during turkey loading time. Those who are not so fortunate find that they pay about $.001 per pound for cartage.

Other Items—There are other items, such as telephone, telegraph, stamps, and in some instances, rent, taxes, and storage for supplies in non-marketing seasons. The matter of telephone is often misunderstood by the membership; yet extensive use of such an aid is indispensible. For example, a pool manager incurred a $10.00 telephone bill which resulted in saving
the grower one-half a cent per pound on a 25,000 pound shipment, or a saving of over $100.00. These other items amount to about $.001 per pound.

The total cost of assembling by Montana pools averaged about 1.35 cents per pound for 1935. The range for different pools was from .071 to 2.16 cents per pound. The highest cost pool had about average volume and the lowest cost pool had less than average volume.

Volume Handled by Montana Pools—Table 1, page 8 shows the number of associations and members, the volume handled and price secured by Montana turkey pools since their inception.

SELLING PROBLEMS

The last of the marketing problems to be considered here is that of selling. This, as stated previously, is a problem of obtaining a price such that the producer will receive a reasonable profit, yet at the same time keep the price low enough to encourage active consumption and a steady market.

Freight Versus Express—In an exporting state, after turkeys are packaged, the problem arises of getting them to market. For the individual grower who plans to do his own shipping he is practically limited to express shipments. For this reason he seldom attempts to ship farther east than Chicago. This often is unfortunate because New York, where the turkey prices usually are established for the nation, generally is from one to three cents per pound higher than Chicago. The pool or the private concern, on the other hand, can send car lot shipments by freight to New York for about the same cost per pound that turkeys can be sent to Chicago by express. Also, turkeys easily become shopworn. The bloom is protected in a well-conditioned refrigerator car, iced-to-capacity, and properly stripped and braced. This is another advantage enjoyed by those who ship with reliable independent buyers or cooperative associations.

Checking Freight Rates—While freight rates are the same to all shippers, a cooperative organization which has its own channels through to the retailer can check the charges. For example, one large cooperative selling agency, which has its own machinery to study and check freight structures, annually returns many hundreds of dollars to its member organizations for miscalculated freight charges.

System of Partial Payments—A cooperative sales agency is not in the business to gamble. It is concerned only with straight sales, therefore in order to protect its members it must follow the practice of paying only part of the value of the birds on delivery or less than what it is absolutely sure will be obtained in the central markets. Usually this advance payment amounts to about 60 per cent of the anticipated selling price. It is interesting to note that some of the progressive independent buyers have put aside their old system of playing a fluctuating market and have come over to the system of partial payments. With this system there is nothing to lose and much to gain on a rising market, because
the selling agency is protected, so that everything above cost or commissions, as the case may be, goes to the grower.

Commissions Versus Actual Selling Costs—An organization cannot be called a true cooperative marketing association unless it sells its product as well as assembles it. While the private firms often do a very good job of selling the product for an assembling agency, especially on a low market, the commissions usually amount to more than the actual costs of a strictly cooperative sales agency on a high market. The commission is the legitimate profit which a private concern is entitled to, but the cooperative selling agency does not have to show a profit. All it makes, over and above actual selling costs, goes back to members or growers. Furthermore, a large selling agency with sufficient volume can watch the market, place turkeys where the market is short, and withhold the product where the market is liable to become glutted, thereby stabilizing the market and improving the price.

Perhaps one of the finest services the selling agencies of a cooperative nature have been able to perform for their members is the elimination of unnecessary handling of the turkeys. This is an important factor in keeping the price low to the consumer and at the same time return a fair amount to the grower. Before channels were cleared there was usually a spread of 20c to 25c between what the consumer of New York City paid for a pound of turkey and what the grower in Montana received. Now the spread has been narrowed to 10c. If the price can be kept low enough for the average city wage earner to be interested in buying turkeys all the year around, then the demand will exceed the supply and there need be no problems arising from the rapid expansion of turkey production in the northwest.