



# **Co-operative commodity marketing. Bulletin no. 33 May 1923**

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# The Banker-Farmer News Bulletin

WISCONSIN  
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A Little Journal of Agricultural  
Information for the Farmer

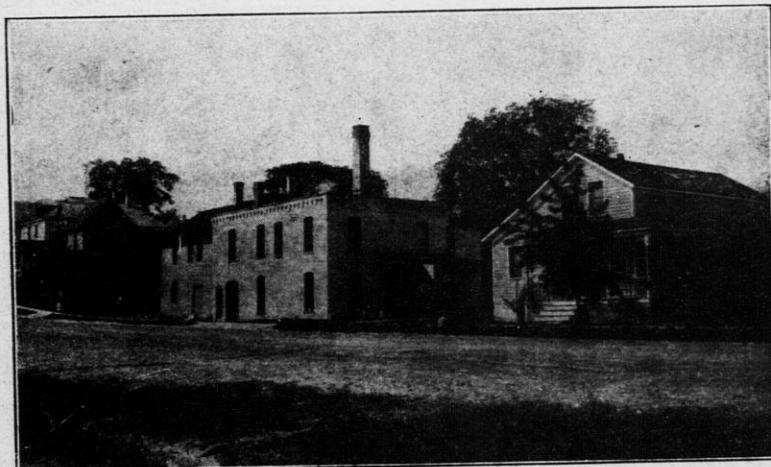
BANKER-  
FARMER  
EXCHANGE

BULLETIN No. 33

MAY, 1923

## Co-operative Commodity Marketing

By THEODORE MACKLIN  
College of Agriculture, Madison, Wisconsin



THE LOCAL FACTORY—FIRST STEP IN CO-OPERATIVE MARKETING.

Success depends on volume of business, economical operation, superior product,  
and connection with an economical marketing system.

Compliments of  
**BANKER-FARMER EXCHANGE**  
1822 Chadbourn Avenue,  
MADISON, WIS.

# Co-operative Commodity Marketing

By THEODORE MACKLIN

College of Agriculture, Madison, Wisconsin

"Winning Success for Farm Products Through Advertising" was discussed in the Banker-Farmer News Bulletin for April. One of the seven fundamental propositions listed for successful advertising expenditure was the following:



CO-OPERATIVE WAREHOUSES—SECOND STEP IN CO-OPERATIVE MARKETING.

Each warehouse forms the center of a district exchange. These exchanges co-operate in maintaining a national sales company.

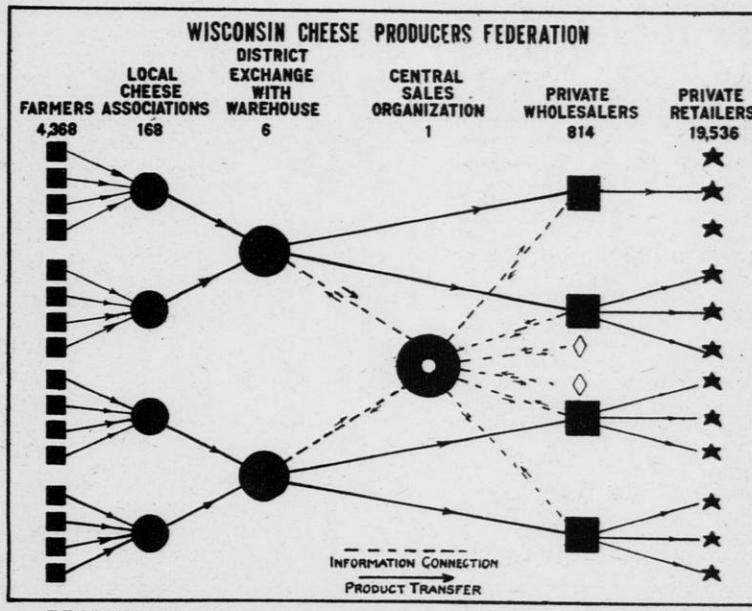
"There must be a cooperative commodity marketing company, owned by farmers. It must be so created and operated that it renders unexcelled service with greatest efficiency."

## SECRET OF MARKETING SUCCESS

There are a number of instances where farmers have improved marketing in a constructive manner. Among them may be mentioned the Danes with butter and bacon, the Siberians with butter, the New Zealanders with cheese and butter, the New Englanders and the Badgers with cranberries, Florida farmers with citrus fruits, British Columbia farmers with milk and apples, Oregonians with cheese and apples, Washingtonians with fruits, and the Californians with all sorts of farm products. The outstanding fact in all these instances is the farmers have first organized co-operative marketing companies. They have literally changed from the private marketing system to the cooperative system.

### THE MIDDLEMAN NECESSARY

In none of these successful cooperative enterprises have the farmers abolished all the middlemen. Not at all. They have been wise enough to bring into existence



PRODUCERS FEDERATION—THIRD STEP IN CO-OPERATIVE MARKETING.

Note that 4368 farmers deliver milk to 168 factories, which deliver cheese to six district warehouses. The central sales organization procures orders for all the cheese that the 168 factories turn out and sends it as direct as possible to the wholesalers.

by well planned programs vastly better and more efficient middlemen than existed there before. They have employed these middlemen to work, not in their own narrow interest, but for the great common interest of the industry.

The vision that real cooperators have had, where cooperation has improved conditions, has been to build a better marketing system by using real expert middlemen. Cooperation is something constructive. It is not something destructive. To abolish all middlemen would be just like abolishing all hired farm labor. Yet no sane farmer is trying to abolish good hired farm labor. His problem is one of protecting himself from getting a poor laborer when he is wanting a good helper. Just so in marketing. What the farmer needs is the best possible marketing service.

### STICKING TO A CONSTRUCTIVE PROGRAM

Where farmers of a given product have gone out after this better service they have returned home convinced that the only way to get it is to build their own marketing company. Where they have diligently stuck to the building program, they have prospered. In many other regions where farmers have wanted and expected to get results over night, they have met with disastrous failure. Success did not come until they owned and efficiently operated a real marketing machine. Plenty of failures have been noted on the Pacific Coast, as everywhere else, where a practical and efficient

commodity company did not materialize. This, then, is the first great and absolutely necessary step to take if farmers want to increase purchasing power through marketing activities. Let it also be emphasized that the meaning of commodity marketing is that one company markets one product.

#### ALLOW TIME FOR DEVELOPMENT

There is only one excuse for having a cooperative company and that is to actually do business for its members better than this work could be done in any other way. But farmers and every one else must recognize that ripe fruit must pass through a green stage. No cooperative company can materialize over night and deliver on its second day perfect results nor even satisfactory results. In other words, there is a growing stage for anything worth while. The people who want to see cooperative marketing succeed must not only be willing to wait a reasonable length of time for results, but they must feed the organization while it grows from babyhood to maturity. Feeding a marketing enterprise through the growing stage means to do business with it until by experience and by enlargement it can render better service than any of its competitors.

#### UNEXCELLED SERVICE COUNTS

Let me emphasize that no big stick ever won a satisfied buyer, but that unexcelled service has always been rewarded by the premium. You may be able to kill middlemen off by a big stick, but you can never earn their loyalty and cooperation that way. Neither will the consumer call for repeat orders because you carry a gun. It is nectar that lures the bee. It is unrivaled service, which means unmatched satisfaction, that lures to a marketing company two buyers where only one came before.

#### MUST PATRONIZE OWN COMPANY

But let me ask in all seriousness how much lure will there be toward a marketing company that has no products to handle, and, therefore, no unexcelled service to render? Growth by a marketing company is impossible without products to handle. Real service that beats the world and all competitors is impossible in the absence of unrivaled products and management. It is to make possible better marketing service for better products that the farmers in some places have caught that true spirit of cooperation that causes them to market all of their product through their own company. And who, pray tell, would patronize a company which its owners would not themselves patronize? If a farmers' cooperative marketing company is not patronized one hundred per cent by its own founders, what reason can be advanced for its further growth? These are the questions which every cooperator, both prospective and actual, must answer understandingly if their enterprise is to succeed. It must be answered whether contracts are signed or not for in the absence of this understanding by the majority of the farmers in the community, no contract is binding nor enforceable, and no organization can continue indefinitely to survive.

#### Banker-Farmer Briefs.

"I think your Association is a very good thing for the buyer and seller, and it is well worth the commission for anyone that goes there to buy. If I were going to buy any more cattle, I would send you an order of what I wanted," writes a buyer from Iowa, "and let your fieldman buy them for me."

\* \* \* \*

"Will send you an order and a draft for some cattle in a few days, and will give further details with order." Thus writes a party from Delaware who cannot come to Wisconsin in person to purchase.

\* \* \* \*

A Georgia Banker is assisting his farmer patrons by encouraging the purchase of more and better livestock. A letter of inquiry came to the Banker-Farmer Exchange for any assistance that could be rendered through its literature and listings of good dairy cattle.

\* \* \* \*

The Banker-Farmer Exchange has a complete line of purebred seeds for sale and is in position to fill orders of all kinds. Write us for our seed list and order blank.

\* \* \* \*

Many orders for seeds have come in this spring. A large number of these are repeat orders accompanied with the voluntary statement that the seed was the best they had ever used.