CO-OPERATION NEEDED AMONG FRUIT GROWERS.

(G. S. Jolly).

Much has been written from time to time regarding the benefits of co-operation to primary producers and while some progress has been made in certain districts of this State there is room for extensive further development of co-operatives. This applies particularly to the fruit-growing industry, where growers before the war were generally fighting an up-hill battle, with such problems as adverse seasonal conditions, losses through pests and diseases and glutted markets with consequent low average returns.

During the war years prices of fruit were considerably higher than previously and growers in the main were able to obtain a more equitable return than in former times. Many of the thoughtful men in the industry are aware, however, that there is every likelihood that in the post-war era consumers will not be able to pay the high prices which ruled in recent years and that if good seasons are experienced the old law of supply and demand will operate on an uncontrolled market, with the result that values are likely to topple.

With this prospect in mind, more attention should undoubtedly be given to co-operation on the part of producers. There are already examples in this State of progressive fruit co-operatives, and growers in other districts would be serving their own interests as well as those of the industry as a whole if they selected representatives to study those and gave some consideration now to the advantages to be gained by co-operative movements. The fact cannot be ignored that many producers thoroughly dislike interference, but co-operation really means combination of effort for the benefit of the many.

References by Royal Commissions.

Two impartial Royal Commissions of Inquiry have made pertinent references to this question and the following extracts from their reports represent the considered views of competent and impartial authorities who have devoted a considerable amount of thought to the subject:

Queensland Royal Commission on Fruit and Vegetables.

"Co-operation is most difficult to achieve because of the fear that the party proposing the co-operation or some other person is going to get 'something out of it'. The assertion of 'individualism' is too often a mere declaration of a right to starve or to live in coccio conditions. That sort of individualism can be met only by education and by persistent efforts to destroy it - - - - -"
"Fifty years have passed since the advantages of organisation were first recognised; a growers' central organisation - respected and trusted by the growers, representing the growers' interest, co-ordinating and/or controlling at least the main activities essential to the functioning of the industry - should have been created, and should have had sections or departments controlling:

(a) bulk buying,
(b) bulk loading, and
(c) a case exchange.

Such a development is even now impossible of accomplishment, unless growers radically alter some of their fundamental opinions, the most important being the belief and the demand that action must be conceived, initiated, approved, and implemented from local centres.

No strong representative organisation can be founded in this manner - it is impossible to secure quick and speedy decision or action - it makes for confusion and discord rather than for stability and peace.

Political systems in the British Commonwealth of Nations provide machinery for the constitution of central governments - Parliament with Cabinet and Ministerial responsibility - the mass of citizens entrusting decisions to a few elected representatives.

In the same way, the fruitgrowers of New South Wales should provide a growers' central organisation with adequate powers, responsibilities, and discretions."

Secondary Industries.

Unlike most other industries, primary producers on a free market do not know what their product will realise. There is little stability in the fruit market under normal conditions, prices fluctuating from day to day and not infrequently from hour to hour on the same day. In the case of manufactured articles, however, it is usually possible to add a percentage of profit to estimated costs of production. It is practicable also to regulate production approximately to demand, but with seasonal and other conditions to contend with, fruit growers and other primary producers have no means of doing so.

Another important feature is that generally there is a comparatively limited number of manufacturers of individual products whereas there are some 6,000 fruit growers, many of whom are marketing the particular classes of fruit they produce at the same time and in competition with one another.
Production and Marketing Costs.

In the war years a sellers' market existed most of the time but the reverse is likely to be the case, if not immediately then at no distant date. The position may then conceivably arise when a reduction in growers' costs of production and marketing will make all the difference between a profitable orcharding proposition or a bare existence, if not loss. Successful undertakings do not always depend entirely on the selling price, but on other factors as well. As a simple illustration, it may be that a fruit-grower would realise 14/- for a case of fruit and that his costs would amount to, say, 10/-, leaving a profit of 4/- per case. On the other hand, another grower may realise 14/- and his total costs may be 8/-, representing a profit of 6/- or a difference of 2/- per case, which on 2,000 cases, would represent £200. A reduction in costs may therefore play a big part in the future of the fruit-growing industry.

The question thus arises as to how costs may be reduced. It must be remembered that successful fruit-growing necessitates constant care and attention to the orchard and this is dependent, to an extent, on the time a grower has available to attend to the essential field work in the orchard. Co-operative grading and packing houses have, in certain districts, demonstrated to growers the value of co-operation in the grading and packing of fruit.

Co-operative Packing Houses.

The Queensland Royal Commission on Fruit and Vegetables stated in its recent report:

"Under the packing shed system the grower need not necessarily lose his own goodwill. Arrangements can be made for marketing under the grower's own brand, if desired. The packing shed system has other advantages besides ensuring a proper pack. Packing by the grower, unless he be an expert, is very much slower than packing in packing sheds - the difference has to be seen to be believed. The work put into packing by the grower probably could be better spent in other farm activities. Many growers are averse to the packing shed system as they think it is more expensive than farm packing because of labour costs. They probably are wrong in terms of real costs."

Co-operation in America.

In America, co-operation is practised very extensively in the fruit industry and covers practically every phase of activity including co-operative packing, bulk loading, selling and advertising, etc. In addition, co-operative purchases of growers' requirements in bulk at concession rates represent savings in producers' costs. In some States these co-operatives have their own saw mills, producing shocks and made-up fruit cases. Not only
does the producer receive the benefit of lower prices for his case requirements by reason of direct supplies, but participates in any profits made by the Co-operative.

Possibilities in New South Wales.

There appears to be no reason why Co-operatives operating on these lines in this State should not function successfully but this would only be possible if sufficient support were forthcoming from the growers themselves. Producers in the main are individualistic and self-reliant and while this is a praiseworthy trait it is very often a disadvantage to the industry as a whole. A co-operative undertaking, efficiently managed and particularly where cold storage facilities are available could, inter alia, assist very materially in regulating supplies to market, thus making for stability and tending towards the elimination of gluts. A federation of Co-operatives or even a working agreement among different Co-operatives working to serve the growers' interests, could become a most powerful weapon on behalf of the fruit-growing industry.

Few will deny that the Allies performed amazing feats during the war through organisation. In the darkest days of the war Governments demanded and received the utmost co-operation from practically all sections of the community. If this had not been forthcoming the struggle would no doubt have been prolonged greatly. This experience, however, demonstrated what could be done by pulling together and working as a team. If individualism had been practised the result would have been different.

Co-operation does not mean compulsion, but given sufficient support it means bargaining power. The efficiency of any co-operative enterprise depends largely on the business acumen and ability of the Executive but existing Co-operatives in this State have proved that talent in this direction is available.

In view of the problems which will undoubtedly face the industry in post-war years, it is hoped that progressive minds in the industry will give early thought to the advantages of co-operation and will take practical steps along lines of co-operative effort. They will, however, require the backing of the industry and if sufficient growers are prepared to take an active interest in the co-operative movement, the cost to each will be comparatively small.