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FRUIT GROWERS' ASSOCIATIONS

BY

W. PADDOCK

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The Agricultural Experiment Station

FORT COLLINS, COLORADO

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FRUIT GROWERS' ASSOCIATIONS

W. PADDOCK

The Western Slope District—The geographical location of Colorado, particularly of the fruit district on the Western Slope, is such that it is necessary for the majority of fruit growers to sell their products through associations. This is especially true since the product of her orchards has become so great that the bulk of the fruit must be sold outside of the State. Here we must compete for the markets, usually at a disadvantage because of high, and many times unjust, transportation rates. Car load lots then must be the unit of shipment, but what is more important, the shipper must know the condition of the markets each day in order to place his produce to the best advantage. It must be apparent that the marketing of fruit requires a high type of business ability, and the average grower has small chance in the markets under these conditions. This was particularly true a few years ago before the associations had become important factors in marketing. Since their advent prices have been much more stable, and the entire section has been benefited thereby. Formerly the grower had no means of becoming acquainted with the condition of the outside market, so he was more or less at the mercy of the buyer.

There is a wide difference between the prices received by the producers of farm products and those which the consumers are compelled to pay. Could the two classes deal directly with each other, the law of supply and demand would control prices and each class would be greatly benefited. However, we can scarcely hope to reach this consummation, but much may be done to better present conditions if the farmers can only grasp their opportunities.

Fruit growers' associations are not new institutions in Colorado. Perhaps in no state east of the Pacific coast have they been more successful or longer in operation. But there are still many localities in the State which are either not organized, or where the existing associations have not been so successful as is desirable. Then there are localities where special crops, other than fruit, are grown where the growers would be greatly benefited by marketing their produce through associations. An attempt is made in the following pages to describe the workings of the fruit associations with the idea of being helpful to those who may be interested in such organizations.

The growing of fruit itself is an intricate business and is usually all that one man should attempt. If he makes a success of orcharding, the time of the average man will be fully occupied.

Then he can afford neither the time nor money to keep posted on the conditions of the markets every day, or to become acquainted with the many intricacies incident to marketing.

An association, on the other hand, can afford many of these things, because of the volume of business involved. For instance, the manager must have daily telegraphic reports on the condition of the markets; he often has a personal acquaintance with the buyers, and he finds it to his advantage to make occasional trips for the purpose, even to distant states. He can also have a system of diverting cars after they have been sent out of the State and thus avoid a glutted market, or send his fruit where it will sell to better advantage than where it was first planned. The icing of the cars can also be properly looked after. Associations are often the means of getting lower freight rates, because the hauling of several hundred cars is an item worth competing for, and in a number of instances, the managers have been successful in getting rates changed to their advantage. Such rates are, of course, open to all shippers. Buyers often want a number of car loads of a certain variety and are willing to pay a premium if their wants can be supplied, and not infrequently such sales are the means of disposing of large amounts of the inferior varieties or grades. An individual is seldom in a position to take advantage of such opportunities. Associations are successful in maintaining a uniform pack, and by this means they establish a reputation for their goods. Usually the best grades of fruit are sold as a certain brand. The brand, which should be copyrighted, is sufficient guarantee for the quality, or, at least, it must be if the association expects to gain and hold a reputation.

Supplies of various kinds, which are used on fruit farms, may be bought at wholesale, often in car load lots, as indicated on Page 13, which is quite an advantage, especially in such items as spray and box materials. The saving which the association makes to the growers in this way is no small item, as everything is bought at wholesale. The prices to growers are only slightly in excess of actual cost. And then it is advantageous to keep a certain amount of the better class of help from year to year and to furnish them with employment, so a more or less extensive jobbing business may be carried on, as indicated on Page 13. It will be noticed that not only is a large amount of fruit growers' supplies handled, but a wholesale business in other lines may be done, depending upon the demands of the locality.

And, finally, an association can be handled more economically than it is possible for most individuals to market their fruit, unless they depend entirely upon the traveling buyer, or resort to the doubtful expedient of consigning to commission men.

Given a capable manager and a wise board of directors, there

can be but small chance of failure under our conditions. But men who are capable of handling 500 to 1,500 cars of fruit at a good profit are not common, and when one is found, every effort should be made to retain him. One of the first things that should be done for the manager, when a capable one is found, is to give him a salary in proportion to the amount of business done and the responsibility which must be carried. The latter item is certainly important when we consider that he may be responsible for a number of car loads of a very perishable product, which are on the road at once. Then, too much supervision on the part of the board of directors, who usually have small knowledge of the business, only hampers the manager and restricts his personality. If he cannot make a success of the association in his own way, the advice or help of the directors will be of little use. A much better plan is to give the manager a fair chance to work out his own ideas, and then if he fails, try another. But right here is the cause of most of the failures; too much supervision by the directors and unjust criticism and fault finding on the part of the stockholders.

A common source of discontent is the rumor that a neighbor in another association has received a higher price for his produce, or that an outside buyer is offering attractive prices. Unscrupulous firms frequently adopt the latter method of getting consignments only to swindle the grower. If there was not some decided advantage in buying direct from the growers, these firms would not go to the expense of maintaining an agent in the field when just as good or better fruit could be had from the association.

The association idea is no longer an experiment, and when each one does his share to maintain the reputation of the fruit, and the volume of business is sufficient to pay expenses, there is small chance of failure. The history of associations, the country over, shows that petty jealousies and distrust on the part of the members is the common cause of failure. One writer has summed up the subject in the following terse sentences:

"All classes of farmers are constitutionally and proverbially distrustful of other people and of one another. In a fruit association there arise (such is the experience) the most inveterate jealousies. Each man thinks he is furnishing a better grade of fruit than his neighbor, though all share alike in the profits. Each one fears the other will reap some special advantage somehow. In particular, the appointment of managers, superintendents, supervisors of grading, shipping agents, and all other officials of the company, offers a sufficient opportunity for the elaboration of all sorts of neighborhood quarrels. Each man thinks he ought to be manager, and when one man is finally chosen he is usually suspected of all sorts of favoritism. In any case he is apt to be hampered in his business relations by committees, boards of directors, and various kinds of red tape and foolishness. Often he has to consult a committee before taking any important action. * * *

"Another difficulty which arises from the same cause is that subscribers to such an association never want to pay a manager's wages. Two or three dollars a day is considered good pay. Yet such a man is com-

pelled at times to handle thousands of dollars' worth of business. The position is such as, in ordinary business life, would command a salary of five thousand dollars a year or more."—(Vaugh; Fruit Harvesting, Storing, Marketing.)

Growers who are not members may ship through the association on the same terms, but they are usually required to pay more for supplies.

All of the larger concerns require both members and non-members, for whom they ship, to bring all their fruit to the association.

Formerly stockholders were allowed to sell their own fruit by paying the association a small premium. Neither were objections made to members filling orders from near-by towns. But, as these means of disposing of fruit are manifestly unfair to a majority of the association members, they have come to be looked upon with disfavor and in most instances are no longer allowed.

One of the strong points in favor of the association idea, as worked out in Colorado, is the possibility of a fairly uniform pack. This results in better prices, since buyers have the assurance that all associations strive to make their goods as nearly uniform as possible. Then, contrary to the idea often advanced that poor fruit brings as great a price as good, the most rigid grading must be practiced, and the intention is to place each fruit in its proper grade, thus only the best grade sells for the highest price, and, indeed, the grower of inferior fruit is fortunate to dispose of his crop at all.

There are two methods of packing and grading fruit; in one instance, the association does all the packing, the growers delivering the fruit to the packing house just as it is taken from the trees. Here the packers, under the direction of a superintendent, sort the fruit into the various grades, and at the same time pack it into boxes or crates. Should there be any culls, they are returned to the grower and are at his disposal.

Each grower is given a number, which is used to designate his fruit throughout the season. As each box is packed, it is marked with his number and the grade. When the boxes are loaded into the cars, the number of boxes, the varieties and the various grades which belong to any grower are kept account of and duly recorded. In this way the price for each box of fruit in any car is easily determined.

But where there is a very large amount of fruit to be handled it is impossible for the association to do the packing, consequently the growers assume this work. With this arrangement, the association employs an inspector, whose duty it is to inspect each load as it is delivered. This he does by opening the boxes on the side, in the case of apples, when a good estimate of the contents may be made. If the pack is satisfactory, not more than two boxes may be opened. If unsatisfactory, several may be examined, and if all

run under the inspector's standard, the entire load must either be placed in a lower grade or else be repacked.

It will be seen that a great deal depends on the inspector, and that it is a difficult position to fill. Upon him depends the reputation of the association, so he must be entirely free to do the work as he sees fit.

Each man's fruit is kept track of by numbers, as in the former case.

Most of the associations have now adopted the latter system, although nearly all have tried the former. The ideal method is, no doubt, to have all packing done at a central building, but a limit to the amount of fruit which can be handled is soon reached. It is found difficult in practice to keep track of a large number of packers at a central point, and careless work is the result. But when each grower looks after his own packing, he has a wholesome respect for the decision of the inspector. It is very expensive to repack a lot of fruit, and if he is obliged to do this, or else let it be sold as a lower grade, even on a single load, it usually results in greater pains being taken in the future. But with the best of systems, poorly packed fruit will occasionally find its way to market.

The association charges a commission on all sales, usually five per cent., to defray expenses. Then, in case the packing is done by the association, an additional charge is made to cover the cost of the box and packing. Any surplus is, of course, distributed as premiums. Any fruit grower may become a member of the association so long as there is stock for sale, and the owner of one share is entitled to all of its privileges. The number of shares one individual may own is limited.

The growers are generally asked and, in many instances, required to furnish an estimate of their crop. In the smaller associations, the manager sometimes secures this information by visiting the orchards in person. This estimate is made early in the fall, or not until damage by worms and other causes is practically over and the crop is secure. With this knowledge in hand, the manager can enter into contracts for delivering certain amounts of various varieties or grades.

The system of selling has been radically changed within the past few years. Formerly practically all of the fruit was consigned to commission men, who, as a class, it may be truthfully said, are inclined to do the best they can by their constituents. But too often the experience has been otherwise. Not infrequently has it happened that shipments consigned to a distant city have been reported as not being up to grade, or not in good condition, so the market price could not be realized. In such cases, though the manager may be certain that his fruit is as he represented, he is often unable

to help himself, so must take what he can get. But of late years, the plan of selling F. O. B. is being practiced more and more, and this is largely due to the organized efforts of the associations. Consignments are only made to well known firms, and much of this fruit is sold at auction.

But even with this arrangement difficulties arise, so in order to protect themselves, the larger associations have an agent at the more important distributing points. It is the duty of the agent, or broker, to inspect all cars which come into his territory, as near the destination as possible, and thus protect the association from dishonest buyers. He also is on hand to adjust the differences which arise when the fruit actually reaches the buyer in poor condition.

Express shipments are only made to comparatively near-by points, and with such shipments, the growers receive exactly what the fruit brings less the expressage and the association's commission. It is usually the early fruits that are expressed, but prohibitive rates prevent any very large amount of business being done in this way.

An association, well managed, is always a benefit to the entire community, in that it builds up a reputation for the fruit, and holds up prices, inasmuch as there is not that tendency, even among non-members, to bid one against another in marketing. This is well illustrated in the case of a prominent fruit grower who is a member of one of our successful associations. Because of superior ability as an orchardist and having a large orchard of choice varieties, he could easily get a price somewhat in excess of that which he receives through the association. But he realizes that it is the association which has built up and sustains the reputation of the locality, and should it fail, the chances are that local competition would again lower prices.

In addition to this, it may be said that the managers are constantly insisting on the necessity of growing better fruit, and so have been instrumental in introducing new and improved methods of culture and, in many instances, have been advance agents for the Experiment Station, and in this capacity have made our work pleasant, as well as acceptable, to the fruit growers.

The Northern District—By the Northern District is understood the territory which is adjacent to Denver and the country north along the foothills to Fort Collins. Associations are operating in most of these towns, but as small fruits are the principal crops handled, express shipments are the rule. The managers find that, usually, it does not pay to make F. O. B. sales of small fruits to the retail dealers, for the reason that such stores change hands frequently, consequently many bad debts result. This is the prin-

principal difference in the management of the associations in the different sections.

The Boulder County Fruit Growers' Association at Boulder, has been the most successful. Its success is undoubtedly due to an efficient manager and a board of directors who have been content to let the manager handle the business.

With a much smaller volume of business and a much more perishable product, association management is more difficult than in many other localities. Yet the Boulder Association has not failed to make a good dividend on the stock every year since its organization. This is also one of the few which have branched out into other lines and have thus been enabled to do business throughout the year.

The examples cited are of successful institutions which have been in operation a sufficient length of time to thoroughly demonstrate the practicability of the system.

It must not be inferred, however, that other sections of the State have neglected to take advantage of the opportunities which combination in marketing affords.

Several associations in the Arkansas Valley have become prominent, but their management does not differ from that which has already been described.

The following list of fruit and produce and cantaloupe associations, which are now doing business in the State, will show what an important factor this method of selling horticultural produce has become:

LIST OF FRUIT AND PRODUCE AND CANTALOUPE ASSOCIATIONS NOW
DOING BUSINESS IN THE STATE.

- Amity Cantaloupe Growers' Association, Amity, Colo.
- Pent County Melon Growers' Association, Las Animas, Colo.
- Boulder County Fruit Growers' Association, Boulder, Colo.
- Capitol Hill Melon Growers' Association, Rocky Ford, Colo.
- Delta County Fruit Growers' Association, Delta, Colo.
- Denver Fruit and Vegetable Association, Denver, Colo.
- Fair Mount Melon Growers' Association, Swink, Colo.
- Fremont County Fruit Growers' Association, Canon City, Colo.
- Fruita Fruit and Produce Association, Fruita, Colo.
- Fort Collins Fruit Growers' Association, Fort Collins, Colo.
- Fowler Melon Growers' Association, Fowler, Colo.
- Granada Melon Growers' Association, Granada, Colo.
- Grand Junction Fruit Growers' Association, Grand Junction, Colo.
- Branches at Clifton, Palisade and Whitewater.
- Grand Valley Fruit & Produce Association, Grand Junction, Colo.
- Independent Fruit Growers' Association, Grand Junction, Colo.
- Kouns Party Cantaloupe Growers' Association, Rocky Ford, Colo.
- Lamar Melon Growers' Association, Lamar, Colo.
- La Junta Melon and Produce Co., La Junta, Colo.
- Longmont Produce Exchange, Longmont, Colo.
- Loveland Fruit Growers' Association, Loveland, Colo.
- Manzanola Fruit Association, Manzanola, Colo.

Manzanola Orchard Association, Manzanola, Colo.
 Newdale Melon Growers' Association, Swink, Colo.
 North Fork Fruit Growers' Association, Paonia, Colo.
 Palisade Fruit Growers' Association, Palisade, Colo.
 Peach Growers' Association, Palisade, Colo.
 Plateau and Debeque Fruit, Honey and Produce Ass'n, Debeque, Colo.
 Rifle Fruit and Produce Association, Rifle, Colo.
 Roaring Fork Potato Growers' Association, Carbondale, Colo.
 Rocky Ford Melon Growers' Association, Rocky Ford, Colo.
 San Juan Fruit and Produce Growers' Association, Durango, Colorado, and Farmington, New Mexico.
 Surface Creek Fruit Growers' Association, Austin, Colo.
 Woods Melon Growers' Association, Las Animas, Colo.

A STATE ORGANIZATION.

Now that local associations have become established institutions, there yet remains to be organized a combination of associations. A state association would perhaps not meet our wants so well as district organizations, since the fruit growing localities are widely separated and their conditions so diverse. It is true that the managers now work together to some extent, particularly on the Western Slope, but they all recognize that a much closer union would be desirable.

Not only would our fruit become better known and better prices result, but economy along many lines would be effected. If one man could have supervision of the sales of all associations, in a given section, the last trace of local competition would be done away with. The railroads, as well as the large dealers, could be dealt with to much better advantage by one man representing a group of associations than by a number of men representing the divided interest of several. Then, in the buying of supplies, one man could not only do the work more economically, but he would be able to get much better rates for the same reasons. The same line of argument would hold good for all phases of association management.

The time is not yet ripe, perhaps, for such an organization, but it is fast approaching. It is safe to say that the complete control of the market situation, to which the fruit growers of Colorado are entitled, will only be realized when such a combination is effected.

THE GRAND JUNCTION FRUIT GROWERS' ASSOCIATION.

The following report of the Grand Junction Association will assist in giving an insight into this form of successful co-operation. This Association has been chosen for the purpose of illustration, not because it is the most successful, but for the reason that it is the oldest and is doing the largest business of any in the State. This Association was started in 1891, when a few growers combined and appointed one of their number salesman of their fruit for

the season. This arrangement continued with varying degrees of success up to 1897, when it became apparent that the increased business, if no other cause, would necessitate employing a manager, by the year, who should devote his entire time to the association. Accordingly this was done, and the business has increased year by year, as shown below. That the majority of the stockholders are satisfied with the workings of the Association is proven by their loyalty and by the fact that the capital stock has recently been increased to \$100,000, for the purpose of accommodating the increasing number of members.

THE GRAND JUNCTION FRUIT GROWERS' ASSOCIATION.

GROWTH OF BUSINESS.

Year.	Paid Growers.	Total Business.	Cars Shipped.
1897	\$ 54,085.00	\$ 88,937.00	167
1898	21,785.00	43,750.00	89
1899	21,346.00	56,591.00	82
1900	68,323.00	114,590.00	202
1901	98,972.90	153,380.00	256
1902	195,975.15	287,887.15	613
1903	247,188.45	339,305.41	682
1904	437,154.33	557,291.11	1,282
1905	475,763.00	608,403.30	797
1906	555,813.44	814,278.62	1,036

Number of stockholders January, 1907..... 666

Number of shares of stock sold to January, 1907....14,169

THE COLORADO EXPERIMENT STATION.

STATEMENT FOR SEASON 1906.

Fruit Shipments in Detail.

	Packages.	Amount.	Avg.
Extra Peaches	136,162		
Fancy Peaches	139,917	\$207,936.19	.45
Choice Peaches	151,438		
Unwrapped Peaches	33,397		
Carrier Peaches	295	177.04	.60
Total.....	461,209	\$208,113.23	
Fancy Pears	87,157	\$100,104.49	1.15
Six Tier and Choice.....	31,425	20,712.42	.66
Half Boxes Pears.....	6,007	2,878.73	.48
Total.....	124,589	\$123,695.64	
Fancy Apples	128,369	\$129,054.14	1.01
Choice Apples	82,955	46,555.14	.56
Half Boxes	2,725	1,235.02	.45
Total.....	214,049	\$176,844.30	
Crates Plums	16,857	\$ 8,765.69	.52
Boxes Plums	8,096	1,896.02	.23
Total.....	24,953	\$ 10,661.71	
Crates Grapes	8,382	\$ 7,060.79	.84
Baskets Grapes	2,102	457.91	.22
Total.....	10,484	\$ 7,518.70	
Crates Apricots	8,312	\$ 5,263.96	.63
Boxes Tomatoes.....	3,887	1,395.13	.36
Boxes Crab Apples.....	322	126.54	.39
Jumbo & Stand Cants.....	13,087	12,219.21	.93
Pony Crates Cants.....	2,231	1,083.32	.49
Total.....	15,318	\$ 13,302.53	
Crates Strawberries	1,199	\$ 2,794.48	2.33
Crates Cherries	1,276	1,910.17	1.50
Cases Honey	1,652	4,187.05	2.54
Shipments of fruit for the season aggregate 867,250 packages, or 28,805,828 pounds, equal to 1,152 cars of 25,000 pounds each; 1,017 cars by freight, and the balance, equal to 135 cars, by express and local freight.			
Amount of fruit shipped in car lots.....			1,017
Potatoes shipped in car lots.....			19
Total			1,036

Business of 1906.

Merchandise sales	\$248,779.25
Fruit sales	565,499.37
Total	\$814,278.62
Total amount paid to growers.....	\$555,813.44

Cars Received.

	Cars.
Box shooks	123
Wrapping paper	6
Berry boxes and baskets.....	3
Spraying outfits	3
Nails	3
Bee supplies	1
Spray materials	22
Salt	7
Oranges and lemons.....	22
Nuts	2
Paper and paper bags.....	3
Hay	20
Grain sacks	1
Sweet potatoes	1
Cabbage	3
California potatoes	1
Manitou water	2
Beans	1
	<hr/>
Total	224
Cars sent out.....	1,036
Cars received	224
	<hr/>
Total cars in and out.....	1,260

Where the Fruit Went.

	Cars.
California	33
Colorado	146
Illinois	70
Indiana	1
Indian Territory	18
Iowa	76
Kansas	24
Louisiana	60
Maryland	12
Massachusetts	15
Mexico	3
Minnesota	59
Missouri	31
Nebraska	72
New York	76
North Dakota	1
Ohio	2
Oklahoma	15
Pennsylvania	28
Quebec	2
South Dakota	46
Texas	208
Tennessee	2
Utah	1
Wisconsin	12
Wyoming	4

BY-LAWS OF THE GRAND JUNCTION FRUIT GROWERS' ASSOCIATION

I.

The name of the said Association shall be the Grand Junction Fruit Growers' Association.

II.

The objects for which the said Association is created are to buy and sell fruit, vegetables, hogs, meat stock and all the products of Mesa County, both fresh and manufactured; to erect, operate and maintain canning and packing factories and commission houses; to manufacture any and all products of Mesa County; to lease, mortgage and sell said business, and to borrow money for carrying on the same, and to pledge their property and franchise for such purpose. To acquire by purchase, or otherwise, and own real estate, buildings, machinery and all the necessary power and power plants for carrying on said premises, and to lease, mortgage and sell the same.

III.

The term of existence of said Association shall be twenty years.

IV.

The capital stock of the said Association shall be twenty-five thousand dollars, divided into five thousand shares of five dollars each.

V.

The number of Directors of said Association shall be seven, and the names of those who shall manage the affairs of the Association for the first year of its existence are C. W. Steele, A. A. Miller, J. W. Rose, R. W. Shropshire, J. H. Smith, P. A. Rice and A. B. Hoyt.

VI.

The principal office of said Association shall be kept at Grand Junction in the said County, and the principal business of said Association shall be carried on in said County of Mesa.

VII.

The stock of said Association shall be non-assessable.

VIII.

The Directors shall have power to make such prudential By-Laws as they may deem proper for the management of the affairs of the Association not inconsistent with the laws of this State, for the purpose of carrying on all kinds of business within the objects and purposes of the Association.

BY-LAWS.**ARTICLE I.**

Section 1. The Board of Directors provided for in the articles of incorporation of this Association, shall be elected annually at the regular annual meeting of the stockholders, as hereinafter provided, and shall hold their office until their successors are elected and qualified.

Section 2. Said Directors shall be stockholders in said Association and shall be fruit growers in Grand Valley and shall be residents of Mesa County Colorado.

Section 3. Any vacancy occurring in the Board of Directors shall be filled by the remaining members of the Board.

ARTICLE II.

Section 1. The Board of Directors shall, as soon as may be, after their election, elect a President and Vice-President from among their number, who shall hold their offices for one year, and at said meeting the said Board shall appoint a Secretary, Treasurer, and Manager, who shall be subject to removal at any time.

Section 2. The Secretary, Treasurer, and Manager, shall each, when required by the Board, give bond in such sum and with such security as the Directors may require, conditioned on the faithful performance of their duties, and to turn over to their successors in office all books, papers, vouchers, money, funds and property of whatsoever kind or nature belonging to the Association, upon the expiration of their respective terms of office, or upon their being removed therefrom, or with such other conditions as may be proper.

Section 3. The President shall preside at all meetings of the Directors or Stockholders. He shall sign as President all certificates of stock, and all other contracts and other instruments in writing, which may have been ordered by the Board of Directors.

Section 4. The Vice-President shall, in the absence of or disability of the President, perform his duties.

Section 5. The Manager shall have full charge of the commercial and shipping department of the Association. He shall receive all money arising from the sale of fruit and other commodities handled by the Association, and pay the same to the parties entitled thereto, and render a true account thereof; and he shall also be the Treasurer of this Association and safely keep all money belonging to the Association, and disburse the same under the direction of the Board of Directors, except as herein above set forth.

Section 6. The Secretary shall keep a record of the proceedings of the Board of Directors and also of the meetings of the Stockholders. He shall also keep a book of blank certificates of stock, fill up and countersign all certificates issued, and make the corresponding entries upon the marginal stub of each certificate issued. He shall keep a stock ledger in due form, showing the number of shares issued to and transferred by any stockholder and date of issuance and transfer. He shall have charge of the corporate seal and affix the same to all instruments requiring a seal. He shall keep in the manner prescribed by the Board of Directors, all accounts of the Association with its stockholders, in books provided for such purpose. He shall discharge such other duties as pertain to his office, and as may be prescribed by the Board of Directors.

Section 7. These By-Laws may be amended by the Board of Directors at any special meeting thereof called for that purpose, a notice of such proposed amendment being given in the call for such special meeting.

ARTICLE III.

Section 1. The regular meetings of the Board of Directors shall be held at the office of the Company, on the first (1st) day of each month, except when the first day comes on Sunday or legal holiday, then on the following day.

Special meetings of the Board of Directors may be called by the President when he may deem it expedient or necessary, or by the Secretary, upon the request of any three members of said Board.

Section 2. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but a less number may adjourn from day to day upon giving notice to absent members of the said Board, of such adjournment.

Section 3. The Board of directors shall have power:

First—To call special meetings of the stockholders whenever they deem it necessary, by publishing a notice of such meeting once a week for two weeks next preceding such meeting in some newspaper published in Grand Junction, Colorado.

Second—To appoint and remove at pleasure all employes and agents of the Association, prescribe their duties, where the same have not been prescribed by the By-Laws of the Association, fix their compensation, and when they deem it necessary, to require security for the faithful performance of their respective duties.

Third—To make such rules and regulations not inconsistent with the laws of the State of Colorado, and Articles of Incorporation, or the By-Laws of the Association, for the guidance of the officers and the management of the affairs of the Association.

Fourth—To incur such indebtedness as they may deem necessary for carrying out the objects and purposes of the Association, and to authorize the President and Secretary to make the note of the Association, with which to raise money to pay such indebtedness.

Section 4. It shall be the duty of the Board of Directors:

First—To be caused to be kept a complete record of all their meetings and acts, and also the proceedings of the stockholders, present full statements at the regular annual meetings of the stockholders, showing in detail the assets and liabilities of the Association, and the condition of its affairs in general.

Second—To supervise all acts of the officers and employes, require the Secretary, Treasurer and Manager to keep full and accurate books of account of their respective business.

ARTICLE IV.

Section 1. At the regular meeting in the month of January of each year, the Directors shall declare such dividends upon the capital stock, to all the stockholders then appearing of record, as may be warranted by the net earnings of the Association for the preceding year.

ARTICLE V.

Section 1. The Board of Directors may, whenever they shall deem it necessary, place on sale so much of the capital stock of the Association as may be necessary to raise funds, for the purpose of carrying out the objects and purposes of the organization of the Association, such stock to be sold only upon the following conditions:

First—That not more than three hundred (300) shares thereof be sold to any one person, firm or association of persons.

Second—That such stock be sold only to fruit growers in Grand Valley.

Third—That such stock be sold at not less than par value of Five Dollars (\$5) per share.

ARTICLE VI.

Section 1. The Annual meeting of the stockholders for the election of Directors, shall be held on the third (3rd) Saturday in January of each year, but if, for any reason, it should not be held on such day, it may then be held on any day subsequent thereto, as hereinafter provided.

Section 2. The Board of Directors shall be elected by the stockholders at the regular Annual meeting. Public notice of the time and place of holding such annual meeting and election, shall be published not less than ten (10) days previous thereto, in some newspaper of general circulation printed in Grand Junction, and the said election shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy, provided a majority of the outstanding stock is represented. If a majority of the outstanding stock shall not be represented, such meeting may be adjourned by the stockholders present for a period not exceeding sixty (60) days. All elections shall be by ballot, and each stockholder shall be entitled to as many votes as he or she owns shares of stock in said Association; provided, however, that no person who is not himself a stockholder shall be allowed to represent by proxy any stock-

holder in the said Association.

The persons receiving the greatest number of votes shall be the Directors for the ensuing year, and until their successors are elected and qualified.

ARTICLE VII.

Section 1. Certificates of stock may be transferred at any time by the holders thereof, or by attorney in fact or legal representative. Such transfer shall be made by endorsement on the certificate of stock and surrender of the same; provided, such transfer shall not be valid until the same shall have been noted in the proper form on the books of the Association. The surrendered certificates shall be cancelled before a new certificate in lieu thereof shall be issued, and no transfer of any share of stock shall be valid or allowed upon the books of the Association upon which any deferred payments are due and unpaid, nor which has not been sold and transferred in accordance with the provisions of the By-Laws of the Association.

Section 2. Any stockholder desiring to dispose of his stock in said Association, shall deposit the same with the Secretary of the Association, and the same shall be sold by the said Secretary at not less than par for account of such stockholder, within sixty (60) days from date of such deposit, under the restriction of Section 1, Article 5, of these By-Laws; provided, that if the Secretary shall not have sold such stock at the expiration of sixty days, then such stock may be returned to such stockholder, and be disposed of by him, without restriction or limitation by the Association.

ARTICLE VIII.

Section 1. All members of this Association are required to market all their fruit through the Association and bear their proportionate share of the expenses of handling the same.

Section 2. Any member may have the privilege of selling his own fruit at the orchard, but no sales of fruit shall be made to a dealer in fruit, or to any person who buys to ship outside the county. In case of the sale of the entire crop of any particular fruit or fruits, by reporting the same to the Association, one-half (½) only of the regular commission will be charged.

Section 3. Any member having any grievance or cause of complaint as to treatment of his fruit by the Association, can appeal to the Board of Directors, whose decision shall be final.

Section 4. All members must pack their fruit for shipping in a neat and workman-like manner, and pack the same in standard sized packages, as adopted and in general use by the Association, having placed thereon their name or number.

ARTICLE IX.

Section 1. A purchaser of stock in this, the Grand Junction Fruit Growers' Association, shall hereafter receive of the profits of the Association, in proportion to the money he has invested.

GRADING LIST OF THE GRAND JUNCTION FRUIT GROWERS' ASSOCIATION.

Peaches.

Boxes containing 80 peaches or less.....	Extra
Boxes containing 81 peaches to 94.....	90's
Boxes containing 95 peaches to 108.....	108's

All grades must be free from worms and other defects.

Fancy Apples.

Winesap, Grimes Golden, Missouri Pippin, Red Romanite, Geriton, and kindred varieties, must be two and one-fourth ($2\frac{1}{4}$) inches in diameter and up. Jonathan, Arkansas Black, Ben Davis, Gano, Willow Twig, Shackelford, Pearmain, Mammoth Black Twig, Rome Beauty, W. W. Pippin, Mann, Talman Sweet, Dominie, McIntosh, Wealthy, Steele's Red, Lawver, Baldwin, Huntsman, Spy, Minkler, Stark, Smith Cider, Walbridge, Pewaukee, York Imperial, etc., two and one-half ($2\frac{1}{2}$) inches in diameter and up, absolutely free from worms and other defects, bright and normal color, and shapely in form.

Choice.

Shall not be less than two and one-fourth ($2\frac{1}{4}$) inches in diameter and reasonably free from worms, in other words, only stock a little below fancy. Throw away your trash, it won't pay freight. We also advise using the diamond pack.

The above rules for sizes do not apply to early summer varieties of apples; we will only ship one grade—Fancy.

Fancy Pears.

Must be free from worms, smooth and of good shape; gross weight, 53 pounds or more. The number of tiers must be stamped on the box.

Choice.

Reasonably free from worms; in other words, only a little below Fancy.

Plums—Prunes.

The large fancy Hungarian, Italian, Botan, Green Gage, Egg, etc., are put up in four basket crates, well filled, net weight 20 pounds, or more. Small varieties, Wild Goose, Mariana, Damson, and the smaller plums of all varieties, in two and one-half ($2\frac{1}{2}$) inch boxes, well-filled, net weight 16 pounds, or more.

Grapes.

Concords in 8-lb Climax baskets, and should be well-filled. Muscat, Rose Peru, Tokay, Purple Damascus, Black Hamburg, in four basket crates, same as California, and must weigh 28 pounds or more gross. See rule for packing grapes.

Cantaloupes.

Both standard and pony crates must contain 45 melons and be tight in the crate.

PUT YOUR NUMBER, VARIETY, AND GRADE ON THE UPPER LEFT HAND CORNER OF THE BLANK END OF THE BOX.

Any one who does not know when to pick fruit, or how to pack it, should consult with our Inspector, or their neighbors.

To Dealers.

In ordering peaches by wire or letter, the different grades will be known as Extra, Fancy and Choice. We guarantee our pack to grade as above, and in case they do not, please advise us, giving stencil number.

THE GRAND JUNCTION FRUIT GROWERS' ASSOCIATION.