

OBSTACLES OF MARKETING WHEAT ON THE GRADED BASIS

by

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## INTRODUCTION

The working out of the graded system of buying eggs has been one of the problems of greatest interest to the poultry industry the past few years.

It is well known that the per capita consumption of eggs in the United States is far below that of Canada where egg grades have been carefully supervised for a number of years and where the quality of market eggs is superior to that in the United States.

The leaders in the poultry industry are agreed that grading is fundamental in improving the quality of eggs, and that the per capita consumption depends primarily upon quality. The importance of this problem is shown by the following quotations:

"The grading of poultry and eggs, like that of other farm products, is a necessary process incidental to successful marketing. Grading consists of the separating or sorting of miscellaneous quality and condition into two or more lots or grades of greater uniformity, thereby making it easier to determine the market values of the various grades and also making the product better adapted to the various market outlets available." (United States Department of Agriculture Yearbook, 1924, p.440).

Men who have made a study of the situation agree that the most vital thing in the poultry industry is to supply better quality eggs to the consumer. Ambrose Keevil (1927, p. 381) states: "The consumption per head of eggs in England is not more than about 100 eggs, this is one-third of the consumption per head in Canada, and far less than the corresponding consumption in Belgium, U.S.A., France or Germany. This brings to our notice the most important fact of all: That the egg trade in England has been and is being spoiled both for the producer and distributors because the quality of the eggs sold to the public during the major part of the year is poor, and that the bulk of the population find that really new-laid eggs are difficult to procure. The inconvertible fact, based on experience is that stale eggs kill the demand more than high prices."

According to W. R. Graham (1927, p. 398) "The increased consumption of eggs will likely be governed by absolute assurance of the quality in eggs in relation to appearance and flavor and their value in regard to human nutrition."

Mr. E. J. Smith (1927a, p. 420), says "The housewife in too many countries views eggs with suspicion. The desire and craving for eggs is held back, dwarfed

and stunted by the uncertainty surrounding the quality of the supply. This condition is due not alone to the possibility of bad eggs being found, but the relatively large quantities of shrunken eggs with dark yolks and weak and watery whites which are unsuitable for many phases of culinary practice."

Buying eggs on a graded basis is undoubtedly the most efficacious way to improve the quality of eggs which reach the consumer. This method gives the farmer an incentive to produce better eggs because it carries back to him a reward for careful handling of the product. It discourages slipshod methods of handling eggs because it penalizes the producer who is careless.

Canada established an inspection system and compulsory grades for eggs in 1918 and since that time according to Smith (1927b, p. 419) the per capita consumption of eggs in Canada has increased eleven and three-tenths dozen. The increase in consumption in the United States during the same period was but two dozen.

The spread between the farm price of eggs in Kansas and adjoining states and the wholesale price of fresh gathered firs on the New York City market gradually increases from January to November, (see figure 1). The most rapid increase in the spread occurs during the summer

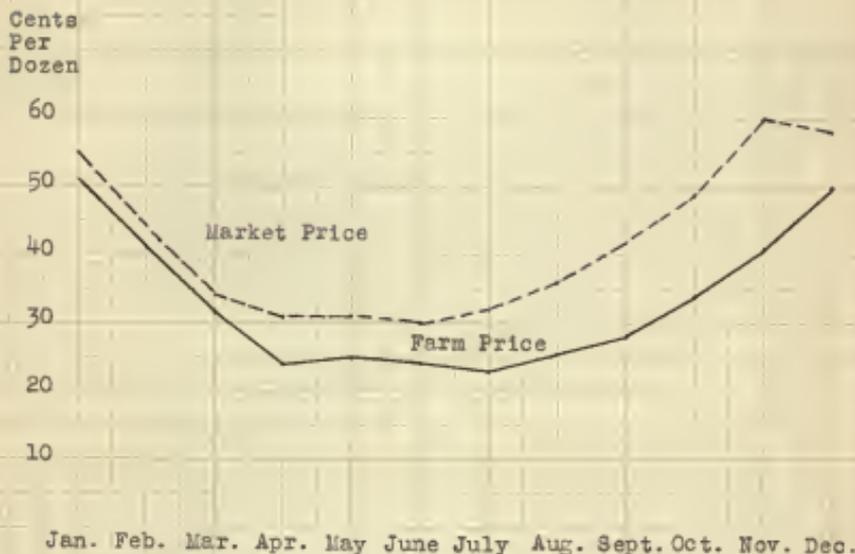


Figure 1— Seasonal Variation in Farm and Market Prices of Eggs, Three Year Average, 1921-1923. The farm price of eggs shown is an average of the prices received by producers in the States of Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Kansas, and Nebraska. The market price is the wholesale price of Fresh Gathered Firsts at New York, a large part of which comes from the states named. This shows why the carlot shipper is able to pay a bigger premium for good eggs from April to December than from January to April. (United States Department of Agriculture Yearbook, 1924, p.430 )

and early fall. This is the season when poor quality eggs are marketed in greatest numbers. It is also a period of rising prices for eggs and producers are tempted to hold their eggs as long as possible to get the advantage of the higher prices. It is believed that the establishment of the graded system would tend to reduce this spread to a minimum and thus give the producer a larger return for his eggs. Buying on the grade would speed up the movement of eggs from the producer to the consumer because it would carry the reward for freshness or quality back to the producer.

Some work has been done in finding the obstacles to marketing eggs on the grade from the standpoint of the carlot shipper and the groceryman, but very little has been done, to the writer's knowledge, from the standpoint of the producer. It is the purpose of this paper to treat the matter from all three viewpoints; the producer, the groceryman, and the carlot shipper.

#### PURPOSE

The object of this problem was to learn what producers, grocerymen, and carlot shippers think about marketing eggs on the graded basis.

### REVIEW OF LITERATURE

The Urner-Barry Company of New York City sent out a questionnaire in February and March of 1923 to carlot shippers scattered over the United States, (Produce Review, 1923). Among others, was the question asking for the most vital need in the poultry industry. The results were as follows:

| <u>Most Vital Need</u>                 | <u>Number of Times Mentioned</u> |
|--|----------------------------------|
| Buying eggs on a graded basis          | 8                                |
| Educate farmers to produce better eggs | 3                                |
| Buy eggs by weight                     | 2                                |
| Frequent marketing                     | 1                                |

This survey showed that in 1923 dealers were becoming dissatisfied with their marketing system and many of them were beginning to think that the establishment of the graded system of buying eggs was the most important step toward putting the poultry industry on a sound basis.

Seventy eight carlot shippers cooperated with the Urner-Barry Company in 1923-24 in a similar survey to determine the most vital needs in the poultry industry, (Produce Review, 1924).

Their answers are as follows:

| <u>Most Vital Need</u>                                     | <u>Number of<br/>Times<br/>Mentioned</u> |
|--|--|
| Buying eggs on a graded basis                              | 28                                       |
| Less speculation   | 6  |
| Keep down price to consumer                                | 5  |
| Buyers should be less anxious for eggs                     | 5  |
| Do away with future trading, and install cold storage laws | 5  |
| Enforce egg laws   | 3  |
| Conservative buying price                                  | 1  |
| Reasonable retail price                                    | 1  |
| Larger consumption of eggs                                 | 1  |
| More uniform packs   | 1  |
| Eastern markets should dictate prices                      | 1  |
| Less cold storage  | 1  |
| Better quality of eggs                                     | 1  |
| National program of advertising                            | 1  |
| Smaller production   | 1  |
| Elimination of Chicago Butter and Egg Board                | 1  |
| Revision of immigration laws                               | 1  |
| Conservation of quality                                    | 1  |

These figures show an increasing percentage of carlot shippers opinion turning toward the graded system of

buying eggs as the best means of putting the poultry industry on a sound basis.

All of the shippers who believed that the graded basis of buying eggs was the most vital need were not practicing this system. The obstacles to buying on the graded basis as encountered by these men were as follows:

| <u>Obstacle Encountered</u>                                       | <u>Number of Times Mentioned</u> |
|---|----------------------------------|
| Lack of uniform cooperation among shippers in adopting the system | 9                                |
| System of buying practiced by grocerymen                          | 9                                |
| Willingness of terminal markets to buy ungraded eggs              | 5                                |
| Lack of sufficient premium for graded eggs at the market terminal | 3                                |
| Unfair and irregular methods of grading                           | 3                                |
| Greed of competitors to get volume                                | 2                                |
| Not compulsory to grade   | 2                                |
| Expense of grading not returned in sales                          | 1                                |

The first and second of these obstacles work together to make it difficult for the carlot shipper who attempts to buy on the graded basis. As will be seen later, a large per cent of the egg crop passes through the hands of the groceryman. Since the grocerymen buy on a straight run basis, naturally they want to sell on

that basis. The carlot shipper, therefore, is almost forced to buy from the groceryman on the same straight run basis if he is to get enough volume to stay in the business.

It is believed that the reason so many stated the lack of sufficient premium at the terminal markets as an obstacle was due to the fact that they were not putting up a pack which was uniform enough to command a premium on the terminal market.

The following steps were necessary in order to establish the graded system according to these packers:

| <u>Requirement Necessary to Establish the Graded System</u>                                   | <u>Number of Times Mentioned</u> |
|---|----------------------------------|
| Requirement of a costly license in order that small "in-and-out" dealers cannot trade in eggs | 7                                |
| Cooperation of carlot shippers in buying on the graded basis                                  | 7                                |
| Laws governing method of trading  | 6                                |
| Educational campaigns among buyers and producers  | 6                                |
| Standardisation so that the buying of different qualities may be on a uniform basis           | 4                                |

The suggestion of a costly license in order to keep the small "in-and-out" dealers out of the egg business is

probably due to the conditions which exist in the market from January to April inclusive. This is what is known as the egg breaking season and is characterized by the small spread in price between the undergrades and the top grades of eggs. At this time it is possible for men with a very small capital to go into the producing territory and buy eggs to ship to the breakers. Because of the small capital investment and the subsequent small overhead expense they are able to pay a good price and they get a large volume of eggs. To get sufficient volume to utilize his equipment and maintain labor for his employees, the carlot shipper is forced in many cases to adopt the system of the "in-and-out" dealer. Since these dealers can operate on a five to eight hundred dollar capital, a costly license would prevent many of them from operating.

Since a large number mentioned a lack of uniform cooperation among dealers in adopting the graded system as being one of the chief obstacles, it is natural to expect that a rather large number would suggest this as one of the necessary features in establishing the graded system. The writer had occasion to attend a meeting of the Kansas carlot shippers in May, 1928. The sentiment of this meeting seemed to indicate that the carlot shippers were not ready to adopt a uniform system of grading.

A survey including three hundred and seventeen carlot shippers in twenty eight states was made by the Urner-Barry Company during the winter of 1925-26, (Produce Review, 1926). Some of the important facts brought out by this survey were as follows: First, a large per cent of the eggs bought passed through the hands of the groceryman or other dealer before reaching the carlot shipper; second, one hundred and fifty two packers said that the practice was not increasing in their territory, while eighty six reported that it was definitely increasing. Below is a list of the ten ranking states, in number of eggs produced, with the number of packers in each state indicating an increase in buying on the graded basis as reported in this survey.

| <u>State</u> | <u>Number Reporting on Status of Graded Buying</u> |             |
|--------------|--|-------------|
|              | Increase   | No Increase |
| Pennsylvania | 2  | 2           |
| Ohio         | 6  | 17          |
| Missouri     | 12   | 8           |
| Iowa         | 11   | 14          |
| New York     | 0  | 3           |
| Illinois     | 3  | 9           |
| California   | 3  | 0           |
| Indiana      | 4  | 16          |
| Kansas       | 14   | 12          |

Sixty five of these carlot shippers reported that they were buying on the graded basis from all sources. Including this number there were one hundred and twenty that bought on the grade from the producer. The editor of the Produce Review believed at the time that the graded system of buying was slowly but steadily growing. His attitude was as follows, speaking of the above survey: "On the whole we think this a more favorable showing than would have been found on a similar inquiry five years ago. The movement toward better methods of egg buying is making a gradual increase and that while it is slow and halting a similar inquiry five years hence will show a more substantial improvement."

The obstacles to marketing on the graded basis as stated by these men are listed below:

| <u>Obstacle Encountered</u>            | <u>Number Reporting</u> |
|--|-------------------------|
| Competition from straight buyers       | 49                      |
| Producers object to the system         | 12                      |
| Store keepers do not buy on the grade  | 12                      |
| Indifference of terminal markets       | 7                       |
| Not worth the trouble                  | 5                       |
| Hard to break away from the old custom | 4                       |
| Competition from hucksters             | 2                       |

|                             |   |
|-----------------------------|---|
| Lack of standard grades     | 2 |
| Is not a universal practice | 2 |

The majority of those who buy from the producer alone buy on the graded basis.

Twenty seven carlot shippers in Kansas were included in the above survey. Fourteen of these said that buying on the grade was increasing, while twelve said it was not. One shipper did not answer this question. Fifteen were buying on the grade and twelve were not. In regard to obstacles encountered in buying on the grade, seven mentioned competition from men buying on a straight run basis. The remainder had not started buying on the grade or did not answer the question.

#### PROCEDURE IN THIS STUDY

The information obtained was from three sources: producers, grocerymen, and carlot shippers. A questionnaire shown in the appendix was used for each group so that the material obtained might be uniform.

Nine replies from carlot shippers were received by mail. Three carlot shippers and seventeen grocerymen were personally interviewed at Manhattan.

The one hundred farmers visited were located as follows: Fifty near Manhattan where there has been a

graded market for several years; twenty five were near Junction City where the graded system has been operating only about one year; twenty five were located near Wasego where no shippers have been buying on the graded basis. The results of this inquiry were divided into three three groups with a combination of the three in the final summary.

#### RESULTS OF SURVEY

##### Carlot Shipper Group

The advantages of practicing the graded system of buying eggs as seen by these shippers were as follows: It eliminates a great deal of the risk of buying eggs; the shipper gets a better class of eggs; the good producer is rewarded for his efforts to produce good eggs; it enables the shipper to pay higher prices; it will help to develop better breeds of chickens, more standard bred poultry, and more interest in the poultry industry.

The general opinion of this group is that buying on the grade tends to improve the quality of eggs received. From their standpoint, this is desirable because they can make more money handling good quality than by handling poor quality eggs.

Obstacles of buying Eggs on the Graded Basis. The results in this case agree very closely with the findings of the Urner-Barry Company in 1925-26. That is, the biggest difficulty carlot shippers have in establishing the graded system is the loss of volume to competitors who buy on the straight basis. In seven out of the nine answers given this was the basic factor. Other obstacles encountered were as follows: The farmers are not educated to selling on the graded basis; farmers object because it takes too much time; there is a duplication of work by the shipper and the wholesale receiver; expense attached is prohibitive; it would increase the price of eggs to the consumer, and reduce consumption; it is practically impossible to teach the store keepers, local buyers, truckers, etc. to grade properly.

There is one point of interest developed in this case which is not completely explained by the data obtained. In all cases where thirty per cent or more of the eggs were bought direct from the producer, the graded system was used. A very small per cent of the shippers who bought less than thirty per cent of their eggs from the producer used the graded system. This correlation might be due to one of two causes or a combination of both. Where there is a graded market, it may be that a larger

per cent of the farmers take their eggs to the dealer who grades. On the other hand, it may be that competition for volume is not so great a factor where a relatively large per cent of the eggs are obtained from the producer. In every case the volume of business with the producer was reported to have increased when the graded system was established.

Means used to secure Prompt Delivery from Farmers by Shippers. One of the big factors in maintaining quality of eggs is frequent marketing by the farmer especially in the summer time. The following methods designed to secure prompt delivery are practiced by the dealers in question. Five men did not answer this question. This was probably a small problem to them since only one of them bought more than five per cent of their eggs from the producer.

Five shippers were using the graded system of buying eggs in an effort to induce the farmer to market his eggs frequently. One was buying on the loss off basis, not paying for rots and broken eggs. Another was trying to reach the farmer through the groccrymen with an educational program for producing better eggs.

It seems that the men who are buying on the graded basis believe that this is the most practical method of

securing prompt delivery from the farmer.

Most Important Factors in Improving Quality of Eggs.

The carlot shipper is seriously interested in the quality of eggs which he buys. It costs no more to handle good eggs than poor ones and the market outlet is much wider. Each dealer was asked to give his method for improving the quality of eggs in his locality.

Three men mentioned the graded system as being the most important factor in improving the quality of eggs. They were all concerned with the management conditions on the farm as a factor in improving the quality of eggs. It appears that the primary factor in improving the quality of eggs is to get some system which will induce the farmer to study and improve his management conditions. The general opinion was that the farmer should keep the houses and nests clean, and should gather the eggs twice a day, and market them twice a week during warm weather.

Sources of Eggs. Each carlot shipper was asked to give the per cent of total receipts which he received from merchants, producers, and from other sources. Eleven men answered this question.

Per cent of total receipts bought from:

|         | Grocerymen | Producer | Other sources |
|---------|------------|----------|---------------|
| 1       | 100        | --       | --            |
| 2       | 95         | 2        | 3             |
| 3       | 93         | 5        | --            |
| 4       | 75         | 0.5      | 24.5          |
| 5       | 60         | 30       | 10            |
| 6       | 50         | 25       | 25            |
| 7       | 40         | 30       | 30            |
| 8       | 40         | 46       | 14            |
| 9       | 20         | 5        | 75            |
| 10      | 15         | 3        | 82            |
| 11      | --         | 90       | 10            |
| Average | 53.64      | 21.5     | 24.85         |

While the average figure given above does not take into consideration the volume of business done, it is probably safe to say that seventy per cent of the eggs in Kansas pass through other hands before reaching the carlot shipper. The groceryman is the primary buyer in the majority of cases. This indicates that even though the majority of the carlot shippers installed the graded system in buying from the farmer, the inducement to produce better quality eggs offered by this method would be carried to only a small proportion of them.

System of Buying Eggs. The following table shows the popularity of the graded system in buying from the various sources.

Table I. System of Buying Eggs from Producers, Grocerymen, and Other Dealers by Carlot Shippers.

| System of Buying                      | Source of EGGS |                 |                   |
|---------------------------------------|----------------|-----------------|-------------------|
|                                       | Producer       | Grocery-<br>man | Carlot<br>Shipper |
| Current receipts                      | --             | 2               | --                |
| Loss off                              | 4              | 5               | 4                 |
| Graded basis                          | 5              | --              | --                |
| Both current receipts<br>and loss-off | 1              | 3               | 2                 |
| No answer                             | 1              | 1               | 1                 |

Eleven men answered this question. None of them bought eggs on the graded basis except from the producer. Eight bought on the loss-off basis at least part of the year from grocerymen. Five used this system during the entire year.

Effect of Grading Eggs on the Volume of Business done with the Various Sources of Eggs. There seems to be a tendency for the volume of business with the producers to be increased when the graded system is started. The volume of business with grocerymen and other sources tends to decrease.

Table II. The Effect on the Volume of Business with Various Sources of Eggs when the Graded System is started by Carlot Shippers.

|           | Source of Eggs |                 |                  |
|-----------|----------------|-----------------|------------------|
|           | Producer       | Grocery-<br>man | Other<br>Sources |
| Increase  | 4              | —               | —                |
| Decrease  | 2              | 3               | 3                |
| Same      | —              | 2               | —                |
| No answer | 5              | 7               | 8                |

Since there were such a large number that did not answer this question, no definite statement can be made on the effect of grading on volume of business done. It would appear that there was a tendency for the volume of business done with the producer to increase and for the opposite to take place with other sources of eggs.

Grades used in buying. Four of the men buying on the graded basis use two grades of sound shelled eggs. Two use three grades of sound shelled eggs. The two way basis of grading is the simpler method but does not allow as great a differential in prices for quality eggs as the three way basis.

Discussion of Opinions from the Dealer Group. The majority of the carlot shippers feel that the most important factor in improving the quality of the eggs which reach the consumer is the installation of the graded

system of buying eggs. The reason that grading is not practiced more universally is due to competition for volume of eggs. The strength of competitors who buy case count or loss-off is due largely to the interaction of two factors. First, poor management on the farm which results in the production of a large per cent of poor quality eggs; second, the large volume of eggs which pass through the hands of the groceryman. Men who do not produce good eggs naturally want to sell to a man who buys straight run. Grocerymen want to sell straight run because they buy that way. In a great many cases the groceryman would have to take a loss on the eggs he handles if he sold them on the graded basis.

The egg breaking season is a particularly hard time for the man who buys on the graded basis to maintain his volume. This is because of the small spread in price between undergrades and the better grades of eggs, which allows the small "in-and-out" dealers with a small investment to come in and pay a relatively large price for current receipts.

The general opinion is that buying on the graded basis tends to improve the quality of eggs, and that it helps take the risk out of handling eggs.

All of the carlot shippers were concerned with the

management conditions on the farm as a factor in improving the quality of eggs.

Since approximately seventy per cent of the total eggs pass through other hands before reaching the carlot shipper, it appears that, if the graded system is to perform its function, it must be applied to all sources of eggs. If carlot shippers bought on the grade from all sources, grocerymen and other primary buyers would be forced to grade to protect themselves. The only alternative would be to turn the business over to the carlot shipper.

Only about forty two per cent of the carlot shippers bought eggs on the graded basis from the producer. None used the graded system in buying from other sources.

There seems to be a tendency for the volume of business with the producer to increase when the graded system is established. Other sources tend to turn their eggs to the man who buys on a straight basis.

#### Grocery Store Group

Purpose of Egg Trade. It is a common idea that grocerymen make but little, if any, profit from the eggs which they buy from the farmer. The following are the reasons for buying eggs from the farmer as given by

seventeen grocerymen in Manhattan:

| <u>Purpose of Egg Trade</u>            | <u>Number of Times<br/>Mentioned</u> |
|--|--------------------------------------|
| Accommodation to producer and consumer | 3                                    |
| To draw the farmer's trade             | 7                                    |
| Both of the above reasons              | 5                                    |
| Profit                                 | 1                                    |
| No answer                              | 1                                    |

This would indicate that the majority of the grocerymen use their egg trade to induce the farmer to trade at their store.

Per Cent of Farmers who trade Eggs for Merchandise.

The following was reported in regard to the per cent of farmers who traded the eggs brought to the store for merchandise. Two men did not answer this question.

| <u>Per Cent of Farmers who<br/>trade Eggs for Merchandise</u> | <u>Number of Grocery-<br/>men Reporting</u> |
|---|---|
| 50 per cent   | 3   |
| 67 per cent   | 3   |
| 75 per cent   | 4   |
| 90 per cent   | 1   |
| 95 per cent   | 1   |
| Trade for what they buy                                       | 3   |

Apparently these grocerymen were justified in using their egg trade to attract the farmer's business since a large majority of the farmers who brought eggs to their store traded them for merchandise.

Premiums offered on Price of Eggs traded for merchandise. Twelve grocerymen did not offer a premium for trade over the regular cash price; four offered one cent per dozen; and one offered two cents per dozen. It would appear that the majority of the grocerymen in Manhattan rely on the farmer bringing his eggs to them because it is more convenient.

System of buying. None of these grocerymen bought on the graded system. Only three were complying with the state law which states that eggs must be bought on a loss-off basis the entire year. Eight bought on this basis only during the summer, and six used this system during both the spring and summer.

System of selling. Fifteen sold the eggs just as they were brought in from the farmer. One candled the eggs before he sold them. One groceryman did not answer this question. Since these eggs go into consumptive channels before they have time to deteriorate materially in quality, the groceryman in Manhattan feels that he is not justified in sorting the eggs. The majority of the

farmers bring their eggs in on Saturday and the groceryman uses what he needs of these through the following week and then turns his surplus to the carlot shipper on the straight run basis.

Demand of Customers for Quality Eggs. While the writer feels that the results obtained in this case are not necessarily indicative of the conditions existing where the majority of the eggs are consumed, it is interesting to note what the average consumer in a small city desires in the way of eggs.

| <u>Quality Demanded by Consumers</u>              | <u>Number of Grocerymen Reporting</u> |
|---|---------------------------------------|
| Fresh country eggs                                | 7                                     |
| Say nothing concerning quality when ordering eggs | 5                                     |
| Large eggs  | 1                                     |
| No answer   | 4                                     |

It is natural to expect that a large number of consumers would associate freshness from the country with the better eggs and would call for them by that name. No doubt, where the source of eggs is so close to the point where consumed, the quality as a rule is satisfactory.

Trend of Counter Trade in Eggs. Seven reported that there was no change in the volume of eggs sold to customers in the last three years. Five stated that their trade

was increasing in volume, and four stated that there was a decrease. The men who noted a decrease attributed the fact to a retail counter operated by one of the local produce men. This firm sells cracked and small eggs of good internal quality at a reduction in price.

Effect of Grading on Quality of Eggs delivered by the Farmer. Seven grocery men thought that the quality of eggs delivered by the farmer would not improve if they were bought on the graded basis; six thought there would be an improvement in quality; one thought there would be an improvement in the size of eggs; and three did not answer.

Effect of Grading Eggs sold to the Consumer on the Volume of Eggs Consumed. Nine grocery men stated that there would be no effect; three thought there would be an increase; and five did not answer. The general opinion here seems to be that the quality of eggs as received from the producer as a whole meets the approval of the consumer. It would be impossible to make a definite statement, however, because it is not known whether the consumption of eggs in Manhattan is at a minimum, a maximum, or a medium level.

Per Cent of Grocery men in favor of buying on the Graded Basis. Fifteen of Sixteen grocery men or ninety

four per cent stated that they were not in favor of buying on the graded basis. Twenty five per cent expressed themselves as being willing for the time to come when produce men would buy all the eggs. This would take the risk out of the egg business for them and put all grocery men on an equality as regards the farmer's trade.

Obstacles which prevent Grocery men from buying on the Grade.

| <u>Obstacle</u>                                       | <u>Number Reporting</u> |
|---|-------------------------|
| Customers do not demand quality                       | 4                       |
| Do not know how to grade                              | 3                       |
| Too much time required                                | 3                       |
| Too small a margin                                    | 2                       |
| Too much trouble                                      | 2                       |
| Get enough good eggs to balance loss from poor eggs   | 2                       |
| Farmers would not be satisfied                        | 2                       |
| Do not get enough eggs to bother                      | 3                       |
| Cannot afford a competent man                         | 2                       |
| Not accurate  | 1                       |
| Not practical   | 1                       |
| Most of eggs are good enough for demand               | 1                       |
| No profit in grading                                  | 2                       |
| Grocery men cannot compete with the local produce men | 1                       |

|   |   |
|---|---|
| No advantage for retail trade where the eggs are turned immediately | 1 |
| Too much partiality shown in grading                                | 1 |

Although the small volume of business done is mentioned specifically only three times as an obstacle which prevents the groceryman from buying on the grade, the writer believes that it is the underlying cause of the majority of the reasons given. The fact that a fairly large number reported that their customers did not demand quality in eggs was probably the result of the fact that they have no trade name by which to call for quality. Nearly half of the grocerymen said that their customers specified that they wanted fresh, country eggs.

Discussion from Standpoint of the Groceryman. The groceryman's egg business is largely the result of a desire to attract the farmer's trade to his store. His big drawing card is the convenience and saving of time to the producer in disposing of his eggs.

There is one major factor which makes the average groceryman in the small city feel that it is impossible for him to buy eggs on a graded basis. This is the small volume of eggs handled. Because of this small volume, the groceryman cannot afford to hire a competent man to grade the eggs; he cannot afford time to learn to grade; he is not able to provide adequate, efficient storage

space to maintain the quality of the eggs; and he cannot afford the room and equipment for grading. At present he has no incentive to buy on the graded basis because his buying public as a rule thinks that an egg is all right as long as it is fresh from the country.

The groceryman makes the most of his profit on eggs bought from the farmer from the merchandise which he is able to sell him in return. Since he buys these eggs on a straight run basis, he naturally wants to sell on the same basis to the carlot shipper. This eliminates much of the risk to the groceryman. He generally gets a cent a dozen for casing the eggs.

#### Producer Group

Attitude of Producers toward selling on the Graded Basis. Below is a table showing the general attitude of the one hundred producers interviewed in regard to selling on the grade.

Table III. Number and Per Cent of Farmers who are in favor of selling on the Graded Basis.

| Community     | Favor  |          | Opposed |          | Unopinioned |          |
|---------------|--------|----------|---------|----------|-------------|----------|
|               | Number | Per Cent | Number  | Per Cent | Number      | Per Cent |
| Manhattan     | 36     | 72       | 7       | 14       | 7           | 14       |
| Junction City | 14     | 56       | 5       | 20       | 6           | 24       |
| Wamego        | 17     | 66       | 3       | 14       | 5           | 20       |
| Total         | 67     | 67       | 15      | 15       | 18          | 18       |

Sixty seven per cent or more than two-thirds of the producers interviewed were in favor of selling on the graded basis. The largest per cent of producers in favor were found at Manhattan where the graded system has been in operation for several years. Apparently a large number of producers at Wamego are dissatisfied with the present system of marketing eggs. There is no graded market at Wamego and it may be that a large number expressed themselves in favor of selling on the grade merely because they were dissatisfied with the present market.

Number and Per Cent who sell on the Graded Basis.

Not all of the producers who were in favor of the graded system of buying sold that way.

Table IV. The Number and Per Cent of the One Hundred Farmers who sell on the Graded Basis.

| Community                   | Sell on graded basis |          | Do not sell on grade |          |
|-----------------------------|----------------------|----------|----------------------|----------|
|                             | Number               | Per Cent | Number               | Per Cent |
| Manhattan                   | 28                   | 56       | 22                   | 44       |
| Junction City               | 10                   | 40       | 15                   | 60       |
| Wamego                      | 2                    | 8        | 23                   | 92       |
| Manhattan and Junction City | 38                   | 50.67    | 37                   | 49.33    |

Approximately fifty one per cent sold their eggs on the graded basis at Manhattan and Junction City. One man at Wamego took his eggs to Manhattan to sell on the graded basis and one shipped his eggs to a distant market. The

larger per cent who sold on the graded basis at Manhattan was probably the result of the graded market having been established here for a longer time.

Advantages of selling on the Graded Basis. These advantages are divided into three groups by communities with a summary of all three groups.

**Manhattan:**

| <u>Advantage of selling<br/>on a Graded Basis</u> | <u>Number of Pro-<br/>ducers Reporting</u> |
|---|--|
| Get a premium for quality eggs                    | 26   |
| Gives an incentive to produce better eggs         | 5  |
| Fair in the system of grading                     | 3  |
| Increases consumption                             | 1  |
| Can get cash by this system                       | 1  |
| Public gets better eggs                           | 1  |
| Leghorn eggs bring more by this method            | 1  |

**Wasego:**

| <u>Advantage of selling<br/>on a Graded Basis</u> | <u>Number of Pro-<br/>ducers Reporting</u> |
|---|--|
| Premium for good quality eggs                     | 15   |
| Incentive to produce better eggs                  | 7  |
| Fair to good producer                             | 4  |
| Fair to dealer                                    | 3  |

## Junction City:

| <u>Advantage of selling<br/>on a Graded Basis</u>      | <u>Number of Pro-<br/>ducers Reporting</u> |
|--|--|
| Gives an incentive to produce better eggs              | 18   |
| Get a premium for quality eggs                         | 10   |
| Fair to good producer                                  | 1  |
| Only honest way to handle eggs                         | 1  |
| Get more for the eggs from big breeds                  | 1  |
| You do not have to be so careful with stolen nest eggs | 1  |

All Groups: This represents a total of sixty seven producers who were in favor of selling on the graded basis. Forty of these were selling on the graded basis, while twenty seven were not. The three most important advantages are listed here. The others were mentioned but once.

| <u>Advantage</u>                             | <u>Number Reporting</u> |
|--|-------------------------|
| You get a premium for quality eggs           | 53                      |
| There is an incentive to produce better eggs | 30                      |
| Fairer to the good producer                  | 7                       |

This indicates that the large majority of men who are in favor of selling on the graded basis believe that this will give a greater return for their eggs. Fifteen of the group that were in favor of selling on the grade

but who did not practice it, were located at Wamego where there is not a graded market. Seventy two per cent of the men at Junction City and Manhattan who were in favor of selling on the grade, practiced it. The remainder did not because of the small volume of eggs produced, or because they were catering to a special market, or for other reasons.

Disadvantages of selling on the Graded Basis. The findings in this case are also divided into three groups by communities with a final summary of all three groups. Each group is subdivided according to whether they are in favor of selling on the graded basis.

Manhattan producers in favor of selling on a graded basis:

| <u>Disadvantages of selling<br/>on a Graded Basis</u> | <u>Number<br/>Reporting</u> |
|---|-----------------------------|
| Too much time to wait for returns                     | 6                           |
| Honesty of the dealer questioned                      | 5                           |
| In the habit of selling to groceryman                 | 4                           |
| Egg crop too small to bother with                     | 4                           |
| Dealers are not uniform in grading                    | 3                           |
| Returns no greater                                    | 2                           |
| Cost of service is too great                          | 1                           |
| Inefficiency of graders                               | 1                           |
| No premium for very large eggs                        | 1                           |
| Grading is too close                                  | 1                           |
| Dealer buys three grades, packs four                  | 1                           |

|   |   |
|---|---|
| Gets more from grocery store in spring and summer months              | 1 |
| Grocerymen paye about the same in the fall and winter months          | 1 |
| Small eggs should be worth as much as any if they are of good quality | 1 |
| Groceryman gives a premium because eggs are always good               | 1 |
| Manhattan producers not in favor of selling on a graded basis:        |   |

| <u>Disadvantages of selling on a Graded Basis</u> | <u>Number Reporting</u> |
|---|-------------------------|
| Not uniform in grading                            | 2                       |
| No greater returns by this method                 | 2                       |
| Did not like the candler                          | 1                       |
| In habit of selling to groceryman                 | 1                       |
| Get more for Leghorn eggs on a straight run       | 1                       |
| Makes another middleman                           | 1                       |
| Too much tom-foolery about it                     | 1                       |
| Good eggs grade out bad                           | 1                       |
| A little dirt cuts grade down too much            | 1                       |
| Too much time to wait for returns                 | 1                       |
| Greater returns from case count method            | 1                       |
| Eggs should be sold by weight                     | 1                       |
| Grading is unfair when market is crowded          | 1                       |
| No advantage in fall and early spring             | 1                       |

Manhattan producers who are undecided in regard to selling on a graded basis:

| <u>Disadvantages of selling on a Graded Basis</u>   | <u>Number Reporting</u> |
|---|-------------------------|
| Do not see any difference   | 2                       |
| Takes cream to a dealer who does not grade  | 1                       |
| Does not like the man who grades  | 1                       |
| Habit of selling to the grocery store   | 1                       |
| Greater returns from the case count   | 1                       |
| Groceryman gives a premium because their eggs are always good                                 | 1                       |
| Can wash dirty eggs and take them to a grocery store while the man who grades objects to this | 1                       |

Wamego producers in favor of selling on a graded basis:

| <u>Disadvantages of selling on a Graded Basis</u>      | <u>Number Reporting</u> |
|--|-------------------------|
| Takes more care  | 2                       |
| Not uniform in grading                                 | 1                       |
| No greater returns by this method                      | 1                       |
| Honesty of dealer questioned                           | 1                       |
| Culls do not bring as much through the hatching season | 1                       |

Wamego producers not in favor of selling on a graded basis:

| <u>Disadvantages of selling<br/>on a Graded Basis</u>                         | <u>Number<br/>Reporting</u> |
|---|-----------------------------|
| Culls do not bring as much through<br>the hatching season                     | 1                           |
| Do not get as much for eggs by this<br>method                                 | 1                           |
| There is no difference in eggs  | 1                           |
| Not fixed to produce eggs to be<br>graded                                     | 1                           |
| Wamego producers who are undecided in regard to<br>selling on a graded basis: |                             |

| <u>Disadvantages of selling<br/>on a Graded Basis</u> | <u>Number<br/>Reporting</u> |
|---|-----------------------------|
| Egg crop too small                                    | 1                           |
| Honesty of the dealer questioned                      | 1                           |
| Too much care to produce eggs to be<br>graded         | 1                           |

Junction City producers in favor of selling on a  
graded basis:

| <u>Disadvantages of selling<br/>on a Graded Basis</u> | <u>Number<br/>Reporting</u> |
|---|-----------------------------|
| Not as great returns                                  | 2                           |
| Questions honesty of the dealer                       | 1                           |
| Afraid they do not always grade her<br>own eggs       | 1                           |
| Too much trouble                                      | 1                           |
| Eggs produced are too small                           | 1                           |

Junction City producers not in favor of selling on a graded basis:

| <u>Disadvantages of selling on a Graded Basis</u> | <u>Number Reporting</u> |
|---|-------------------------|
| Grocery gives a premium for trade                 | 2                       |
| Eggs are not uniform enough                       | 1                       |
| Just a graft                                      | 1                       |
| No greater returns from this method               | 1                       |
| Has a special market                              | 1                       |
| Honesty of dealer questioned                      | 1                       |
| The egg business is over done already             | 1                       |
| Do not produce enough eggs to bother              | 1                       |
| Expense attached is too great                     | 1                       |
| Too much trouble                                  | 1                       |

Junction City producers who are undecided in regard to selling on a graded basis:

| <u>Disadvantages of selling on a Graded Basis</u>                                  | <u>Number Reporting</u> |
|--|-------------------------|
| No greater returns   | 2                       |
| Handier to the store   | 1                       |
| Too much time required   | 1                       |
| Could be a graft   | 1                       |
| Would pay less for low grade eggs and sell all grades to the consumer at one price | 1                       |
| Not uniform in grading   | 1                       |
| Inexperienced graders  | 1                       |

Summary of Disadvantages. This represents the total disadvantages as seen by all three groups of producers.

| <u>Disadvantages of selling<br/>on a Graded Basis</u>  | <u>Number<br/>Reporting</u> |
|--|-----------------------------|
| Too much time or trouble to wait for eggs to be graded | 10                          |
| No greater returns                                     | 10                          |
| Honesty of the dealer questioned                       | 9                           |
| Not uniform in grading                                 | 8                           |
| Greater returns from the case count                    | 7                           |
| Egg crop is too small to bother                        | 7                           |
| In the habit of selling to the grocery store           | 6                           |
| Can get a premium by taking eggs to the groceryman     | 4                           |
| Too much care necessary to produce eggs to be graded   | 3                           |
| Inexperienced or inefficient graders                   | 2                           |
| Culls do not bring as much through hatching season     | 2                           |
| Do not like the man who grades                         | 2                           |
| Produce men grade too close                            | 2                           |
| Good eggs grade out small                              | 2                           |

A number of disadvantages which were mentioned but once are not shown in this summary but appear under the group headings.

As a whole the men who were in favor of selling on

the grade listed a greater number of disadvantages to the system than the men who were not in favor of it. This is probably due to the fact that the majority of the men who are in favor are practicing selling on the graded basis and thus have come in closer contact with its disadvantages. It was not surprising that such a large number, eighteen per cent, were undecided about selling on the grade. Most of them had sold but few, if any, eggs in this way.

Seventeen men said that they could get the same or greater returns by selling on a straight basis. There are two groups in this class. First, those who do not take the necessary care to produce eggs of high quality and thus market eggs of low grade; second, those who take special care of their eggs and the grocery store gives them a premium to get their eggs.

It was expected that a relatively large number would mention the time necessary to wait for the eggs to be graded as a disadvantage. This operates particularly in the case of the small producer who feels that he cannot afford to wait for the small premium which he would get. It is doubtful if the time required to grade eggs can be reduced appreciably, and thus under the present system it will remain a barrier to the small producer. If a

system could be developed whereby the producer could get his check the week following the delivery of his eggs, this disadvantage would be eliminated, and he would also have cash for his eggs when he came to market.

Seventeen producers either questioned the honesty of the dealer or mentioned the fact that they were not uniform in grading. The writer believes that this is due primarily to the conditions which operate in the egg market during the year. Figure 1 shows the spread in price between fresh gathered firsts at New York City and the farm price of eggs in the grain belt. This spread is very narrow during the breaking season from January to April inclusive. From this time on the spread increases gradually until November when it reaches its peak. When the spread is greatest, the carlot shipper who grades is able to pay a rather high premium for the better quality eggs. This attracts farmers to sell on the graded basis. When the spread narrows and the carlot shipper is forced to cut down on his premium for quality eggs, the farmer begins to feel that he is being cheated. Most of these farmers feel that the carlot shipper gave a good premium just to get his business. It is a logical conclusion for the farmer that the dealer is dishonest or does not grade eggs uniformly if he does not understand the causes of the

variations in the problems suffered during the year.

Housing Conditions and Measurement Practices.

It was thought that there might be some correlation between the housing conditions and the management practices on the farm and the practice of selling or not selling on the grade. The housing conditions on each farm were inspected and the results were tabulated in two groups, (see Table V): First, those who sold on the graded basis; second, those who did not sell on the graded basis. The producers at Waasego were divided into two groups according to whether they were in favor of selling on the graded basis.

There are eight factors which are extremely important from the standpoint of the production of quality eggs. They are as follows: (1) Use of broody coops to prevent heated eggs in the summer months; (2) Use of litter in the house which is important in keeping the eggs clean; (3) Use of nesting material; (4) Keeping nests clean; (5) Confining hens during rainy weather; (6) Production of infertile eggs during the summer; (7) Frequent gathering and marketing of eggs; (8) Use of dirty eggs at home.

Table V shows that men who sell on the graded basis as a rule exercise more care to maintain the quality of their eggs.

Table V. Comparison of Housing Conditions and Management Practices of Producers who use the Graded System with those who do not.

| Group                       | Hens             |                      |                       |                  |                              |                        |                     |                |          |          |          |          |
|-----------------------------|------------------|----------------------|-----------------------|------------------|------------------------------|------------------------|---------------------|----------------|----------|----------|----------|----------|
|                             | Broody coop used | Litter used in house | Heating material used | Nests kept clean | Hens confined in wet weather | Produce infertile eggs | Market twice a week | Use dirty eggs | per cent | per cent | per cent | per cent |
| Manhattan                   |                  |                      |                       |                  |                              |                        |                     |                |          |          |          |          |
| Use Grade                   | 59               | 69                   | 90                    | 72               | 21                           | 48                     | 79                  | 86             |          |          |          |          |
| Do Not                      | 57               | 33                   | 71                    | 52               | 10                           | 24                     | 57                  | 76             |          |          |          |          |
| Junction City               |                  |                      |                       |                  |                              |                        |                     |                |          |          |          |          |
| Use Grade                   | 100              | 60                   | 100                   | 70               | 30                           | 80                     | 50                  | 60             |          |          |          |          |
| Do Not                      | 87               | 53                   | 93                    | 87               | 20                           | 20                     | 60                  | 60             |          |          |          |          |
| Wasege                      |                  |                      |                       |                  |                              |                        |                     |                |          |          |          |          |
| Favor Grade                 | 65               | 41                   | 94                    | 71               | 18                           | 82                     | 88                  | 71             |          |          |          |          |
| Do Not                      | 88               | 25                   | 100                   | 100              | 13                           | 38                     | 100                 | 63             |          |          |          |          |
| Manhattan and Junction City |                  |                      |                       |                  |                              |                        |                     |                |          |          |          |          |
| Use Grade                   | 69               | 67                   | 92                    | 72               | 23                           | 56                     | 72                  | 79             |          |          |          |          |
| Do Not                      | 69               | 42                   | 81                    | 67               | 14                           | 22                     | 58                  | 69             |          |          |          |          |

Breeds kept. To find whether the light or heavy breeds were more popular with the men who were selling on the grade, the following table was prepared. This shows the number of light, heavy, and mixed breeds in each group together with the per cent each is of the total number of flocks. The seventy five flocks at Manhattan and Junction City only were used in this comparison.

Table VI. The Popularity of the Light, Heavy and Mixed Breeds among the Different Groups

| Attitude toward Grading          | Heavy Breeds  |          | Light Breeds  |          | Mixed Breeds  |          |
|----------------------------------|---------------|----------|---------------|----------|---------------|----------|
|                                  | Number Flocks | Per Cent | Number Flocks | Per Cent | Number Flocks | Per Cent |
| Undecided                        | 4             | 15       | 7             | 24       | 2             | 11       |
| Not in favor                     | 5             | 19       | 3             | 10       | 4             | 21       |
| Favor grading                    | 18            | 67       | 19            | 66       | 13            | 68       |
| Practice selling on grade        | 15            | 56       | 16            | 55       | 8             | 42       |
| Do not practice selling on grade | 12            | 44       | 13            | 45       | 11            | 58       |
| Total                            | 27            | 100      | 29            | 100      | 19            | 100      |

There appears to be no preference among men who are selling on the grade for any particular breed. There is not as large a per cent of the owners who keep mixed breeds selling on the grade as there are of either of the other types.

Size of Flocks. It is a general opinion that the men who have the smaller flocks are more often the ones who do not favor selling on the graded basis. The table below was prepared to show the number of farms, total number of birds, and the average number of birds per flock divided into two groups, those that sell on the grade and those who do not.

Table VII. The Number of Farms, Total Number of Birds and Average Size of Flocks.

|                  | Junction City<br>and Manhattan |                        | Manhattan           |                        | Junction City       |                        |
|------------------|--------------------------------|------------------------|---------------------|------------------------|---------------------|------------------------|
|                  | Sell<br>on<br>Grade            | Do not<br>use<br>Grade | Sell<br>on<br>Grade | Do not<br>use<br>Grade | Sell<br>on<br>Grade | Do not<br>use<br>Grade |
| Number farms     | 39                             | 36                     | 29                  | 21                     | 10                  | 15                     |
| total birds      | 11,294                         | 6,630                  | 8,644               | 3,925                  | 2,450               | 2,705                  |
| Average<br>flock | 289                            | 184                    | 305                 | 187                    | 245                 | 180                    |

As a rule the smaller flock owners do not favor selling their eggs on a graded basis. This is probably due to the fact that the small number of eggs which they produce makes them feel that it is not worth while to wait to have them graded.

Disposal of Eggs by Producers. Most of the producers who sell on the grade sell to the carlot shipper. The men who do not sell on the grade are fairly equally divided

between the grocery store and the local produce men.

Table VIII. Showing where Eggs are sold.

|                                | Manhattan and Junction City |          |                      |          |
|--------------------------------|-----------------------------|----------|----------------------|----------|
|                                | Sell on Grade               |          | Do not sell on Grade |          |
|                                | Number                      | Per Cent | Number               | Per Cent |
| Carlot shipper                 | 34                          | 87.2     | 16                   | 44.4     |
| Grocery store                  | --                          | --       | 18                   | 50.0     |
| Private customer               | 1                           | 2.6      | 1                    | 2.8      |
| ships to market                | 1                           | 2.6      | --                   | --       |
| Both grocery and local produce | 3                           | 7.7      | 1                    | 2.8      |
| Total                          | 39                          | 100.1    | 36                   | 100.0    |

Fifty per cent of the producers who do not sell on the grade sell to the grocery store. Since these grocery-men do not have cold storage, it means that eggs handled in this way in the summer time cannot be of the best quality.

Although the practice by grocery-men of giving a premium for eggs traded for merchandise appears to be decreasing, there are still a large number of farmers who are attracted to the grocery store with their eggs either by a premium or by the convenience of this outlet. Fifty per cent of the men who sold to the grocery store traded all of their eggs for merchandise, four and one-half

per cent traded part of their eggs for merchandise, and thirty per cent sold their eggs for cash. The majority of those who sold their eggs for cash took their eggs to a store which did not offer a trade premium. There is no doubt that a great many of them bought groceries at the store with the money obtained from the eggs.

#### DISCUSSION

It appears to the writer, after a study of the results obtained in this survey, that the following are some of the steps necessary to bring about a more wide spread interest in buying eggs on a graded basis.

An active publicity program by the carlot shipper, who is attempting to buy on the graded basis, among his producer patrons. This program should be educational in nature including practices conducive to the production of quality eggs on the farm, and the nature and cause of any radical change in the spread between different grades of eggs.

An egg sheet should be returned with the check for each lot of eggs. This sheet should indicate the number of dozens of each quality of eggs and the causes and remedy for the under-grade eggs where there are a relatively large percentage of them.

Where possible, the carlot shippers in a town should cooperate in buying eggs from all sources on the graded basis. The grocerymen would then find it advisable to grade for their own protection or turn the egg business over to the carlot shipper.

It seems possible that the disadvantage of waiting for returns might be minimized by giving in advance the current receipt value of the eggs when delivered. The balance could be paid when the producer had finished shopping or when the next lot of eggs were brought in.

If the farmer could be induced to wait one week for his returns, he would always have his check for the previous lot when he delivered his eggs.

The adoption of national standards for grades of eggs will undoubtedly come if graded buying progresses beyond the present stage. Such standards will facilitate the dissemination of market news in regard to eggs. This will tend to equalize the price of eggs in different sections of the country, reducing the spread in price between the same grade in different sections to the difference in transportation charges.

## CONCLUSIONS

## Carlot Shipper Group

1. The establishment of the graded system of buying eggs is the most important step in improving the quality of eggs which reach the consumer.
2. Competition for volume among shippers is the greatest obstacle in attempting to buy on the graded basis.
3. There are two factors which work together to make it difficult for the man who attempts to buy on the graded basis to meet competition from straight buyers.
  - a. Poor management on the farm which results in a large number of under-grade eggs. Those who produce such eggs naturally want to sell ungraded.
  - b. The large volume of eggs which pass through the grocery store before reaching the carlot shipper. The groceryman buys on the ungraded basis and wants to sell that way.
4. The graded system is the most effective means of securing prompt delivery of eggs from the farmer, and of improving the general quality of eggs.
5. Less than one-third of the eggs reaching the carlot shipper came directly from the producer.

6. Forty two per cent of the dealers were buying eggs from the producer on the graded basis. Taking into consideration the practices of competitors of the men interviewed, not more than seventeen per cent of the dealers where inquiry was made were buying eggs from the producer on the graded basis.

7. To be effective the graded system must be applied by the earlot shipper to all sources of eggs.

8. One hundred per cent of the men who are buying on the graded basis say that the quality of eggs delivered by the producer has improved.

9. No earlot shipper was buying on the grade from any source other than the producer.

10. The majority of the shippers who were buying on the graded basis were using only two grades in buying from the producer.

11. There is a tendency for the volume of business with the producer to increase when the graded system is established.

#### Grocery Store Group

1. The groceryman buys eggs from the farmer primarily to attract his business.

2. The majority of the farmers who take their eggs to the grocery store trade them for merchandise.

3. Consumers have no name by which they can call for a definite quality of eggs.

4. Only three out of seventeen of the grocerymen were complying with the state law in buying eggs.

5. Ninety four per cent of the grocerymen were not in favor of buying eggs on the graded basis.

6. The small volume of business done is the primary obstacle to buying on the grade by grocerymen.

7. One-fourth of the grocerymen expressed themselves as being willing for the produce men or carlot shippers to handle all the eggs and supply them with the quality demanded.

#### Producer Group

1. Sixty seven per cent of the producers were in favor of selling on the graded basis.

2. Eighteen per cent were undecided, and fifteen per cent were opposed to selling on the graded basis.

3. Fifty one per cent of the producers at Manhattan and Junction City were selling on the graded basis.

4. The longer a graded market is available for producers the larger the per cent of them which sell on the graded basis.

5. The majority of the producers who sell on the

graded basis do so because they obtain a greater return.

6. The most important obstacles to selling on the graded basis are:

- a. Large per cent of eggs produced by small flocks.
- b. Poor management conditions on the farm.
- c. Time required to grade the eggs.
- d. Inability on the part of the producer to understand what causes the premium offered to vary so widely during the year for the good and poor quality eggs.

7. Men who sell on the graded basis as a rule take better care of their eggs on the farm.

8. The larger flock owners are more apt to sell on the graded basis.

9. There is no particular breed which is more popular with the men who sell on the graded basis.

10. Men who keep standard breeds more frequently sell to a shipper who grades than those who keep mixed or mongrel flocks.

11. Forty four per cent more of the eggs sold by producers go to the carlot shippers at Manhattan and Junction City where there is a graded market, than at Wamego where there is not a graded market.

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## APPENDIX

The following questionnaires were used in obtaining the data presented in this thesis.

## Questionnaire for Carlot Shippers

Each carlot shipper was asked to underscore the word which applied to his case. Statements were asked for in a few questions.

1. What per cent of your eggs do you buy from the producer? \_\_\_\_\_ merchant? \_\_\_\_\_ other sources? \_\_\_\_\_
2. What system do you use in buying eggs?
  - a. From the producer: Current receipts; Loss off; Grade.
  - b. From the merchant: Current receipts; Loss off; Grade.
  - c. Other sources: Current receipts; Loss off; Grade.
3. How many local competitors (not including merchants) do you have in buying eggs? \_\_\_\_\_
4. How many of your competitors buy eggs: Loss off? \_\_\_\_\_ Current receipt? \_\_\_\_\_ Graded basis? \_\_\_\_\_
5. Please name the grades you use in buying eggs.
  - a. \_\_\_\_\_ b. \_\_\_\_\_ c. \_\_\_\_\_
  - d. \_\_\_\_\_ e. \_\_\_\_\_ f. \_\_\_\_\_
6. Please name the grades you use in packing eggs.
  - a. \_\_\_\_\_ b. \_\_\_\_\_ c. \_\_\_\_\_
  - d. \_\_\_\_\_ e. \_\_\_\_\_ f. \_\_\_\_\_

7. What has been the effect of grading eggs on your volume of business with the following:
- a. Producers: Increase; Decrease; Same.
  - b. Merchants: Increase; Decrease; Same.
  - c. Other sources: Increase; Decrease; Same.
8. What has been the effect on the general quality of eggs since buying on the graded basis? Improved; Lowered; Remained the same.
9. What per cent of producers favor buying on the grade? \_\_\_\_\_
10. What means are used to secure the most prompt delivery of eggs from the farmer?
11. Do you vary your system of buying with the different seasons? Yes; No. If so, please state the seasons of variation, also the nature of the variation.
12. Which system of buying is the most profitable during the following seasons?
- a. Summer: Current receipts; Loss off; Close grading; Slack grading.
  - b. Fall: Current receipts; Loss off; Close grading; Slack grading.
  - c. Winter: Current receipts; Loss off; Close grading; Slack grading.
  - d. Spring: Current receipts; Loss off; Close grading; Slack grading.
13. Please state the disadvantages of buying eggs by grade under your conditions.
14. Please state the advantages of buying eggs by grade under your conditions.
15. What things are most important in improving the quality of market eggs in your locality?

## Questionnaire for Producers

In this case the answers were filled in by the writer.

Date \_\_\_\_\_ No. \_\_\_\_\_

1. Name and address \_\_\_\_\_
2. Breed and variety of chickens \_\_\_\_\_
3. Number of birds on farm November 1, 1927.  
Pullets \_\_\_\_\_ Hens \_\_\_\_\_ Males \_\_\_\_\_

Houses and Equipment.

4. a. Number of laying houses \_\_\_\_\_ Size \_\_\_\_\_  
b. What per cent of the hens lay in the house? \_\_\_\_\_  
c. Are broody coops used? Yes; No.  
d. Litter used: All year; Summer; Winter; None at all.  
e. Kind of litter used: Straw; Fodder; Hay; Shavings; Commercial.
5. a. Condition of house: Good; Poor; Medium.  
b. Kind of floor: Dirt; Oiled; Wood; Concrete; Tile; Gypsum; Others.  
c. Dropping boards used: Yes; No.  
d. Are sufficient nests available? Yes; No.  
e. Location of nests: On ground; Secluded; Good; Poor.  
f. Are they covered? Yes; No.  
g. Is nesting material used? Yes; No.

- b. What kind of material is used? Straw; Hay; Excelsior; Others.
- i. Are birds allowed to roost on or in the nests? Yes; No.

Management.

- 6. Winter management (November to March.)
  - a. Hens: Confined; Free range.
  - b. Pullets: Confined; Free range.
  - c. Are hens and pullets confined during rainy weather? Morning; Afternoon; Not at all.
  - d. Are hens and pullets confined during snowy, slushy weather? Morning; Afternoon; Not at all.
- 7.
  - a. What part of the year are cocks allowed with the flock? All year; Breeding season; What months.
  - b. What part of the year are cockerels allowed to be with the flock? Summer; Fall; Not at all.

Production and handling of Eggs.

- 6. a. How often are eggs marketed during these seasons?
  - Winter: 1, 2, or 3 times per week; Semi-monthly.
  - Spring: 1, 2, or 3 times per week; Semi-monthly.
  - Summer: 1, 2, or 3 times per week; Semi-monthly.
  - Fall: 1, 2, or 3 times per week; Semi-monthly.
- b. Where are eggs stored? Cellar; House; Special room.
- c. How often are eggs gathered per day in summer? One or two times.
- d. What kind of container is used for marketing? Case and fillers; Loose in bucket; Packed in bucket.

- e. Do you attempt to use dirty and cracked eggs at home?

Markets and Marketing.

9. a. To whom do you sell your eggs? Local produce man; Grocery store; Ship to packer; Ship to New York or other points; Huckster or pick-up man; Town people.
- b. What per cent of your eggs do you sell to the grocery store? \_\_\_\_\_
- c. What part of the year do you sell most to the local produce man if you do not sell to him all the time? Summer; Fall; Winter; Spring.
- d. What part of the year do you sell most to the grocery store? Summer; Fall; Winter; Spring.
10. a. On what basis do you sell your eggs? Cash; Trade.
- b. What premium does the grocery store offer in trade over cash? (Cents per dozen.) \_\_\_\_\_
- c. How does this compare to the local produce man's price? Same; Higher; Lower.
11. a. Do you market to a man who grades? Yes; No.
- b. What part of your total eggs marketed do you sell to the man who grades? All; None; What per cent?
12. Are you in favor of marketing eggs by grade? Yes; No.
13. Why are you in favor of marketing eggs by grade?
14. What objections do you have to marketing eggs by grade?

## Questionnaire for Grocerymen

1. Why do you buy eggs from the farmer?
2. What per cent of farmers take trade for eggs? \_\_\_\_\_  
What per cent cash? \_\_\_\_\_
3. What premium (Cents per dozen) do you give in trade over cash if any: Summer \_\_\_\_\_ Spring \_\_\_\_\_ Fall \_\_\_\_\_  
Winter \_\_\_\_\_
4. What system of buying do you use?
  - a. Case count: Summer; Fall; Winter; Spring.
  - b. Loss off: Summer; Fall; Winter; Spring.
  - c. Grade: Summer; Fall; Winter; Spring.
5. On what basis do you sell eggs to customers?
  - a. Current receipts: Summer; Fall; Winter; Spring.
  - b. Grade: Summer; Fall; Winter; Spring.
6. Customer's demand.
  - a. What per cent of customers demand quality eggs?  
Summer \_\_\_\_\_ Fall \_\_\_\_\_ Winter \_\_\_\_\_ Spring \_\_\_\_\_
7. What has been the trend of your counter trade in eggs the past 3 years? Increasing; Decreasing; Same.
8. What effect do you think it would have on the quality of eggs received if you bought on the graded basis?
9. Do you favor buying on the grade? Yes; No. Reasons.