



THE GREENVILLE PRODUCE COMPANY

Thesis for the Degree of M. Agr.

Ashley Moses Berridge

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Ever since potato growing became an important industry in Michigan, Montcalm County has stood out as a big producer. For several years her one shipping station, Greenville, sent out over one million bushels annually, thereby earning the reputation of being the largest producer's market in the United States. The fame of her tubers long ago was established in the larger retailing districts. Only of late years, however, has she been the price-maker for the state. Greenville's quotations are now noted in the daily market reports as an index of sales prices for Michigan. There are two reasons for this: First, The North Greenville market is the home of the head offices for a number of commission firms that operate many other buying stations. Necessarily these companies study and know market conditions. Second, The high prices of this market are due to the operations of one of the first farmer's buying organizations to be established in this state. It is known as the Greenville Produce and Supply Company, Limited. This Association is composed entirely of farmers, potato-producers, with its sole object the procuring of the highest price for potatoes. It is a successful company and has transacted over one million dollars worth of business during the past eleven years without any profits (Next page).

or dividends for its members other than those obtained by all potato producers within fifteen miles of Greenville, market prices of from five to fifteen cents per bushel above those paid at neighboring buying stations. It is a producers association yet the benefits are community-operative rather than co-operative. The smallest grower, and he may not belong to the association, shares its profits in like proportion with a director of the organization.

The greater part of Montcalm County has soil well adapted to potato growing. It is a light, almost sandy, loam, easily worked and readily warmed, with good natural drainage. The early settlers brought a few potatoes with them and they grew so well in the newly cleared land that the family wants could easily be satisfied. Not until the summer of 1867 were more grown than those needed for home consumption. The two or three brave spirits who attempted the growing of this new crop were successful but they had to draw their surplus to Ionia, a distance of twenty-two miles, and here the only market was in the stores.

Up to this time potato culture had been merely a process of placing the seed piece in the ground, keeping the weeds down and harvesting the matured crop. Stories had been told concerning a bug that would attack a potato vine and in a few days devour all of the leaves but they were unknown until July 1869 when a few of them were discovered in a garden in Greenville. Great interest was aroused when

it was decided that the dreaded "potato-bugs" had actually made their appearance. Many were the stories told about these dangerous pests. It was reported that two men were killed from inhaling the fumes given off from some bugs they had picked and thrown into a stove. Other men were bitten and a great many badly frightened because of the general supposition that the bugs were poisonous. The wide telling of such stories could not but make many farmers hesitate in planting potatoes which would thereby bring such a menace on their farm.

Up until 1870 small acreages of potatoes were planted. Ordinarily the farmer would have a few in his corn field either in a separate plot or more often in strips along either side of his field or perhaps all the way around. These were usually planted with a hoe, cultivated with the corn and dug with a hoe in the fall.

In 1870 the Pere Marquette Railroad completed its line from Ionia into Greenville and the first shipping of potatoes commenced. An opportunity was presented to send carload lots out of the state through Detroit. Almost immediately a number of farmers, to get into the carload class, increased their acreages. The method of cultivation at that time was to plow the field early and summer fallow the ground until the middle of June. There were two methods ordinarily used in planting the potatoes; some marked out their fields with a pole

and chain marker. This implement consisted of a pole fifteen to eighteen feet in length with light chains fastened to it, three feet apart. This pole was carried across the field by two men and the chains dragging on the ground left marks to guide the planters. The potatoes were then planted by digging a hole and covering the seed with a hoe. The other method of planting common at this time was by means of a cultivator marker. This marker had two legs thirty six inches apart, each with a double winged cultivator tooth or shovel attached to it. A stick ran out three feet to one side of the marker and dragged a chain to show the position of the return trip. This arrangement marked the ground and opened a nice ditch for the potatoes to be dropped into. Men followed behind and dropped the seed three feet apart in these trenches. They were then either covered with a hoe or by the dragging of the field with the old type, V-shaped, spring-tooth, wooden drag. Ordinarily the potatoes were cut into large pieces, two of which were placed in each hill. Experience soon taught the growers that ~~the~~ good results were obtained where just ^{one} section was used. The harvesting of the crop was accomplished by hoeing out the potatoes on some farms, on others with a potato hook, and still others used the fork.

In 1879 Frank Rich opened up his office on the main street of Greenville. He was the first buyer and shipper of potatoes in Montcalm County. His business was good from the very beginning. Mr. Rich's office and scales were some six blocks from the railroad and the story is told that the farmers weighed^d their loads and then drove to the station to be unloaded. Usually a few culls were sorted out. The farmer would forget to place the tail board back in the wagon, his horses were started out on a trot and by the time they were back at the scales not a sort was to be found.

With the increased acreage of potatoes two other buyers, Crawford and Packard, opened up offices in Greenville and shipped over the Pere Marquette. In 1888 the T. S. & M. division of the Grand Trunk Railroad was completed through North Greenville. The officials of this road wanted the potato business and they made an offer to the buyers whereby they agreed to furnish scales and a man to do all their weighing for them, if they would ship over their lines. Accordingly, the three commission offices went to North Greenville and accepted the offer. At this time Greenville was the only buying station in Montcalm County, and potatoes were drawn there from fifteen to twenty-five miles from all directions.

Shortly after the arrival of the new railroad another company, Miller & Foster, commenced buying. . The four concerns ordinarily shipped from sixteen hundred to two thousand car loads of potatoes each year to New York, Chicago, and points between. A definite grade of potatoes was required at this time. Upon the variety depended the price, a condition not found on the market now, much to the detriment of Greenville's name. Green Mountains, White Stars, Burbanks, Cayuga Chiefs, Chicago Markets, Early and Late Rose, were the popular varieties of this county. Some of these received from eight to ten cents more per bushel than others, depending upon the market.

With the continually increasing acreage and increased business several other companies opened up offices at Greenville. They soon gave up the one-scale weighing and each company installed its own scales. This became a source of trouble between growers and buyers and many were the complaints of short weight and cheating. As railroad facilities improved the Greenville companies established sub-stations at different points in the County. There were no banks at these places. All buying had to be done by cash and the early morning train north from Greenville used to carry several thousands of dollars in the care of Ben Stickney one of the most trusted conductors. He would dole out the money along the line to the different buyers. This increased expansion, caused added competition.

between the companies in Greenville. Prices were good for a time. In time the attractions of a pool became so great that the dealers decided to try it out. Their plan was to set a good safe price for each day and all stick to it. In order to have things convenient, a long bench was erected out next to the street where each company had its buyer. When a load of potatoes came in, buyer No. 1 made a bid on it. Noone would raise his offer. Buyer No. 2 would get the next load and so on. Naturally the profits were much greater and more certain under this system. The producer^s became very bitter in their stories of cheating but to no avail except that the price in Greenville went down to an average of from ten to fifteen cents lower than that paid at any place where "outsiders" were buying. In time the "ring" became so strong that they hired one man to do all their buying, he divided up the loads, sending one to each company in turn. Naturally potato-raising received quite a set back through this manipulation and much of the business was turned away from Greenville. Farmers could make good wages by hauling their potatoes to other stations.

Conditions were of this nature in the fall of 1905. The producers were angry but did not think they could ever change the situation as any new buyer was either run out or drawn into the combine in a short time. One day Ed. W. Lincoln drove into town with a load of potatoes and they were sold to one of the companies. After unloading he drove back onto the scales. Another buyer walked up and started in to criticize him for selling to that man rather than to him as he was supposed to have his potatoes. This set Mr. Lincoln into action. He commenced talking to his neighbors and awakened them to the serious condition of affairs into which the producers had been placed.

In the neighborhood where Mr. Lincoln lived the farmers had a local organization for the discussion of farm problems and the promotion of community sociability. Mr. Lincoln was on the program committee and he urged that a meeting be given over for the discussion of direct selling of potatoes. It was finally decided to do this at the first meeting to be held in January 1906. The subject was taken up at the home of Mr. Will Harris, with most of the members pretty skeptical. Mr. Lincoln had tried to find other organizations of this nature to pattern after but was unable to do so. He had been doing some thinking however and he suggested a plan of organization that was finally adopted.

He proposed that they form a stock company, each farmer to take stock in proportion to the number of bushels of potatoes he expected to raise--\$100 for 1000, \$200 for 2000 etc. This company was to open up an office in North Greenville, place a buyer on the street in competition with the organized dealers and handle potatoes on as close a margin of profit as ^{was} consistent with good business methods. Any profits were to be divided among the stock-holders. The second meeting was held at the home of James Verplanck. A committee consisting of E. W. Lincoln, T. H. Verplanck and Richard Vainners had been appointed to investigate the feasibility of such a plan. They made a favorable report, recommended the adoption of the plan and the organization of a company. Each man present signed the report as evidence of his support. During the next week \$4000.00 was subscribed for.

On March 31st 1906 a meeting was called at the Grange Hall in Greenville for the organization of the company. Mr. John Tenman was chosen as temporary chairman and Sam Peck as Secretary. Eighty-eight members signed the following statement: Under the act No. 191 of Public Acts of 1877 entitled "An act authorizing the Formation of Partnership associations in which the capital subscribed shall alone be responsible for the debts of the association

except under certain conditions and the acts amendatory thereto" we do hereby make, execute, acknowledge and adopt the following Articles of Association."

1. The name of this association and name by which it shall be known in law is The Greenville Farm Produce and Supply Co., Limited.

11. The purpose or purposes of this association are as follows: To buy, sell, ship, market and conduct a general dealing in hay, grain, wood, potatoes and all other farm products; and to handle, buy, sell and conduct a general retail dealing in lumber, bricks, lime, cement, coal, wood and all kinds of manufactured goods, feed stuffs, merchandise, machinery and implements.

111. The operations of this association shall be carried on at, in and from the City of Greenville, Montcalm County, Michigan.

1V. The capital of this association hereby organized is the sum of ———.

V. The amount of the capital of this association actually subscribed is the sum of ——— Thousand dollars, and the amount of the capital actually paid in cash is the sum of ——— dollars. Each subscriber hereto having paid in 15% of the capital subscribed by him.

VI. The balance of the capital subscribed by each subscriber hereto shall be paid when called for by the board of managers.

VII. The capital of this association shall be subject to the restrictive provisions of section (4) of said act number one hundred and ninety one (191) as amended.

VIII. The principal office of this association shall be located in said city of Greenville.

IX. The duration of the existence of this association is hereby fixed for the period of twenty years from and after the date of the execution of these articles of association, unless sooner dissolved according to law.

X. There shall be elected annually the last Tuesday in May five managers of this association.

XI. The present officers of this association are as follows.

James Verplanck, Chairman.
Edward W. Lincoln, Secretary.
George P. Johnson, Treasurer.
Edwin Rowley, Manager.
Edwin Tallman .. .

All of whom have been regularly elected managers of this association and the said James Verplanck, Geo. P. Johnson and Edw. Lincoln have respectively been elected Chairman, Secretary and Treasurer as above stated.

In witness whereof we the parties hereby associating for the purposes of giving legal effect to the articles of association, hereunto subscribe our names and affix our places of residence and the amount of capital subscribed by each respectively.

During the summer a plot of land was rented of the Grand Trunk, and an office erected, and scales installed. A store-house was rented of the Greenville Lumber Company. When the season opened Mr. Lincoln and Mr. Johnson started buying. They were the laughing stock of the "Ping" who declared they would bust them by Christmas as they had many other buyers who had tried to compete with them. It so happened that there was a serious car shortage that fall. The Farmers Company could have bought over 2/3 of the potatoes that came on the market but were compelled to go slow because they could not get cars. The other nine companies were buying and loading together, yet they claimed nine cars to each one of the Farmers, paying demurrage on them rather than allow them to be used. The P. M. refused the Farmer's cars entirely. This Railroad was completely controlled by the organized buyers. The Grand Trunk played fair but at that only a few cars could be obtained. As any shipper has a right to a car in order of his application the Company used the different members in ^{this} fight for cars.

They chartered cars for private use and personally superintended the loading for the Company. This raised a great stir among the other buyers and soon brought the head officers of the Company to Greenville for an investigation. It was finally proven that the nine Companies were buying together and so could claim only one-half the cars. This was quite a victory for the Farmers and enabled them to go through the season with the highest prices paid on the market in many years. Difficulties were encountered during the first two or three years in getting their cars sold safely. All influences were used by the old companies to have loads side tracked, refused or docked. Considerable loss occurred from this until the firm became well known and had gained experience enough to prevent these operations.

During the first year coal sheds, to house several carloads were erected, coal and wood was purchased, (the price of coal dropped \$1.00 per ton the day they started selling), Clover seed, fence posts, wire, and farm machinery. Aside from the last these different commodities have been handled ever since. The second year land was purchased and a storehouse capable of housing 4000 bushels of potatoes was erected. The entire investment of the Company to date in buildings and supplies is between \$3000 and \$4000.

The potato business is so uncertain that each year the Company does well to break even. Several years with a capital of \$500 a business of \$75,000 to \$100,000 has been done. Mr. Johnson handled the buying for five years, Stacey Rowley for one year and Mr. Will Taylor has had charge of the office since then.

In the fall of the year 1915 at the annual meeting, Mr. Taylor refused to act as Secretary if he had to buy potatoes. He declared that the farmers were not supporting the Company as they should and that they needed a jolt. Accordingly it was decided that for this entire season the Produce Company would refuse to buy. Conditions were soon like those of former years. Greenville prices dropped below those of other towns and relatively few potatoes were drawn into the market. The majority went to neighboring stations where there was a little competition. The producers woke up at once and besieged the Company to buy, and the bankers and business men of the town added their plea for they knew that the business and money were going to other towns.

This was the only year that the Company made money, for the profits from coal and seeds were not used in buying potatoes. The only dividend ever paid was declared at this time - 6% on all money invested.

The lesson was a good one for when the season of 1916 brought on its potato harvesting there commenced

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