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TEN LESSONS IN MARKETING—Lesson II

Assembling, Inspecting,
Standardization

By DR. HECTOR MACPHERSON

Revised by DR. MILTON N. NELSON

In our first lesson we had a glimpse of the skilled machinist in the Ford factory spending his life making one small fragment of a Ford car. We also saw that he and his family were well fed, adequately clothed, and comfortably housed; and that they were using a great variety of commodities produced by many different people, and coming from many widely separated states and foreign countries. In this lesson we shall begin our study of the steps in the marketing process through which our machinist and thousands of other people who live in cities get their supplies of food and clothing.

1. **Assembling the goods.** The first thing we are going to study is how things are assembled for shipment at the points where they are produced. Manufacturers escape an assembling problem by locating their factories at convenient shipping points. This is necessary in order that they may receive their raw materials and ship their finished products easily. Most of them produce on a very large scale. Many oil refineries, making kerosene, gasoline, and lubricating oils, turn out their products by the train load daily. Factories are producing iron and steel goods at the rate of hundreds of cars daily. Similarly, we find flour from Minneapolis; dressed and cured meats from Chicago; boots and shoes from Lynn, Massachusetts; ready-made clothing from New York City; all made in such

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large quantities that they keep the railroads busy transporting the train loads of goods produced.

Now let us contrast the making of these manufactured goods with the raising of products on the 6,371,640 farms of this country. In 1925 the Census Bureau reported 3,618,624 of those farms in the hog-raising business. About the same number were growing corn. Three and a quarter million were raising apples. Somewhat less than three million were producing potatoes.

Farmers raising each of these products are to be found in every state in the Union. The average amount per farm is small. Some farmers are producing on a large enough scale to be able to ship in car lots; but in most instances the output of several farms is necessary in order to make up car-loads for shipment.

From this we see the first problem that has to be solved in marketing agricultural products. They must be hauled by wagons or trucks from hundreds of farms and assembled at depots from which they can be shipped by water or rail to places where they are needed. Factories, on the other hand, have no such problem. They usually have tracks laid so that the cars can be run alongside of their warehouses or directly into their loading sheds.

The assembling of farm products is done in this country largely by local buyers, dealers, or merchants. For example, grocers buy eggs from farmers, paying for them usually in groceries or "trade," and ship them to dealers in the big cities. Buyers of hogs, cattle, sheep, wool, and mohair frequently drive around among the farmers and buy up their products to be shipped away in car lots. Dealers in grain, hay, potatoes, apples, etc., keep elevators and warehouses close to the railways to which the farmers haul their products for sale.

2. Inspection. But there is something else which must be done for goods before they are sent on their way to the consumer. They must be examined to see whether they are good enough, so that when they reach their destination people will want to buy them. Manufacturers usually have inspectors examine every part, as well as the finished article, before it is permitted to leave the factory. In the case of farm products, and local buyers usually perform this service. They inspect things before they buy them and usually pay prices according to quality.

Sometimes the government does the inspecting on behalf of both producers and consumers. For example, our State Market Agent's office inspects cars of grain, hay, and potatoes, and issues certificates stating the quality of the products inspected. The United States Department of Agriculture also has offices in several large

cities for the inspection of certain farm products entering interstate trade. Sometimes inspection of farm products is performed by organizations of producers. The Tillamook County Creamery Association, for example, hires an expert who inspects the cheese made in all the 19 factories belonging to the association.

3. Grading. Manufacturers aim to turn out articles of uniform quality. They are so successful in this that you could make no mistake in selecting a particular razor, sewing machine, or tractor from a number of the same kind, even if you were blindfolded.

But we know that it is impossible to have such uniformity in the products raised on our farms as in those which come from our factories. Potatoes from the same hill will all vary both in size and shape. Apples grown on the same tree and picked at the same time will vary in size and color. Hogs from the same litter will differ in size and fatness. Even wheat or corn may be of a better quality at one end of a field than at the other. Hence some potatoes are more desirable and will bring better prices than others of the same variety. The same is true of other products of the farm.

When all kinds of potatoes, large and small, knobby and smooth, scabby and clean, are jumbled together and offered for sale, dealers are apt to offer a low price. They know that potatoes such as these are hard to resell except at low prices. If the buyers want to obtain higher prices for such potatoes, they will have to empty the sacks, pick them all over and put them into different lots according to size, shape, and quality. This is called grading the potatoes.

It has now become the common practice to grade farm products before finally offering them for sale to consumers. By putting them up in different grades the products present a better appearance, and are more likely to suit the tastes and the pocketbooks of different consumers. The grading may be done anywhere along the way from the farm to the grocery in a distant city. As we will see in the next lesson, most products should be graded as near to the place they are produced as possible, in order to save paying freight on goods that cannot be sold at a profit.

4. Standardization. When a manufactured article has been passed by the inspectors and is ready for market, it is said to be standardized. This means that in size, shape, finish, and quality, it comes up to the standard set for all articles which are permitted to leave the factory. Standardized goods are so uniform that it is practically impossible to distinguish one article from another.

A great deal of progress has been made in the standardization of farm products. Standard grades of wheat, corn, oats, cotton, and wool are recognized nationally. Many organizations put out a

thoroughly standardized article. We think immediately of Sunkist oranges, Sun-Maid raisins, Hood River apples, Tillamook cheese, and many others. The chief advantage of standardization lies in the faith which dealers and consumers have in standardized goods. Such commodities bring better prices because people can depend on their quality.

QUESTIONS AND EXERCISES

1. Make a list of the local dealers who buy farm products in your nearest town, and tell what commodities are assembled by each dealer.
2. Take the list prepared for the second question under Lesson I and tell where each product is inspected and graded, if at all.
3. What standardized farm products are shipped from your community?
4. Make a list of the standardized food products which your grocer has for sale.

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