



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.



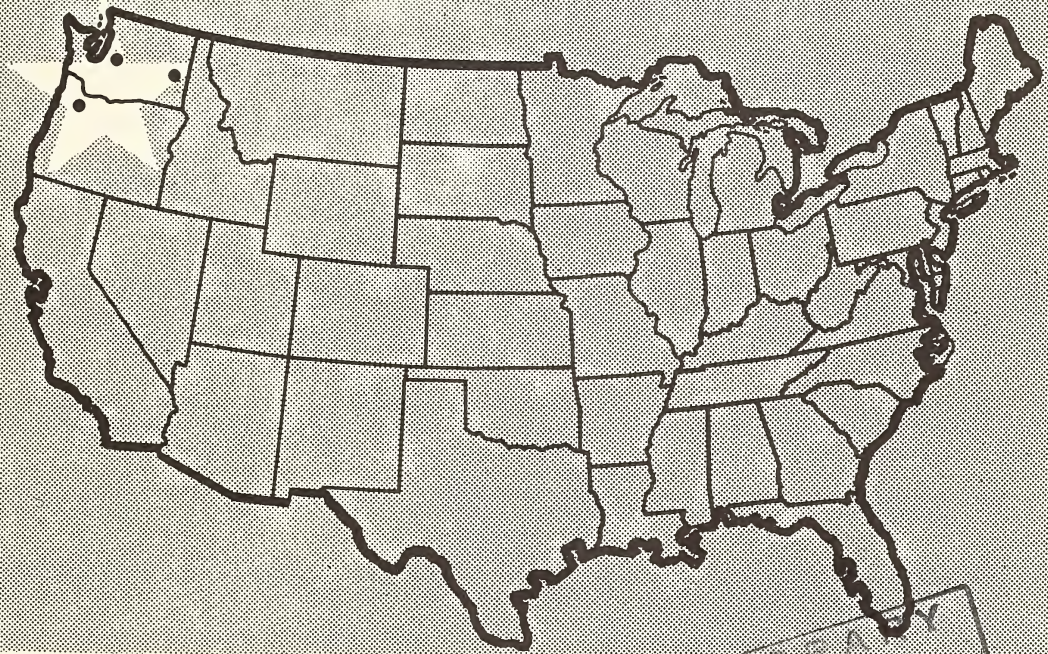
Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

Ag 84 Mr
563

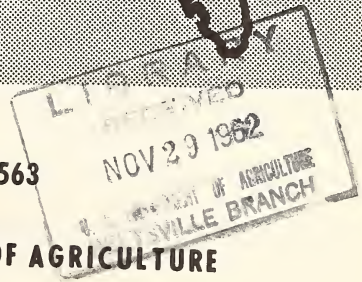
The Organization of the Wholesale Fruit and Vegetable Market in

- ★ SEATTLE-TACOMA
- ★ PORTLAND
- ★ SPOKANE



Marketing Research Report No. 563

UNITED STATES DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE
Marketing Economics Division



FOREWORD

This is the ninth in a group of reports under the general title, The Organization of Wholesale Fruit and Vegetable Markets. The first eight reports in the group are:

The Organization of the Wholesale Fruit and Vegetable Market in Boston, by Alden C. Manchester, Mktg. Res. Rpt. No. 515, Jan. 1962.

The Organization of the Wholesale Fruit and Vegetable Market in Washington, D. C., by Alden C. Manchester, Mktg. Res. Rpt. No. 524, Feb. 1962.

The Organization of the Wholesale Fruit and Vegetable Markets in Denver, Salt Lake City, El Paso, Albuquerque, and Butte, by Alden C. Manchester, Mktg. Res. Rpt. No. 541, June 1962.

The Organization of the New York City Wholesale Fruit and Vegetable Market, by Alden C. Manchester, Mktg. Res. Rpt. No. 542, June 1962.

The Organization of the Wholesale Fruit and Vegetable Market in Pittsburgh, by Alden C. Manchester, Mktg. Res. Rpt. No. 557, Aug. 1962.

The Organization of the Wholesale Fruit and Vegetable Markets in Dallas, Fort Worth, Houston, and Little Rock, by Alden C. Manchester, Mktg. Res. Rpt. No. 558, Aug. 1962.

The Organization of the Wholesale Fruit and Vegetable Market in Philadelphia, by Joseph C. Podany, Mktg. Res. Rpt. No. 559, Sept. 1962.

The Organization of the Wholesale Fruit and Vegetable Markets in Detroit, Albany-Schenectady-Troy, and West Virginia, by Alden C. Manchester. (In press.)

Other reports, some of which will be published by cooperating agricultural experiment stations, will describe 35 other markets throughout the Nation. A final report will summarize the reports on the individual markets, bring up to date the analysis of the organization of wholesale fruit and vegetable markets, analyze changes that have taken place during the last 30 years, and survey the outlook for the years ahead.

The work is a part of the program of research designed to broaden understanding of the food marketing system and thereby make it more efficient. Earlier reports on this general subject include:

The Changing Role of the Fruit Auctions, by Alden C. Manchester, Mktg. Res. Rpt. No. 331, June 1959.

Chainstore Merchandising and Procurement Practices. The Changing Retail Market for Fresh Fruits and Vegetables, by William E. Folz and Alden C. Manchester, Mktg. Res. Rpt. No. 417, July 1960.

Further research is now underway on the impact of changes taking place in the organization and operation of wholesale fruit and vegetable markets on shipping-point markets, including growers, packers, and shippers.

Many of the terms used in this study are defined in the appendix.

The Fruit and Vegetable Division of the Agricultural Marketing Service was most helpful in planning and conducting the study.

CONTENTS

	<u>Page</u>
Highlights	iv
Introduction	1
Seattle-Tacoma	1
Market areas	1
The structure of the market	2
Margins	11
The structure of the retail market	13
Three decades of change in the market	13
Portland	17
Market areas	17
The structure of the market	18
Margins	23
The structure of the retail market	26
Three decades of change in the market	26
Spokane	29
Market areas	29
The structure of the market	30
Margins	36
The structure of the retail market	36
Two decades of change in the market	36
References	41
Appendix	41
Definitions of terms used in this study	41
General terms	41
Size of firms	42
Types of firms	42

Washington, D. C.

October 1962



Growth Through Agricultural Progress

HIGHLIGHTS

The 3 markets in Washington and Oregon received a total of more than 50,000 carlots of fresh fruits and vegetables in 1958. Seattle-Tacoma was the largest of the 3 handling 25,700 carlots. Portland was second with 18,851 carlots, and Spokane third with 5,800.

The Seattle-Tacoma market had 31 wholesalers, 8 of which were large firms, that is, firms selling more than 500 carlots of produce a year. These large firms handled 86 percent of all wholesale business in the area. Receivers, receiver-jobbers, and chains sold the greatest quantity of produce. In Portland, there were 27 wholesalers, 11 of which were large. Commission merchants, receiver-jobbers, receivers, selling brokers, distributors, and chains handled the greatest volume. Six of the 15 wholesale firms in the Spokane market were large, and were mostly receivers and receiver-jobbers.

One noticeable difference between West Coast and East Coast markets was the lack of specialization in firms buying from shipping point. Most of the wholesale firms in the Pacific Northwest carried a general line of fresh fruits and vegetables, and those who tended to specialize to some degree carried a fairly broad line.

Total quantity of fresh fruits and vegetables coming into these markets in the Pacific Northwest has been rising during the last 20 to 30 years. Unloads in the Seattle-Tacoma market increased from less than 7,000 carlots in 1931 to over 25,000 carlots in 1958, and the Portland market from slightly over 4,400 carlots to nearly 19,000 carlots in the same period.

THE ORGANIZATION OF THE WHOLESALE FRUIT AND VEGETABLE MARKET IN
SEATTLE-TACOMA, PORTLAND, AND SPOKANE

By W. Fred Chapman, Jr., Agricultural Economist
Marketing Economics Division
Economic Research Service

INTRODUCTION

This report describes the organization and operation of the major wholesale fruit and vegetable markets in the Pacific Northwest. It includes the buying, selling, and operating practices of the wholesalers in the markets and the changes which have taken place during the last 30 years. It is a part of a nationwide study of the organization and operations of wholesale fruit and vegetable markets made by the Marketing Economics Division of the Economic Research Service to describe and appraise the current status of wholesale markets and the changes which have occurred in them. This study should provide firms in the wholesale and shipping-point markets, farmers, interested citizens, and public agencies with a better understanding of the forces at work in the marketing system for fresh fruits and vegetables. It will furnish a basis for making better decisions in adjusting to the changes taking place throughout the structure of marketing.

The basic data for the nationwide study were obtained in 1959 and 1960 by personal interviews with over 3,000 wholesale firms in 52 markets throughout the United States. Most of the interviews were made by personnel of the U. S. Department of Agriculture, but much assistance was generously given by many agricultural experiment stations. Information described in this report was obtained by personnel of the U. S. Department of Agriculture.

All firms in these markets were classified as to type, commodity specialization and volume on the basis of a combination mail-and-telephone survey. A complete census of the firms was taken.

Data on changes in the market were obtained from a variety of sources listed in the references at the end of this report. They include unload reports of the Market News Service, the Census of Business, the Packer Red Book, and reports of earlier studies of some of these markets by the U. S. Department of Agriculture.

SEATTLE-TACOMA

Market Areas

There are 2 major market areas--the Seattle Market Terminal and the Tacoma market--and minor concentrations of produce handlers within the Seattle-Tacoma metropolitan area. Most of the fresh fruits and vegetables arrive at one of the major areas or at the chain warehouses scattered about the market. In 1958, total receipts of fresh fruits and vegetables in the Seattle-Tacoma area were 24,631 carlots. This figure does not include direct purchases by retailers, processors, or consumers from farmers or shippers of produce, or sales by Seattle-Tacoma firms to out-of-town buyers when the produce did not physically pass through the market.

Seattle Market Terminal

The Seattle Market Terminal is the most important part of the wholesale market in volume and in influence on prices and market conditions. It is located primarily along Western and Occidental Avenues and adjacent streets. In 1958, 31 firms were operating in this area. The 8 largest firms handled 86 percent of the business in the terminal area, while the remaining 23 firms handled only 14 percent. The 31 terminal handlers included:

5 receivers	5 prepackagers or repackers
2 receiver-jobbers	1 exporter
1 service wholesaler	1 selling broker
1 truck jobber	1 distributor
11 purveyors	3 cooperative sales agencies

Among the 8 firms doing the greatest volume of business, 3 were receivers, and 1 each of receiver-jobber, service wholesaler, selling broker, distributor, and cooperative sales agent. ^{1/} In 1958, these firms sold more than 12,000 carlots of produce.

In Seattle, but outside the terminal market area, 5 wholesalers and 4 chain warehouses operated (table 1). The chain warehouses had a volume of 9,411 carlots and the wholesalers 7,657.

Firms in Seattle handled a total of 31,255 carlots. Chain warehouses accounted for slightly over 30 percent of this total.

Tacoma Area

In 1958, 6 firms within the Seattle-Tacoma market were in the city of Tacoma. They were 2 receiver-jobbers, and 1 each of receiver, truck jobber, purveyor, and mixed load shipper. Only 1 firm, receiver-jobber, handled 500 or more carlots of produce. Total volume handled in the Tacoma area was 2,110 carlots, or 6.3 percent of the Seattle-Tacoma market area. There were no chain warehouses in Tacoma. All chain retail outlets were served by warehouses in Seattle or its suburbs.

The Structure of the Market

The Seattle-Tacoma wholesale produce market consisted of 46 firms of 16 types in 1958 (table 2). The most numerous were purveyors, receivers, prepackagers and repackers, and receiver-jobbers. The more important types of firms in terms of volume sold were receivers, receiver-jobbers, and chains. Of the 42 wholesalers (excluding 4 chains), 21 firms, or 50 percent, were small, those selling less than 200 carlots a year; 10 medium-sized, selling from 200 to 499 carlots; and 11 large, selling 500 carlots or more. The 21 small firms sold only 6 percent of the total volume, while the large firms sold 80 percent. Purveyors were the most numerous among the small firms, and receivers and receiver-jobbers were concentrated among the large firms.

One noticeable difference between West Coast markets and many on the East Coast was the lack of specialization in firms buying from shipping point (table 3). The only

^{1/} See page 41 for definition of these types of firms.

Table 1.--Number of firms and volume handled, by market area and type of firm, Seattle-Tacoma wholesale produce market, 1958

Type of firm	Seattle market terminal area				Other areas in Seattle and suburbs				Tacoma area			
	Firms		Volume		Firms		Volume		Firms		Volume	
	Number	Large	Number	Large	Number	Large	Number	Large	Number	Large	Number	Large
Receiver.....	5	3	2,698	---	---	---	---	---	---	---	---	---
Receiver-Jobber.....	2	1	2/	---	---	---	---	---	---	---	---	---
Service wholesaler.....	1	1	2/	1	---	---	2/	---	1	---	---	---
Truck jobber.....	1	---	2/	---	---	---	---	---	---	---	---	---
Purveyor.....	11	---	747	---	---	---	---	---	---	---	---	---
Prepackager, repacker.....	5	---	733	---	---	---	---	---	---	---	---	---
Mixed load shipper.....	---	---	---	---	---	---	---	---	---	---	---	---
Exporter.....	1	---	2/	2	---	---	2/	---	---	---	---	---
Terminal broker.....	---	---	---	1	---	---	2/	---	---	---	---	---
Selling broker.....	1	1	2/	---	---	---	---	---	---	---	---	---
Distributor.....	1	1	2/	---	---	---	---	---	---	---	---	---
Cooperative sales agency.....	3	1	1,531	---	---	---	---	---	---	---	---	---
Importer's sales agency.....	---	---	---	1	---	---	2/	---	---	---	---	---
All wholesalers.....	31	8	14,187	5	2	7,657	6	1	2,110	---	---	---
Chains, retailer cooperative.....	---	---	---	4	2	9,411	---	---	---	---	---	---
All firms.....	31	8	14,187	9	4	17,068	6	1	2,110	---	---	---

1/ "Large" firms are those selling 500 carlots or more per year.

2/ Withheld to avoid disclosure of information concerning individual firms.

Table 2.--Number of firms by size and type, Seattle-Tacoma wholesale produce market, 1958

Type of firm	All firms		Distribution of firms by size			Percentage of volume handled by-		
	Volume handled	Percent	Small	Medium	Large	Small firms	Medium firms	Large firms
	lots	cent	Number	Number	Number	cent	cent	cent
Wholesale handlers:								
Receiver.....	3,148	9	1	2	3	3/	3/	69
Receiver-jobber.....	6,941	21	{---	2	2	---	3/	3/
Service wholesaler.....			{---	1	1	---	11	89
Truck jobber.....	265	1	{ 2	---	---	100	---	---
Mixed loadshipper.....			{---	1	---	---	100	---
Purveyor.....	787	2	12	---	---	100	---	---
Prepackager, repacker.....	733	2	3	2	---	28	72	---
Exporter.....	520	2	2	1	---	3/	3/	---
Brokers and agencies:								
Terminal broker.....			{---	---	1	---	---	100
Selling broker.....	5,750	18	{---	---	1	---	---	100
Distributor.....			{---	---	1	---	---	100
Importers' sales agency.....	5,810	17	{---	---	1	---	---	100
Cooperative sales agency.....			{ 1	1	1	7	16	77
All wholesalers.....	23,954	72	21	10	11	6	14	80
Retail organizations:								
National chain.....			{---	1	1	---	7	93
Regional chain.....	9,411	28	{ 1	---	---	100	---	---
Retailer cooperative.....			{---	---	1	---	---	100
All retail organizations:	9,411	28	1	1	2	3/	3/	94
All firms.....	33,365	100	22	12	13	3/	3/	84

1/ Includes resales among wholesalers and sales to chains. 2/ Small firms handle less than 200 carlots per year, medium firms 200 to 499, and large firms 500 or more. 3/ Withheld to avoid disclosure of information concerning individual firms.

Table 3.--Number of firms by commodity specialization and type of firm, Seattle-Tacoma
wholesale produce market, 1958

Type of firm	Firms specializing in --				
	Firms complete line of produce	Several commodity classes	One class of commodities	A single commodity	Several com- modities of different classes
Receiver.....	4	2	---	---	---
Receiver-jobber.....	4	---	---	---	---
Service wholesaler.....	1	1	---	---	---
Truck jobber.....	1	1	---	---	---
Purveyor.....	9	2	1	---	---
Prepackager, repacker.....	1	3	---	---	1
Mixed load shipper.....	---	1	---	---	---
Exporter.....	1	---	---	1	1
Terminal broker.....	1	---	---	---	---
Selling broker.....	1	---	---	---	---
Distributor.....	1	---	---	---	---
Importer's sales agency....	---	---	---	1	---
Cooperative sales agency....	---	---	2	---	1
All firms.....	24	10	3	2	3

single-commodity handlers in the Seattle-Tacoma market were an exporter and an importer's sales agency. Twenty-four of the 42 wholesale firms carried a general line of fresh fruits and vegetables. Ten of 18 firms which specialized to some degree carried a fairly broad line. Two of the 3 firms carrying a single-commodity class were cooperative sales agencies.

Marketing Channels

The Seattle-Tacoma wholesale fruit and vegetable market supplies hundreds of retail grocery stores, fruit and vegetable stores, restaurants, hotels, and institutions in the Seattle-Tacoma metropolitan area, plus many wholesalers, chains, and retailers throughout the Pacific Northwest, Western Canada, and Alaska.

Chains and the retailer cooperatives as a group handled the largest share of the business in the Seattle market (fig. 1). Brokers, sales agencies, and distributors were the largest buyers direct from shipping point, followed by chains and other fruit handlers.

Nearly 71 percent of the total quantity of produce coming into the market was bought directly from shipping point, 16 percent was imported, 12 percent from local growers, and the balance from truckers and other terminal markets (table 4). Chains and the retailer cooperative received 28 percent of the total quantity, sales agencies 23 percent, brokers and distributors 22 percent, receiver-jobbers and service wholesalers 14 percent, and receivers 9 percent.

In 1958, sales from one Seattle-Tacoma wholesaler to another amounted to 6,034 carlots (table 5). Brokers, distributors and sales agencies made 87 percent of these sales. Receivers, receiver-jobbers, and service wholesalers, with purchases of almost 4,300 carlots of produce from other Seattle-Tacoma wholesalers, were the most important buyers.

Nearly 11,000 carlots were sold to retail outlets by Seattle-Tacoma wholesalers (table 6). Over 5,000 carlots were bought by chains and the retailer cooperative, about 4,000 carlots by retail stores, and the remainder by eating places, institutions, and the military. Receiver-jobbers and service wholesalers were the most important suppliers followed by receivers, brokers, and distributors.

Out-of-town sales are relatively important to Seattle-Tacoma wholesalers, as compared to many other markets. About 5,800 carlots were sold to buyers outside the metropolitan area (table 7). Brokers, distributors and sales agencies sold 1,118 carlots to out-of-town buyers and delivered directly to them. Out-of-town wholesalers were the most important buyers. They purchased 4,690 carlots, or 68 percent of the total.

Buying Methods

About a third of the fruits and vegetables bought by wholesale handlers directly from shipping point were purchased through the firm's own buyers; 61 percent by telephone or telegraph; and the balance on consignment or through shipping-point buying brokers (table 8).

MAJOR MARKETING CHANNELS, SEATTLE-TACOMA WHOLESALE PRODUCE MARKET, 1958

(CARLOTS)

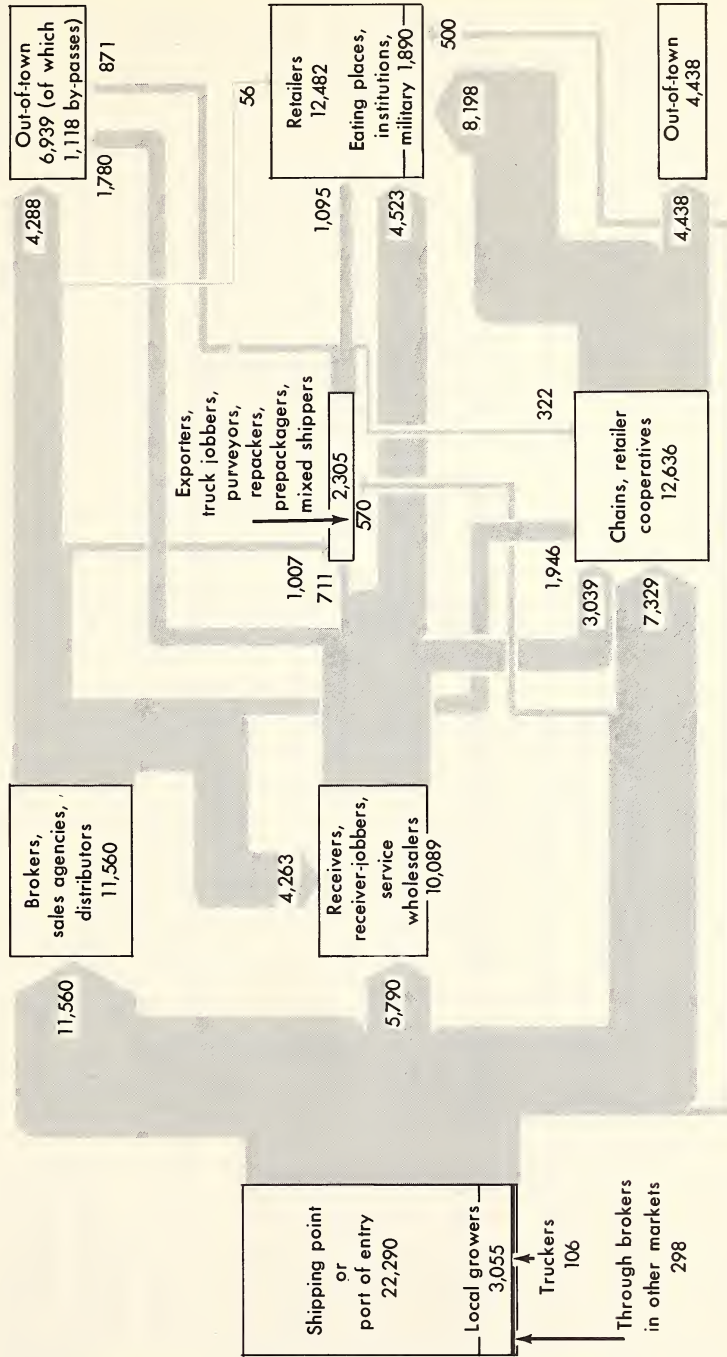


Figure 1

Table 4.--Purchases, by source of supply and class of buyer, Seattle-Tacoma wholesale produce market, 1958

Class of buyer	Purchases from outside this market										Purchases from Seattle-Tacoma wholesale		Total purchases
	Direct from shipping point or port of entry	From truckers	Through sales agencies or brokers	From local growers	Car-lots	Car-lots	Car-lots	Imports	Car-lots	Car-lots	Car-lots	Car-lots	
Broker, distributor:	5,750	---	---	---	---	---	---	---	---	---	---	---	5,750
Sales agency.....	1,774	---	---	---	---	4,036	---	---	---	---	---	---	5,810
Exporter.....	---	---	---	---	---	---	---	---	---	---	---	---	520
Receiver.....	1,723	---	---	474	---	---	---	---	---	---	951	---	3,148
Receiver-jobber, service wholesaler:	2,593	---	298	702	---	---	---	---	---	---	3,348	---	6,941
Truck jobber, mixed load shipper.....	60	---	---	168	---	---	---	---	---	---	37	---	265
Purveyor.....	3	6	---	137	---	---	---	---	---	---	641	---	787
Repacker, pre-packer.....	---	---	---	196	---	---	---	---	---	---	537	---	733
All wholesalers.....	11,903	6	298	1,677	4,036	17,920	---	---	---	---	6,034	---	23,954
Chain, retailer cooperative.....	6,351	100	---	878	---	---	---	---	---	---	5,307	---	12,636
Retailer, processor-eating place.....	---	---	---	500	---	---	---	---	---	---	13,872	---	14,372
All buyers.....	18,254	106	298	3,055	4,036	25,749	---	---	---	---	25,213	---	50,962

Table 5.--Wholesalers' sales to other Seattle-Tacoma wholesalers, by class of sellers, Seattle-Tacoma wholesale produce market, 1958

Class of seller	Type of wholesale buyer					
	Exporter:	Receiver:	Receiver-jobber, wholesaler:	Receiver-jobber, service wholesaler:	Truck jobber, mixed-load shipper:	Repacker, prepackager, buyers:
	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots
Broker, distributor.....	85	785	1,745	374	507	3,496
Sales agency.....	---	130	1,603	31	10	1,774
Receiver.....	---	36	---	209	20	265
Receiver, jobber, service wholesaler.....	435	---	---	10	---	482
Repacker, prepackager.....	---	---	---	17	---	17
All sellers.....	520	951	3,348	641	537	6,034

Table 6.--Wholesalers' sales to retail outlets, by class of seller, Seattle-Tacoma wholesale produce market, 1958

Class of seller	Type of retail buyer					
	Chains, retailer, cooperative:	Retail store, peddler:	Eating place, institution, military:	All retail buyers		
	Carlots	Carlots	Carlots	Carlots		
Broker, distributor.....	987	---	---	987		
Sales agency.....	959	56	---	1,015		
Receiver.....	895	835	286	2,016		
Receiver-jobber, service wholesaler.....	2,144	2,539	863	5,546		
Truck jobber, mixed-load shipper:	20	47	18	85		
Purveyor.....	---	100	641	741		
Repacker, prepackager.....	302	207	82	591		
All wholesalers.....	5,307	3,784	1,890	10,981		

Table 7.--Wholesalers' out-of-town sales, by type of firm, Seattle-Tacoma wholesale produce market, 1958

Class of seller	Type of out-of-town buyer				Total out-of-town sales	Volume bypassing the Seattle-Tacoma market	Volume passing through the Seattle-Tacoma market
	Wholesaler	Chain, voluntary or cooperative group	Eating place, institution, military	Chain, voluntary or cooperative group			
	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots
Broker, distributor....	1,267	---	---	1,267	525	742	
Sales agency.....	2,428	595	---	3,021	593	2,428	
Truck jobber, mixed-load shipper.....	90	90	---	180	---	180	
Exporter.....	520	---	---	520	---	520	
Receiver.....	---	642	225	867	---	867	
Receiver-jobber, service wholesaler....	243	307	363	913	---	913	
Purveyor.....	19	---	27	46	---	46	
Repacker, prepacker....	125	---	---	125	---	125	
All sellers.....	4,690	1,634	615	6,939	1,118	5,821	

Table 8.--Percentage distribution of shipping-point purchases made by wholesale handlers by method of purchase, Seattle-Tacoma wholesale produce market, 1958

Type of firm	Consignment		Direct by phone or wire		Through shipping-point buying broker		Through own buyer		As broker		Total shipping-point	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Distributor.....	10	90	---	---	---	---	---	---	---	---	---	100
Receiver.....	7	81	12	---	---	---	---	---	---	---	---	100
Receiver-jobber, service wholesaler....	---	46	---	54	---	---	---	---	---	---	---	100
Purveyor.....	---	100	---	---	---	---	---	---	---	---	---	100
Mixed-load shipper....	---	100	---	---	---	---	---	---	---	---	---	100
Wholesale handlers:	2	61	5	32	---	---	---	---	---	---	---	100

Most shipping-point purchases were made on an f.o.b. basis. This method of purchase was listed as first choice by 8 firms which bought about 5,500 carlots direct from shipping point. Delivered sale was listed as first choice by one firm which bought 300 carlots and by another firm which bought about 230 carlots direct.

Functions and Services

Unloading rail cars and trucks was done almost entirely by the wholesalers' employees. Thirteen firms reported unloading rail cars at the store siding, and 3 on team tracks. Of the 16 firms reporting unloading trucks at the store, 12 reported their own employees did the unloading, 3 hired others to unload, and 1 used a combination of the 2 methods.

About 750 carlots of produce were handled from team tracks prior to sale by 3 firms. Over 90 percent of this was done by one receiver, and the entire volume hauled in the firm's trucks.

All wholesale handlers except one receiver and one prepackager provided delivery service (table 9). These firms delivered 94 percent of their sales, all in their own trucks. Generally, firms performing more services needed more employees to handle the same volume of produce (table 10).

Fifteen wholesalers and 1 retailer cooperative prepackaged or repacked 2,000 carlots of produce in 1958 (table 11). Repackers and prepackagers accounted for more than a quarter of this volume. Only 1 firm, a service wholesaler, prepackaged or repacked 5 or more commodities; 7 firms handled only 1 commodity; 4 firms, 2 commodities; and 2, 4 commodities.

Only receivers and service wholesalers reported sales to other than regular customers. The percentage of their total sales to regular customers were as follows:

	<u>Sales to regular customers</u> <u>(percent of all sales)</u>
Receiver.	92
Service wholesaler	96

The usual credit terms of wholesale handlers in the Seattle-Tacoma market were 7 days for noninstitutional trade and 30 days for institutional trade. However, 1 receiver, 4 purveyors, 1 repacker, and 1 exporter offered 30-day credit to all customers. One exporter extended more than 30-day credit to Alaskan trade in hard-to-reach locations.

Margins

The gross margin--the difference between the buying price and the selling price expressed as a percentage of the selling price--which the different types of wholesalers sought varied markedly (table 12). Prepackagers and repackers had the largest margin, 28.6 percent, and receiver-jobbers the smallest, 15.0 percent. Generally, firms performing less service had lower margins.

Table 9.--Extent of delivery services by Seattle-Tacoma wholesale produce market, 1958

Type of firm	Percentage of firms providing delivery service	Volume delivered as percentage of sales of --	Percentage of firms making some deliveries by firm's trucks
	Percent	Percent	Percent
Receiver.....	83	71	82
Receiver-jobber.....	100	89	89
Service wholesaler.....	100	98	98
Truck jobber.....	100	100	100
Purveyor.....	100	97	97
Prepackager, repacker.....	80	51	92
Mixed-load shipper.....	100	95	95
Wholesale handlers.....	94	82	94

Table 10.--Number of employees, by type and size of firm, Seattle-Tacoma wholesale produce market, 1958

Type of firm	All sizes		Size of firms by 1958 sales volume ^{1/}		
	Total firms	Total employees	Small	Medium	Large
	<u>Firms</u>	<u>Employees</u>	<u>Em- ployees</u>	<u>Employees</u>	<u>Em- ployees</u>
Receiver.....	6	95	2	33	60
Receiver-jobber.....	4	122	---	26	96
Service wholesaler.....	2	178	---	8	170
Truck jobber.....	2	2	2	---	---
Purveyor.....	12	53	53	---	---
Prepackager, repacker.....	5	39	23	16	---
Mixed-load shipper.....	1	8	---	8	---
Exporter.....	3	26	11	15	---
Wholesale handlers.....	35	523	91	106	326
Selling broker.....	1	5	---	---	5
Terminal broker.....	1	5	---	---	5
Distributor.....	1	6	---	---	6
Importer's sales agency.....	1	19	---	---	19
Cooperative sales agency.....	3	8	2	2	4
All wholesalers.....	42	566	93	108	365
National chain.....	2	86	---	---	86
Regional chain.....	1	2	2	---	---
Retailer cooperative.....	1	71	---	---	71
All retail organizations.....	4	159	2	---	157
All firms.....	46	725	95	108	522

^{1/} Small firms handled less than 200 carlots per year, medium firms 200 to 499, and large 500 or over.

Table 11.--Volume and number of items prepackaged or repacked, by type of firm, Seattle-Tacoma wholesale produce market, 1958

Type of firm	:Firms packaging or repacking--					:Total: :firms:	: Volume :prepackaged :or repacked
	: 1 :item	: 2 :items	: 3 :items	: 4 :items	: 5 or more :items		
Receiver.....	2	1	---	---	---	3	251
Receiver-jobber.....	1	---	1	---	---	2	1/
Service wholesaler.....	1	---	---	---	1	2	1/
Prepackager, repacker..	1	2	---	2	---	5	541
Purveyor.....	2	1	---	---	---	3	39
Retail cooperative.....	---	---	1	---	---	1	1/
Total firms.....	7	4	2	2	1	16	2,000

1/ Withheld to prevent disclosure of information concerning individual firms.

Table 12.--Target margins, Seattle-Tacoma wholesale produce market, 1958

Type of firm	Average target margin as percentage of sales price	Percentage of firms quoting a target margin
	Percent	Percent
Receiver.....	19.2	33
Receiver-jobber.....	20.0	50
Truck jobber.....	24.5	83
Purveyor.....	15.0	50
Prepacker, repacker.....	28.6	60
Mixed-load shipper.....	15.0	100

The Structure of the Retail Market

The Seattle-Tacoma retail food store market was composed of 2,210 food stores, of which 1,599 were grocery stores and the remainder delicatessens, fruit and vegetable stores, and other types of specialty-food stores. In 1958, total sales of all retail food stores were almost \$450 million.

Chains with 11 or more stores each accounted for 34 percent of the total food store sales; those with 4 to 10 stores each, 9 percent; those with 2 to 3 stores each, 4 percent; and independent single-unit stores, the remaining 53 percent.

Three Decades of Change in the Market

The quantity of fresh fruits and vegetables coming into the Seattle market has been rising during the last 30 years. In 1931, total unloads were less than 7,000

carlots; in 1936, 9,500 carlots; and in 1958, 25,750 carlots. 2/

Between 1936 and 1958, direct receipts of wholesale handlers doubled; those of chains increased 12 times. Direct receipts of chains accounted for 6.6 percent of the market total in 1936 and 28 percent in 1958.

Number and Type of Firms

A leading trade directory listed 94 wholesalers in Seattle-Tacoma in 1939; 62 in 1948; and 43 in 1958 (table 13). Between 1939 and 1958, only the number of distributors and sales agencies and prepackagers and repackers increased. Numbers of chains listed as receivers of produce dropped from 7 to 2, and numbers of wholesale grocers from 6 to 3.

The classifications of firms listed in table 13 are not necessarily the same as those in the remainder of this report as they are based on the first listing in the trade directory. For most firms, several different types are listed--often as many as five or six--indicating the variety of functions and services performed by many firms. Throughout the remainder of this report, the firms are classified on the basis of the information obtained in the survey and the definitions in the appendix.

Table 13.--Number of firms, by type, Seattle-Tacoma wholesale produce market, 1939, 1948, and 1958

Class of firm	1939	1948	1958
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver, receiver-jobber.....	50	32	22
Jobber.....	7	4	3
Repacker-prepackager.....	---	---	3
Truck jobber.....	2	2	1
Importer, exporter.....	10	3	2
Shipper, packer.....	11	7	4
Total wholesale handlers.....	80	48	35
Selling broker.....	11	8	4
Terminal broker.....	1	1	---
Distributor, sales agency.....	2	5	4
Total wholesalers.....	94	62	43
Chain.....	7	4	2
Wholesale grocer.....	6	4	3
Total all firms.....	107	70	48

Packer Red Book, 1939 and 1948; Fresh Year Book Issue The Packer, 1958.

2/ In carlots of 30,256 pounds.

Entrance and Exit of Wholesalers

Of the firms contacted in the survey, 53 percent had been in business less than 20 years (table 14). Twelve percent of these firms had entered the business in the last 4 years; 24 percent in the last 5 to 9 years; and 17 percent in the last 10 to 19 years. Eighteen percent of the wholesalers had been in business more than 40 years and 2 percent for over 60 years.

The new firms were receiver-jobbers, service wholesalers, truck jobbers, and purveyors, while the older firms were primarily receivers. All the distributors and sale agencies had been in business a minimum of 30 years and a majority 40 to 50 years. The exporting firms were at least 20 years old with two-thirds dating back 30 to 39 years.

Growth and Decline

Of the 42 wholesale firms in the Seattle-Tacoma market, 27 reported concerning changes in sales volume from 1948 to 1958. Forty-eight percent indicated a sales increase of more than 10 percent; 15 percent, a sales decrease of more than 10 percent; and 37 percent, little or no change (table 15). Of the 13 firms reporting an increase in sales, 5 increased 83 percent or more. Two firms reported decreases of 43 percent or more.

Changes in Trade Channels

Most wholesalers reported there had been no major changes in their source of supply during the last 10 years. There had been a slight shift from purchases from local farmers to purchases direct from more distant shipping points. One chain reported buying more through its own purchasing agency.

There was little variation in outlets over the last decade. Of the 28 firms in business at least 10 years, 23 reported no change in types of buyers, while only 2 indicated a clientele of fewer buyers.

Changes in Services

Services performed by wholesalers remained relatively constant over the last 10 years. The only major change was an increase in frequency of delivery.

Outlook of Wholesalers

Nearly half of the Seattle-Tacoma wholesalers felt that the outlook for their type of business was good; 42 percent felt that it was bad, while the remaining 11 percent were either undecided or felt that it was fair. The more optimistic wholesalers included 75 percent of the purveyors and 50 percent of the receivers, the service wholesalers, the sales agents, and the terminal broker. All the receiver-jobbers were pessimistic as to business outlook as were 80 percent of the repackers and prepackagers and 50 percent of the receivers.

Only 3 Seattle-Tacoma wholesalers expected to make changes in their businesses in the next few years. One expected to go out of business, another expected to shift to a different type of business, and the third expected to expand prepackaged volume.

Table 14.--Percentage of firms in business for specified periods, by type of firm, Seattle-Tacoma wholesale produce market, 1958

Type of firm	Number of years in business								Total
	1 to 4	5 to 9	10 to 19	20 to 29	30 to 39	40 to 49	50 to 59	60 or more	
	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>
Receiver.....	---	---	50	---	17	---	17	16	100
Receiver-jobber.....	25	50	---	---	---	---	25	---	100
Service wholesaler.....	50	---	---	50	---	---	---	---	100
Truck jobber.....	50	50	---	---	---	---	---	---	100
Purveyor.....	17	33	17	25	---	8	---	---	100
Prepackager, repacker..	---	40	---	---	40	---	20	---	100
Mixed-load shipper.....	---	---	100	---	---	---	---	---	100
Exporter.....	---	---	---	33	67	---	---	---	100
Terminal broker.....	---	100	---	---	---	---	---	---	100
Selling broker.....	---	---	100	---	---	---	---	---	100
Distributor.....	---	---	---	---	---	100	---	---	100
Importer's sales agency.....	---	---	---	---	---	100	---	---	100
Cooperative sales agency.....	---	---	---	---	67	33	---	---	100
All wholesalers.....	12	24	17	12	17	9	7	2	100

Table 15.--Change in sales volume between 1948 and 1958, wholesalers in the Seattle-Tacoma produce market, 1958

Type of firm	Total firms	Firms reporting	Percentage of firms reporting--		
			Sales increase more than 10 percent	Sales decrease more than 10 percent	No change
	<u>Firms</u>	<u>Firms</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Receiver.....	6	6	16	16	68
Receiver-jobber.....	4	1	100	---	---
Service wholesaler.....	2	2	50	---	50
Purveyor.....	12	6	50	16	34
Repacker, prepackager..	5	3	67	33	---
Mixed-load shipper.....	1	1	100	---	---
Exporter.....	3	2	---	50	50
Truck jobber.....	2	0	---	---	---
Selling broker.....	1	1	100	---	---
Cooperative sales agency.....	3	3	67	---	33
Distributor.....	1	1	---	---	100
Importer's sales agency.....	1	1	100	---	---
Terminal broker.....	1	0	---	---	---
All firms.....	42	27	48	15	37

PORTLAND

Market Areas

The major market area in Portland is in the southeast quadrant of the city with minor concentrations of produce handlers and chain warehouses in other sections of the city and suburbs. In 1958, total receipts of fresh fruits and vegetables in the Portland market amounted to 16,600 carlots. This amount does not include direct purchases by retailers, processors, or consumers from farmers or shippers of produce; nor does it include sales by Portland firms to out-of-town buyers when the produce did not physically pass through the market.

Only 9 of the 37 firms were outside the terminal market area, and they handled nearly 30 percent of the total sales volume (table 16).

Table 16.--Number of firms and volume handled, by market area and type of firm, Portland wholesale produce market, 1958

Type of firm	Portland terminal area			Other areas		
	Firms		Volume	Firms		Volume
	Total	Large <u>1/</u>		Total	Large <u>1/</u>	
	No.	No.	Carlots	No.	No.	Carlots
Receiver.....	9	3	3,151	---	---	---
Commission merchant:	1	1	<u>2/</u>	---	---	---
Receiver-jobber....	4	3	3,457.	1	---	<u>2/</u>
Jobber.....	1	---	<u>2/</u>	---	---	---
Jobber (delivery)...	2	---	<u>2/</u>	---	---	---
Truck jobber.....	---	---	---	2	---	<u>2/</u>
Purveyor.....	2	---	<u>2/</u>	---	---	---
Prepackager.....	2	1	<u>2/</u>	---	---	---
Carlot distributor..	1	1	<u>2/</u>	---	---	---
Selling broker.....	3	1	2,226	---	---	---
Cooperative sales						
agency.....	2	1	<u>2/</u>	---	---	---
Chain.....	1	1	<u>2/</u>	6	2	<u>2/</u>
All firms.....	28	12	15,483	9	3	6,455

1/ Large firms are those selling 500 or more carlots.

2/ Withheld to avoid disclosure of information concerning individual firms.

The Structure of the Market

The Portland wholesale produce market consisted of 37 firms of 14 types in 1958 (table 17). Receivers and receiver-jobbers were the most numerous. The more important types in terms of volume sold were commission merchants, receiver-jobbers, receivers, selling brokers, distributors, and chains. Fourteen of the 37 firms were small, 9 medium-sized, and 14 large. The small firms, selling less than 200 carlots each, accounted for only 5 percent of the market's total volume; medium-sized firms, selling 200 to 499 carlots, 12 percent; and the large firms 81 percent. Small firms were fairly evenly divided among the different types operating 9 of the 14 firms. The medium-sized firms were mostly receivers and receiver-jobbers, with 1 selling broker and 2 local chains. Receivers and receiver-jobbers were the most numerous of the large firms.

Here again, as in the Seattle-Tacoma market, there is little commodity specialization (table 18). The only single-commodity handlers in Portland were 1 selling broker and 2 cooperative sales agencies. Twenty-four of the 30 wholesalers carried a complete line of produce. There were 3 firms, 1 prepacker, repacker and 2 receivers, who carried several commodity classes.

Marketing Channels

The Portland wholesale produce market supplies hundreds of retail grocery stores, fruit and vegetable stores, restaurants, hotels, and institutions in the Portland metropolitan area, plus many wholesalers, chains and retailers throughout Oregon and other parts of the Pacific Northwest.

Receivers, commission merchants, receiver-jobbers, and chains as a group handled the largest quantity of produce (fig. 2). This group also purchased the largest quantity from shipping point.

Slightly over 68 percent of the produce coming into the market was bought directly from shipping point; 22 percent from local growers; 6 percent through sales agencies or brokers in other cities; and the balance from out-of-town truckers (table 19).

Chains received 22 percent of the total, brokers, carlot distributors, and sales agencies 29 percent, receivers and commission merchants 18 percent, and receiver-jobbers 13 percent.

Sales from one Portland wholesaler to another amounted to 2,671 carlots (table 20). Brokers, carlot distributors, and sales agencies made 82 percent of these sales, and receivers and commission merchants 17 percent. Receivers, commission merchants, and receiver-jobbers bought the largest quantity of produce from other Portland wholesalers.

In 1958, slightly over 7,000 carlots were sold to local retail outlets by Portland wholesalers (table 21). Of this total, approximately 2,600 carlots went to chains, 3,800 to retail stores, and the balance to processors, consumers, eating places, and institutions. Receiver-jobbers were the most important suppliers to this group with sales of nearly 3,300 carlots.

Table 17.--Number of firms and percentage of volume handled, by type and size of firm, Portland wholesale produce market, 1958

Type of firm	All firms		Distributor of			Percentage of sales			
	Num-ber	Volume handled 1/	firms by size 2/	Small	Medium	Large	Small	Medium	Large
	Quantity	of total	Small	Medium	Large	firms	firms	firms	
	: market	:	:	:	:	:	:	:	
	Car-lots	Pct.	No.	No.	No.	Pct.	Pct.	Pct.	
Receiver.....	9	4,151	2	4	3	9	39	52	
Commission merchant.....	1								---
Receiver-jobber...	5	3,857	---	2	3	---	21	79	
Jobber.....	1								1
Jobber (delivery):	2	467	2	---	---	---	---	---	
Truck jobber.....	2								2
Purveyor.....	2	1,109	2	---	---	---	---	---	
Prepackager.....	2								1
Selling broker....	3	5,552	1	1	1	1	18	81	
Carlot distri- butor.....	1								---
Cooperative sales: agency.....	2	6,802	1	---	1	6	---	94	
National chain....	1								---
Local chain with warehouse.....	1	6,802	---	---	1	---	---	100	
Local chain with- out warehouse....	5								2
All firms.....	37	21,938	100	14	9	14	6	13	81

1/ Includes resales among wholesalers and sales to chains.

2/ Small firms handle less than 200 carlots per year; medium firms 200 to 499; and large firms 500 or more.

Table 18.--Number of firms by commodity specialization and type of firm, Portland wholesale produce market, 1958

Type of firm	Firms handling complete line of produce	Firms specializing in--	
		Several commodity classes	One commodity class
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver.....	7	2	---
Commission merchant.....	1	---	---
Receiver-jobber...	1	---	---
Jobber.....	2	---	---
Jobber (delivery):	2	---	---
Truck jobber.....	2	---	---
Purveyor.....	5	---	---
Prepackager.....	1	1	---
Carlot distributor:	1	---	---
Selling broker....	2	---	1
Cooperative sales: agency.....	---	---	2
All wholesalers:	24	3	3

MAJOR MARKETING CHANNELS, PORTLAND WHOLESALE PRODUCE MARKET, 1958

(CARLOTS)

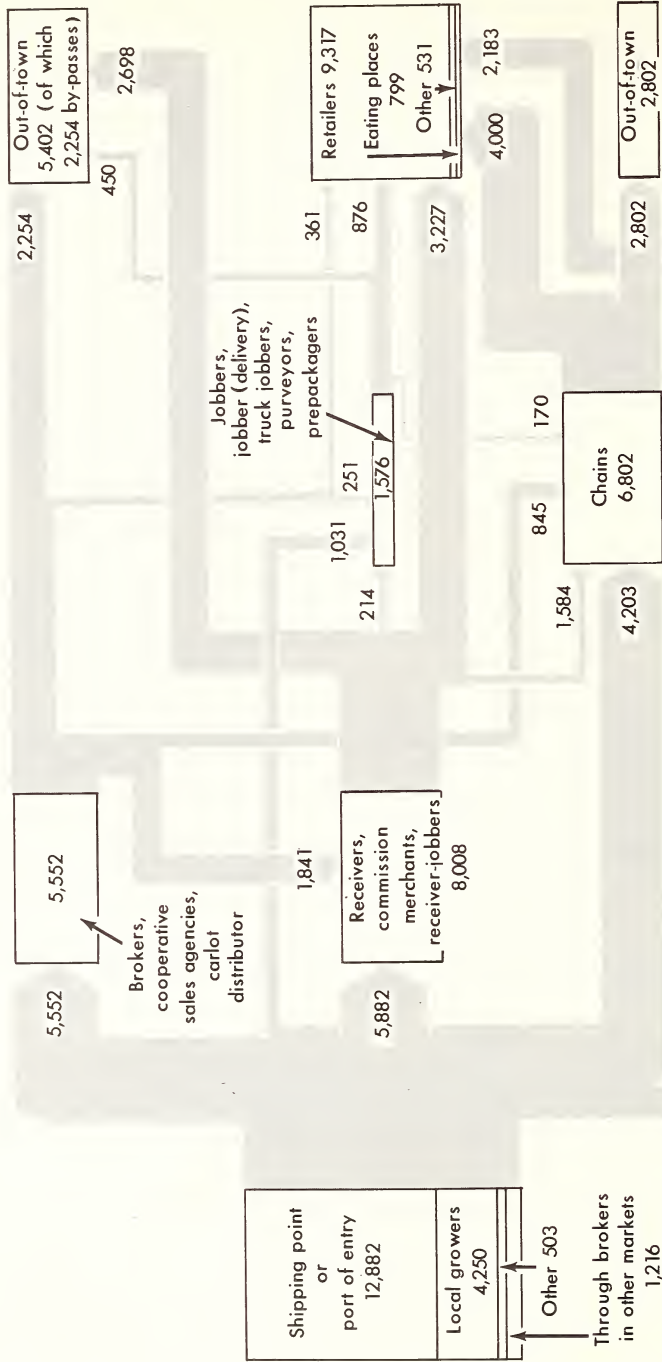


Figure 2

Table 19.--Purchases, by source of supply and class of buyer, Portland wholesale produce market, 1958

Class of buyer	Purchases from outside this market							Total purchases
	Direct from shipping point or port of entry	Through sales agencies or brokers in other cities	From local growers	Out-of-town truck jobbers	Carlots	Carlots	Carlots	
	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots
Broker, carlot distributor, cooperative sales agency.....	5,552	---	---	---	5,552	---	---	5,552
Receiver, commission merchant.....	2,125	321	988	---	3,434	717	---	4,151
Receiver-jobber.....	1,141	487	820	---	2,448	1,409	---	3,857
Jobber, (jobber delivery), truck jobber.....	30	---	94	20	144	323	---	467
Purveyor, prepackager:	720	---	167	---	887	222	---	1,109
All wholesalers.....	9,568	808	2,069	20	12,465	2,671	---	15,136
Chains.....	2,814	408	981	---	4,203	2,599	---	6,802
Retailer, processor, eating place.....	500	---	1,200	483	2,183	8,433	---	10,616
All buyers.....	12,882	1,216	4,250	503	18,851	13,703	---	32,554

Table 20.--Wholesalers' sales to other Portland wholesalers, by class of seller, Portland wholesale produce market, 1958

Class of seller	Type of wholesale buyer				
	Receiver, commission merchant	Receiver-jobber	Jobber (delivery), truck jobber	Purveyor, prepackager	All buyers
Broker, carlot distributor, cooperative sales agency.....	632	1,209	166	85	2,192
Receiver, commission merchant.....	85	200	77	137	499
Purveyor, prepackager.....	---	---	80	---	80
All sellers.....	717	1,409	323	222	2,671

Table 21.--Wholesalers' sales to retail outlets, by class of seller, Portland wholesale produce market, 1958

Class of seller	Type of retail buyer				
	Chain	Retailer	Processor, consumer	Eating place, institution, military	All retail buyers
Broker, carlot distributor, cooperative sales agency.....	845	361	---	---	1,206
Receiver, commission merchant.....	902	365	---	249	1,516
Receiver-jobber.....	682	2,466	---	147	3,295
Jobber, jobber (delivery), truck jobber.....	---	297	31	139	467
Purveyor, prepackager.....	170	345	---	64	579
All sellers.....	2,599	3,834	31	599	7,063

Portland wholesalers sold about 5,400 carlots to out-of-town buyers in 1958 (table 22). Receivers and commission merchants sold the largest quantity, which amounted to 39 percent of total out-of-town sales. Brokers, carlot distributors, and sales agencies were also important sellers. Receiver-jobbers, and repackers accounted for only 18 percent of out-of-town sales.

Buying Methods

Wholesale handlers made 50 percent of their shipping-point purchases direct by telephone or telegraph (table 23). Thirty percent were made through the firm's own salaried buyers. An additional 8 percent of the shipping-point purchases were made through their own affiliated shippers and 12 percent on consignment.

Most Portland wholesalers buying direct from shipping point usually did so on an f.o.b. basis. Eleven firms which bought 6,800 carlots in 1958 bought f.o.b. shipping point. Another firm which bought 700 carlots reported buying f.o.b. shipping point inspection final.

Functions and Services

All but one of the Portland wholesalers used their own employees to unload rail cars and trucks. Five firms reported unloading rail cars at the store siding, and 4 on team tracks. Seventeen firms reported unloading trucks at store siding. One firm reported unloading trucks at the store siding with hired unloading service.

Only one firm, a receiver, reported hauling produce in the firm's own truck from team track prior to sale.

All wholesale handlers except 2 receivers provided delivery service (table 24). These firms delivered 55 percent of their sales entirely in their own trucks.

Ten wholesalers and 1 chain prepackaged or repacked 3,025 carlots of produce in 1958 (table 25). Prepackagers and receiver-jobbers accounted for one-third of this volume. All the firms reported repacking or prepackaging 3 or more items; 4 firms reported prepackaging 5 or more items.

The usual credit terms in the Portland area were 7 days for noninstitutional trade and 30 days for institutional trade. However, one each of receiver, commission merchant, and purveyor extended 14-day credit, while 2 other receivers and 1 purveyor offered 30-day credit to all customers.

Generally, firms performing more services needed more employees to handle the same volume of produce (table 26). Receiver-jobbers averaged 28 employees per firm followed by receivers with about 6 employees per firm.

Margins

The average margins aimed for by the different wholesalers varied considerably. Portland wholesalers reported a range from 5 to 20 percent. Receivers reported an average target margin of 13.7 percent, while receiver-jobbers reported 16 percent. Firms performing the greatest number of services had margins that were consistently higher than those performing fewer services.

Table 22.--Wholesalers' out-of-town sales, by type of firm, Portland wholesale produce market, 1958

Class of seller	Type of out-of-town buyer		Total out-of-town sales	Volume bypassing the Portland market	
	Chain, voluntary cooperative group	Eating place, institution, military		Carlots	Carlots
Broker, carlot distributor, cooperative sales agency...	1,894	60	300	2,254	2,254
Receiver, commission merchant.....	2,037	99	---	2,136	---
Receiver-jobber.....	414	148	---	562	---
Purveyor, prepacker.....	450	---	---	450	---
All sellers.....	4,795	307	300	5,402	2,254

Table 23.--Percentage distribution of shipping-point purchases made by wholesale handlers, by method of purchase, Portland wholesale produce market, 1958

Type of firm	Consignment		Direct by phone or wire		Through own affiliated shipper		Through own salaried buyer		By personal contact with shipper		Total shipping point purchases	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Receiver.....	---	80	20	---	---	---	---	---	---	---	---	100
Commission merchant.....	100	---	---	---	---	---	---	---	---	---	---	100
Receiver-jobber.....	---	29	---	---	71	---	---	---	---	---	---	100
Prepackager.....	---	44	---	---	56	---	---	---	---	---	---	100
Truck jobber.....	---	70	---	---	---	---	---	---	30	---	---	100
Wholesale handlers.....	12	50	8	30	1/	---	---	---	---	---	---	100

1/ Withheld to avoid disclosure of information concerning individual firms.

Table 24.--Extent of delivery by Portland wholesale produce handlers, 1958

Type of firm	Percentage of firms providing delivery service		Volume delivered as percentage of total sales of--		Percentage of deliveries by firm's trucks
	All firms of this type	Firms making some deliveries	All firms of this type	Firms making some deliveries	
	Percent	Percent	Percent	Percent	Percent
Receiver.....	78	44	49		100
Commission merchant.....	100	20	20		100
Jobber.....	100	1	1		100
Jobber (delivery)...	100	97	97		100
Truck jobber..	100	100	100		100
Purveyor.....	100	100	100		100
Receiver-jobber.....	100	78	78		100
Prepackager..	100	15	15		100
Wholesale handlers..	88	85	55		100

Table 25.--Volume and number of items prepackaged or repacked, by type of firm, Portland wholesale produce market, 1958

Type of firm	Firms prepackaging or repacking --			Total firms	Volume prepackaged or repacked
	3 items	4 items	5 or more items		
	Number	Number	Number	Number	Number
Receiver, commission merchant....	3	2	---	5	1/
Receiver-jobber.....	1	1	1	3	465
Prepackager..	---	---	2	2	545
Chain.....	---	---	1	1	1/
All firms..	4	3	4	11	3,025

1/ Withheld to prevent disclosure of information of individual firms.

Table 26.--Number of employees, by type and size of firm, Portland wholesale produce market, 1958

Type of firm	All sizes		Size of firm by 1958 sales volume ^{1/}		
	Firms	Employees	Small	Medium	Large
			Employees	Employees	Employees
Receiver.....	9	53	6	19	28
Commission merchant.....	1	8	---	---	8
Receiver-jobber.....	5	142	---	19	123
Jobber.....	1	4	4	---	---
Jobber (delivery).....	2	3	3	---	---
Truck jobber.....	2	3	3	---	---
Purveyor.....	2	3	3	---	---
Prepackager.....	2	21	6	---	15
Selling broker.....	3	14	1	8	5
Cooperative sales agency.....	2	6	1	---	5
Carlot distributor.....	1	11	---	---	11
Chain.....	2	82	---	---	82
All firms.....	32	350	27	46	277

^{1/} Small firms handle less than 200 carlots per year, medium firms 200 to 499, and large 500 or over.

The Structure of the Retail Market

The Portland retail food store market was composed of 1,315 food stores; 915 of these were grocery stores and delicatessens, and the remainder fruit and vegetable stores and other types of specialty food stores. In 1958, total sales of all retail food stores were slightly over \$265 million.

Chains with 11 or more stores each accounted for 37 percent of the total retail store sales; those with 4 to 10 stores each, 5 percent; those with 2 to 3 stores, 7 percent; and independent single unit stores, the remaining 51 percent.

Three Decades of Change in the Market

The total quantity of fresh fruits and vegetables coming into the Portland market has shown a rising trend during the last 30 years. In 1931, total unloads were slightly over 4,400 carlots; in 1936, 8,554 carlots; and in 1958, 18,851 carlots.

Between 1936 and 1958, direct receipts of wholesale handlers increased 26 percent while those of chains doubled. In 1936, direct receipts by chains were 25 percent of the total in the market; in 1958, 36 percent.

Number and Type of Firms

There were 49 wholesalers in Portland in 1939, 40 in 1948, and 37 in 1958, according to a leading trade directory (table 27).

Table 27.--Number of firms, by type, Portland wholesale produce market, 1939, 1948, and 1958

Class of firm	1939	1948	1958
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver, receiver-jobber.....	12	17	15
Jobber.....	8	4	2
Repacker, prepackager.....	---	1	---
Truck jobber.....	3	3	7
Importer, exporter.....	2	1	1
Shipper, packer.....	10	6	8
Total wholesale handlers.....	35	32	33
Selling broker.....	10	7	3
Buying broker.....	3	---	---
Distributor, sales agency.....	1	1	1
Total, all wholesalers.....	49	40	37
Chain.....	5	3	4
Wholesale grocer.....	3	---	---
Total, all firms.....	57	43	41

Packer Red Book, 1939 and 1948; Fresh Year Book Issue. The Packer, 1958.

Numbers of firms dropped in all categories except for truck jobbers, receivers, and receiver-jobbers.

Five chains were listed as receivers of produce in 1939, 3 in 1948, and 4 in 1958. Although there were 3 wholesale grocers in 1939, none was listed in either 1948 or in 1958.

Entrance and Exit of Wholesalers

Of the total firms contacted in the survey, 58 percent had been in business less than 20 years (table 28). Seven percent of these firms had entered the business in the last 4 years; 14 percent in the last 5 to 9 years; and 37 percent in the last 10 to 19 years. Sixteen percent of all the firms had been in business more than 40 years and 3 percent for over 60 years.

Receivers, truck jobbers, purveyors, and receiver-jobbers were the newer entries, while the older firms were primarily receiver-jobbers, prepackagers, and selling brokers. The oldest firm in the Portland market was a cooperative sales agency, and the youngest a receiver-jobber.

Growth and Decline

Of the 30 wholesale firms in Portland, 20 reported concerning changes in sales volume. Only 20 percent indicated a sales increase of more than 10 percent from 1948 to 1958, while 50 percent reported a sales decrease of more than 10 percent;

Table 28.--Percentage of firms in business for specified periods, by type of firm, Portland wholesale produce market, 1958

Type of firm	1 to 4 : years	5 to 9 : years	10 to 19 : years	20 to 29 : years	30 to 39 : years	40 to 49 : years	50 to 59 : years	60 years or more	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Receiver.....	11	45	33	11	---	---	---	---	100
Commission merchant.....	---	100	---	---	---	---	---	---	100
Receiver-jobber.....	20	---	40	20	20	---	---	---	100
Jobber.....	---	100	---	---	---	---	---	---	100
Jobber (delivery).....	---	100	---	---	---	---	---	---	100
Truck jobber.....	50	---	---	---	---	---	---	---	100
Purveyor.....	100	---	---	---	---	---	---	---	100
Prepackager.....	---	---	50	---	---	---	---	---	100
Selling broker.....	---	67	---	33	---	---	---	---	100
Cooperative sales agency.....	---	---	50	---	---	---	---	50	100
Carlot distributor.....	---	100	---	---	---	---	---	---	100
All firms.....	7	14	37	23	3	10	3	3	100

Table 29.--Changes in sales volume between 1948 and 1958, wholesalers in the Portland produce market, 1958

Type of firm	Total firms	Firms reporting	Percentage of firms reporting--		Sales increased : more than 10 percent	Sales decreased : more than 10 percent	No change
			Firms	Percent			
Receiver.....	9	7	29	56	15	---	---
Commission merchant.....	1	1	---	100	---	---	---
Receiver-jobber.....	5	3	33	33	33	---	---
Jobber.....	1	1	100	---	---	---	---
Jobber (delivery).....	2	2	---	50	50	---	---
Purveyor.....	2	0	---	---	---	---	---
Truck jobber.....	2	0	---	---	---	---	---
Prepackager.....	2	2	50	50	---	---	---
Selling broker.....	3	2	50	---	---	---	---
Cooperative sales agency.....	2	1	---	100	---	---	---
Carlot distributor.....	1	1	---	100	---	---	---
All firms.....	30	20	20	50	50	30	30

and 30 percent reported little or no change (table 29). More receivers had sales decreases than any other types of firms. Of the 4 receivers reporting sales decreases, 3 indicated a decline of more than 23 percent. None of the firms indicated a sales increase of more than 40 percent from 1948 to 1958.

Changes in Trade Channels

Most of the Portland wholesalers reported no major changes in the sources of supply in the last decade. Two firms reported shifts in geographic areas of supply, 2 also indicated greater purchases from shipping point, and 1 reported more purchases through the shipping-point buying brokers. One firm reported fewer purchases in the local market and another fewer purchases from terminal brokers.

There was little variation in outlets in the last 10 years. Eighteen of the 25 firms in business 10 years or more reported no change in types of firms to which they sold produce, while 4 indicated a clientele of fewer buyers.

Changes in Services

Wholesalers' services have remained relatively constant over the last 10 years. The only major change was an increase in the frequency of delivery. One wholesaler reported that the quantity delivered was less, but frequency of delivery was greater.

Outlook of Wholesalers

Sixty percent of the Portland wholesalers felt that the outlook for their type of business was good; 33 percent bad; and the remaining 7 percent only fair. The more optimistic wholesalers included 50 percent of the receivers and all the jobbers and purveyors. The commission merchant, and all receiver-jobbers and distributors felt that business outlook was bad.

Only 2 Portland wholesalers expected changes in their businesses in the next few years. One expected to have a change in type of outlets, and the other expected to shift to a different type of business.

SPOKANE

Market Areas

Spokane is the smallest of the three markets covered in this report. Because of the small number of firms involved, much less detailed information is presented. In 1958, two-thirds of the Spokane wholesalers were concentrated along West Ide Avenue (table 30). One chain warehouse and 5 wholesalers--one each of receiver, jobber, truck jobber, purveyor, and distributor--were outside this area. In 1958, total receipts of fresh fruits and vegetables in the market were 5,241 carlots. This figure excludes direct purchases by retailers, processors, or consumers from farmers or shippers, and sales by Spokane wholesale firms to out-of-town buyers which did not physically pass through the market.

Table 30.--Number of firms, by market area and type of firm, Spokane wholesale produce market, 1958

Type of firm	Market area	
	West Ide Avenue	Other
	<u>Firms</u>	<u>Firms</u>
Receiver.....	2	1
Receiver-jobber.....	3	---
Jobber.....	---	1
Jobber (delivery).....	1	---
Truck jobber.....	1	1
Purveyor.....	---	1
Receiver-purveyor.....	1	---
Prepackager.....	1	---
Selling broker.....	1	---
Distributor.....	---	1
All wholesalers.....	10	5
Chains.....	---	4
All firms.....	10	9

The Structure of the Market

The Spokane wholesale produce market consisted of 16 firms of 11 types in 1958 (table 31). Most of the firms were receivers and receiver-jobbers. They also handled the greatest quantity of produce.

Of the 15 wholesale firms in the market, 7 handled less than 200 carlots of produce in 1958; 2 handled 200 to 499 carlots; and 6 handled 500 or more. The larger firms were concentrated at the initial receipt level, half of which were receivers, and receiver-jobbers.

A lack of specialization was also apparent in the Spokane market with only 3 in 15 firms not carrying a complete line of produce. These 3 firms, however, carried a fairly broad line of fruits and vegetables.

Marketing Channels

The Spokane wholesale fruit and vegetable market supplies many retail grocery stores, restaurants, hotels, and institutions in the Spokane metropolitan area, plus many wholesalers, chains, and retailers throughout Northwest Washington, Northern Idaho, and Northwestern Montana.

In 1958, Spokane wholesalers and chains purchased a total of 4,124 carlots of fresh fruits and vegetables directly from shipping point, 1,059 carlots from local growers, and 621 carlots through brokers and sales agencies in other markets (fig. 3).

Table 31.--Number of firms by type, size, and volume handled, Spokane wholesale produce market, 1958

Type of firm	All firms			Distribution of firms by size ^{1/}		
	Volume handled			Small	Medium	Large
	Number	Quantity	Percentage of total volume			
	<u>Firms</u>	<u>Carlots</u>	<u>Percent</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver.....	3	1,641	25	1	1	1
Receiver-jobber....	3	1,143	17	1	---	2
Jobber.....	1	1,076	11	1	---	---
Jobber (delivery)...	1					
Truck jobber.....	2	1,400	20	1	1	---
Purveyor.....	1					
Receiver-purveyor..	1					
Prepackager.....	1	2,450	32	---	---	1
Selling broker.....	1					
Distributor.....	1	2,450	32	---	---	1
National chain.....	1					
Regional chain.....	1					
Local chain without: warehouse.....	2			1	1	---
All firms.....	19	7,710	100	7	2	7

^{1/} Small firms handle less than 200 carlots per year, medium firms 200 to 499, and large firms 500 or more.

Receivers purchased the largest quantity of produce direct from shipping point (table 32). In 1958, they bought 1,245 carlots in this manner, followed by brokers and distributors.

Receivers accounted for almost 27 percent and receiver-jobbers 16 percent of the total purchases outside the Spokane market area.

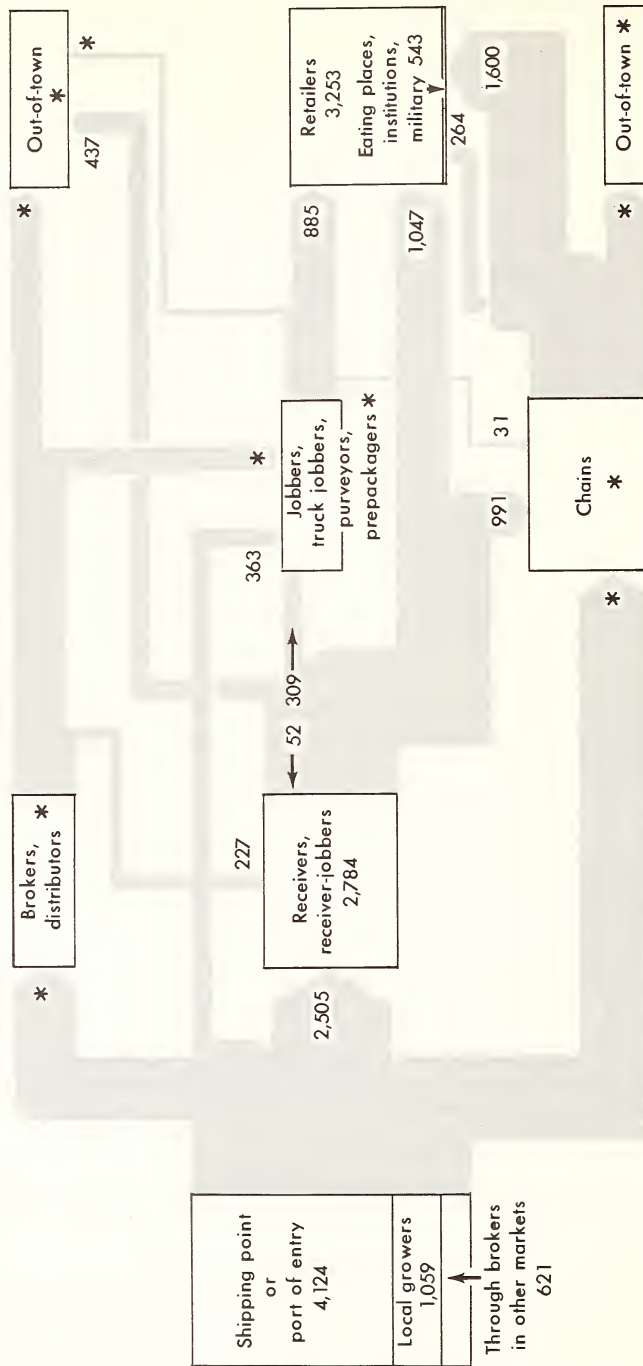
Sales from one Spokane wholesaler to another amounted to 1,127 carlots in 1958 (table 33). Brokers and distributors made 60 percent of these sales. Receiver-jobbers, jobbers, truck jobbers, and purveyors were the most important buyers.

Nearly 3,000 carlots were sold to retail outlets by Spokane wholesalers (table 34). Chains bought 35 percent of this volume, retail stores 47 percent, and eating places, institutions, and the military 18 percent. Receivers and receiver-jobbers sold the greatest quantity of produce to retail buyers.

Out-of-town sales were relatively important to Spokane wholesalers, compared to many other markets (table 35). About a third was sold by the broker and distributor to out-of-town buyers and delivered directly to them. Out-of-town wholesalers were the most important buyers; they purchased 542 carlots.

MAJOR MARKETING CHANNELS, SPOKANE WHOLESALE PRODUCE MARKET, 1958

(CARLOTS)



* WITHHELD TO AVOID DISCLOSURE OF INDIVIDUAL OPERATIONS

Figure 3

Table 32.--Purchases, by source of supply and class of buyer, Spokane wholesale produce market, 1958

Class of buyer	Purchases from outside this market				Purchases from Spokane wholesalers, chains		Total purchases
	Direct from shipping point or port of entry	Through sales agencies or brokers in other cities	From local growers	Total	Purchases from Spokane wholesalers, chains	Total purchases	
	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots
Broker, distributor.....	1/	---	1/	1/	---	1,250	1,250
Receiver.....	1,245	178	132	1,555	86	1,641	1,641
Receiver-jobber.....	589	256	105	950	193	1,143	1,143
Jobber, jobber (delivery), truck jobber, purveyor, receiver-purveyor.....	---	---	228	228	848	1,076	1,076
Prepackager.....	---	---	1/	1/	1/	1/	1/
All wholesalers.....	1/	434	650	1/	1,142	5,260	5,260
Chain.....	1/	187	145	1/	1,028	1/	1/
Retailer, eating place.....	---	---	264	264	3,532	3,796	3,796
All buyers.....	4,124	621	1,059	5,804	5,702	11,506	11,506

1/ Withheld to avoid disclosure of information concerning individual firms.

Table 33.--Wholesalers' sales to other Spokane wholesalers, by class of seller, Spokane wholesale produce market, 1958

Class of seller	Type of wholesale buyer					
	Receiver	Receiver-jobber	Jobber (delivery), truck jobber, purveyor	Jobber	Repacker, prepackager	All buyers
Broker, distributor..	86	141	446	1/	673	673
Receiver.....	---	---	189	---	189	189
Receiver-jobber.....	---	---	120	---	120	120
Jobber, jobber (delivery), truck jobber, purveyor			93		93	93
Prepackager.....	---	52	---	---	52	52
All sellers.....	86	193	848	1/	1,127	1,127

1/ Omitted to avoid disclosure (also omitted from totals).

Table 34.--Wholesalers' sales to retail outlets, by class of seller, Spokane wholesale produce market, 1958

Class of seller	Type of retail buyer			
	Chain	Retail store, peddler	Eating place, institution, military	All retail buyers
Receiver.....	976	165	---	1,141
Receiver-jobber.....	15	771	111	897
Jobber, jobber (delivery), truck jobber, purveyor			432	862
Prepackager.....	37	23	---	60
All sellers.....	1,028	1,389	543	2,960

Table 35.--Wholesalers' out-of-town sales, by type of firm, Spokane wholesale produce market, 1958

Class of seller	Type of out-of-town buyer			Total : out-of-town : sales	Sales : outside : the Spokane : market	Total : sales in : the Spokane : market
	Wholesaler	Chain : Retailer	Eating place, : institution, : military			
	Carlots	Carlots	Carlots	Carlots	Carlots	Carlots
Broker, distributor....	1/	---	---	1/	1/	1/
Receiver.....	---	195	116	311	---	311
Receiver-jobber.....	120	6	---	126	---	126
Jobber, jobber						
(delivery).....	4	4	---	12	---	12
Truck jobber.....	---	70	---	70	---	70
Purveyor, receiver-						
purveyor.....	5	---	34	39	---	39
Prepackager.....	1/	---	---	1/	---	1/
All sellers.....	542	1/	150	1/	1/	1/

1/ Withheld to avoid disclosure of information of individual firms.

Buying Methods

Wholesale handlers obtained 29 percent of all their shipping-point purchases direct by telephone or telegraph; 20 percent through shipping-point buyers; and about 51 percent through firm's own salaried buyers (table 36). Receivers were the only firms in 1958 having salaried buyers.

Most shipping-point purchases where the buyer takes title were made on an f.o.b. basis. Four firms which bought about 1,400 carlots direct listed this method as their first choice.

Functions and Services

Wholesalers' employees unloaded all rail cars and trucks. Five firms reported unloading rail cars at the store siding, while 2 unloaded at team tracks. Eight firms reported unloading trucks at the store siding.

All the firms except one receiver-jobber had delivery service (table 37). They delivered 95 percent of their sales volume entirely in their own trucks.

Five wholesalers prepackaged or repacked a total of 435 carlots of produce in 1958. Two of these firms handled only one product, while one each handled 2, 3, and 4 products.

The 15 wholesalers in the Spokane market had a total of 91 employees including partners and proprietors (table 38). Large firms employed 66 persons, medium-sized 11 persons, and small 14 persons.

Margins

The gross margin for which Spokane wholesalers aimed ranged from 12.9 to 16.6 percent (table 39). The largest target margin was reported by truck jobbers. Firms performing less service had lower margins; the lowest, 12.9 percent, was reported by receiver-jobbers.

The Structure of the Retail Market

In 1958, there were 378 food stores in the Spokane retail market; 297 were grocery stores and delicatessens and the remainder fruit and vegetable stores and other types of specialty-food stores. Total sales of all retail food stores were slightly over \$87 million in 1958. Single-unit food stores accounted for 55 percent of the total food store sales.

Two Decades of Change in the Market

Number and Type of Firms

A leading trade directory listed 27 wholesalers in the Spokane market in 1939, 24 in 1948, and 23 in 1958 (table 40). Most of the decline was in the numbers of receivers and receiver-jobbers. Although there were 3 buying brokers and 1 wholesale grocer in 1939 and 2 wholesale grocers in 1948, none was listed in 1958.

Table 36.--Percentage distribution of shipping-point purchases made by wholesale handlers, by method of purchase, Spokane wholesale produce market, 1958

Type of firm	Direct by phone or wire	Through shipping-point buying broker	Through own salaried buyer	Total shipping-point purchases
	Percent	Percent	Percent	Percent
Receiver.....	8	18	74	100
Receiver-jobber..	75	25	---	100
Wholesale handlers.....	29	20	51	100

Table 37.--Extent of delivery services by Spokane wholesale produce handlers, 1958

Type of firm	Percentage of firms providing delivery service	Volume delivered as percentage of sales of All firms of this type	Firms making some deliveries	Percentage of deliveries by firm's trucks
	Percent	Percent	Percent	Percent
Receiver.....	100	93	93	100
Receiver-jobber..	67	69	78	100
Jobber (delivery):	100	70	70	100
Truck jobber.....	100	100	100	100
Purveyor.....	100	100	100	100
Receiver-purveyor:	100	85	85	100
Prepackager.....	100	100	100	100
Wholesale handlers.....	92	91	95	100

Table 38.--Number of employees, by type and size of firm, Spokane wholesale produce market, 1958

Type of firm	All sizes	Size of firms by 1958 sales volume ^{1/}		
		Small	Medium	Large
	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>
Receiver.....	11	4	7	---
Receiver-jobber.....	27	1	---	26
Jobber.....	2	2	---	---
Jobber (delivery).....	7	---	---	7
Truck jobber.....	5	1	4	---
Purveyor.....	6	6	---	---
Prepackager.....	15	---	---	15
Direct buyer.....	12	---	---	12
Wholesale handlers.....	85	14	11	60
Selling broker.....	1	---	---	1
Distributor.....	5	---	---	5
All wholesalers.....	91	14	11	66

^{1/} Small firms handled less than 200 carlots in 1958, medium-sized firms 200 to 499, and large firms 500 or more.

Table 39.--Target margins, Spokane wholesale produce market, 1958

Type of firm	Average target margin	Percentage of firms
	as percentage of sales profit	quoting a target margin
	<u>Percent</u>	<u>Percent</u>
Receiver.....	16.6	100
Receiver-jobber.....	12.9	67
Jobber, jobber (delivery),; truck jobber.....	16.0	100

Table 40.--Number of firms, by type, Spokane wholesale produce market, 1939, 1948, and 1958

Class of firm	1939	1948	1958
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver, receiver-jobber.....	11	8	6
Jobber.....	2	2	3
Truck jobber.....	2	1	5
Trucker.....	---	1	1
Shipper, packer.....	3	5	3
All wholesale handlers.....	18	17	18
Selling broker.....	3	3	3
Buying broker.....	3	---	---
Distributor, sales agency.....	1	1	1
Total wholesalers.....	25	21	22
Chain.....	1	1	1
Wholesale grocer.....	1	2	---
All firms.....	27	24	23

Packer Red Book, 1939 and 1948; Fresh Year Book Issue, The Packer, 1958.

Table 41.--Number of firms in business for specified periods, by type of firm, Spokane wholesale produce market, 1958

Type of firm	1 to 4 years	10 to 19 years	20 to 29 years	30 to 39 years	40 to 49 years	Total
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver.....	2	---	---	---	1	3
Receiver-jobber.....	---	---	1	1	1	3
Jobber.....	---	---	1	---	---	1
Jobber (delivery).....	1	---	---	---	---	1
Truck jobber.....	---	2	---	---	---	2
Purveyor.....	---	1	---	---	---	1
Receiver-purveyor.....	---	1	---	---	---	1
Prepackager.....	---	---	---	1	---	1
Selling broker.....	---	---	---	---	1	1
Distributor.....	---	---	1	---	---	1
All wholesalers.....	3	4	3	2	3	15

Entrance and Exit of Wholesalers

Of the 15 wholesale firms contacted in the survey, 8 had been in business for 20 years or more (table 41). New entries, firms in business 1 to 4 years, included 2 receivers and 1 delivering jobber. The selling broker had been in business more than 40 years.

Outlook of Wholesalers

Two-thirds of the Spokane wholesalers reported that they felt the outlook for their types of business was good. Optimism concerning the future was fairly evenly distributed among the various types of wholesalers with no particular group predominantly optimistic or pessimistic.

Only 2 Spokane wholesalers expected to make changes in their operations. One expected to go out of business; the other expected to buy more produce direct from shipping point.

REFERENCES

- Crow, W. C.
1938. Wholesale Markets for Fruits and Vegetables in 40 Cities.
U. S. Dept. Agr. Cir. 463, 142 pp., illus.
- Packer Produce Mercantile Agency.
1939. The Packer Red Book. (Also 1948 edition.)
- Packer Publishing Company.
1958. Fresh Yearbook Issue. The Packer, Part II (May 31).
- United States Bureau of the Census.
1956. U. S. Census of Business: 1954, Vol. III, Wholesale Trade--Summary Statistics; Vol. IV, Wholesale Trade--Area Statistics. (Also similar publications for other census years.) Washington, D. C.
- United States Department of Agriculture.
1959. Unloads of Fresh Fruits and Vegetables. Portland. 1958, Agr. Mktg. Serv., Fruit and Vegetable Div. (Also similar publications for Seattle and for other years.)

APPENDIX

Definitions of Terms Used in This Study

Territory Included in the Markets

The territories we define as markets are the standard metropolitan statistical areas. The Seattle-Tacoma market includes all of King and Pierce Counties, Wash.; the Portland market, Clark County, Wash.; and Washington and Clackamas Counties, Oreg.; and the Spokane market, Spokane County, Wash.

General Terms

Direct purchases from shipping point.--Purchases by the buying firm from sellers located at a shipping point.

Direct receipts from shipping point.--Receipts of produce directly from shipping point, including both direct purchases from shipping point and purchases from brokers, sales agencies, and others in the terminal market where the actual shipment is made directly to the first receiver.

Produce.--Used interchangeably with "fresh fruits and vegetables."

Firm.--The firm in this study is a separate business operation. It does not necessarily coincide with the legal or other definition of the firm. This type of definition permits us to treat different types of operations as relatively pure single-function firms, rather than trying to handle multiple operations as a single firm which does not fit in any category.

Size of Firm

Large firms.--Those selling 500 or more carlots of produce annually.

Medium firms.--Those selling 200 to 499 carlots of produce annually.

Small firms.--Those selling less than 200 carlots of produce annually.

Types of Firms

Wholesale Produce Firms

Wholesale handlers.--Firms which physically handle the merchandise.

Brokers and agencies.--Firms which do not physically handle the merchandise, although they may arrange for such physical handling by others.

The types of firms included in each category are indicated in the list that follow.

Wholesale Handlers

Receiver.--Purchases produce for own account usually in full carlots of trucklots. Direct receipts from shipping point account for more than half his purchases. Performs the physical functions of unloading and handling in his own facilities, on team track, or at the terminal. More than half his sales are to other wholesalers, chain warehouses, or processors.

Commission merchant.--A receiver who handles more than half his volume on consignment from growers or shippers.

Receiver-jobber.--Direct receipts from shipping point are more than half his purchases. More than half his sales are to retail stores and institutional outlets. Receives and handles produce in his own warehouse or store.

Commission wholesaler.--A receiver-jobber who handles more than half his volume on consignment from growers or shippers, often nearby growers.

Service wholesaler.--A receiver-jobber who performs additional services for his customers, the retail stores, such as suggesting retail prices, training produce personnel, and assisting with advertising and merchandising.

Service jobber.--A service wholesaler who buys more than half his volume from local wholesale handlers.

Wholesale grocer.--A receiver-jobber or service wholesaler whose main line is dry groceries and who does not sponsor a voluntary group or retailer cooperative.

Jobber.--Purchases more than half his volume from wholesale handlers in the local market. Sells more than half his volume to retail stores and institutional outlets. Handles the merchandise through his own store.

Banana jobber.--Considered a special case and classified as a jobber, even though he is usually the first receiver in the market. He ripens, cuts, and boxes bananas.

Jobber (delivery).--A jobber who delivers more than half his volume to his customers.

Secondary wholesaler.--A wholesaler who buys from local wholesale handlers and resells to other wholesalers, such as jobbers and truck jobbers. Handles the merchandise and takes title.

Truck jobber.--A jobber who conducts his business from his truck. He does not sell from a store, but usually has a regular customer route, delivering on a fixed schedule.

Purveyor.--A jobber who sells more than half his volume to hotels, restaurants, and institutions.

Receiver-purveyor.--A purveyor who receives more than half his volume direct from shipping point.

Auction.--A terminal market fruit auction, which acts strictly as a service agency, providing facilities and organization for selling, handling the merchandise (or arranging for such handling), but having no financial interest in the merchandise.

Repacker, prepackager.--A prepackager has more than half his volume in consumer packages. A tomato repacker ripens, sorts, and packages tomatoes.

Merchant trucker.--A trucker who buys at shipping point or in other markets and hauls in his own truck to the terminal market where he maintains a store or warehouse.

Itinerant trucker.--A trucker who does not maintain a store or warehouse. Usually buys on speculation and hauls to another city where he hopes to resell at a higher price. May operate as a for-hire trucker at one time and as an itinerant trucker at another time.

L. C. L. shipper.--Buys in the terminal market and takes title. Ships less-than-carload lots to wholesalers and chains in other markets.

Mixed-load shipper.--Buys in the terminal market and takes title. Ships full loads (mostly truckloads) to wholesalers in other markets.

Importer.--Imports produce from foreign countries and takes title.

Commission importer.--An importer who operates on a commission basis.

Exporter.--Buys produce for his own account and ships to foreign countries or to noncontiguous areas of the United States (for example, Alaska, Hawaii, and Puerto Rico).

Packer-shipper.--Receives products directly from farms, packs, and ships. Most of these firms are, of course, located in the country, but a few are found in markets such as Los Angeles.

Brokers and Agencies

Selling broker.--Negotiates sales on behalf of a number of shippers, but does not take title and does not physically handle the merchandise.

Auction representative.--A selling broker, more than half of whose business is on the fruit auction as a shipper's representative.

Carlot distributor.--Buys and sells full carlots and takes title. He may do some brokerage business as well. Does not physically handle the merchandise.

Distributor.--Buys full carlots or trucklots. Sells in L. C. L. quantities to wholesalers, chains, and others. Does not physically handle the merchandise. Sells out of car, either before or after receipt. May do some brokerage business as well.

Terminal broker.--Operates like a selling broker except that he represents buyers rather than sellers, and collects his fee from the buyer.

Buying broker.--Buys in L. C. L. lots in the terminal market, including the fruit auction, for out-of-town wholesalers and chains or for local retailers. May arrange for loading and shipment, but does not handle the merchandise himself. In some cases, he may accept the billing for the merchandise (especially when buying for foreign customers, usually Canadian), but this is done as a convenience for the buyer.

Buying office.--A salaried buyer for an out-of-town wholesaler or chain. Arranges for loading and shipping but does not handle the merchandise himself.

Cooperative sales agency.--Salaried representative of a farmer cooperative in the terminal market. Does not physically handle produce.

Importer's sales agency.--Salaried representative of an importer (usually a banana importer) in the terminal market. Does not physically handle produce.

Sales agent.--An independent selling agency for a wholesaler, who receives a commission on sales made for the principal. Typically a one-man operation selling for a purveyor.

Retail Organizations

Corporate Chains:

National chain.--The three largest chains with warehouse distribution areas over more than half of the country.

Regional chain.--A corporate chain organization with two or more warehouse distribution areas.

Local chain.--A corporate chain with only one warehouse distribution area.

Local chain without warehouse.--A local chain which does not operate its own produce warehouse, although it almost always operates a dry grocery warehouse.

Voluntary group.--A group of retail stores sponsored by an independent wholesale grocer.

Retailer cooperative.--A wholesale operation owned by member retailers.

