

COOPERATIVE MARKETING

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Cooperative Marketing of fishery products does not mean only cooperative marketing by fishermen but also cooperative marketing by wholesalers and eventually by retailers. This is emphasized because the United States Department of the Interior, Fish and Wildlife Service, is concerned with the development of the fishery industry as a whole and, therefore, it extends its interest not only to the fishermen but also to the wholesalers and retailers.

The advantages of cooperative marketing are important on all three levels. The fishermen may profit by a cooperative organization in assembling great quantities which may be transported more cheaply than smaller quantities. Larger quantities may also be sold more easily and at a more advantageous price than the smaller quantities. Wholesalers may combine in cooperative associations for the purpose of obtaining cheaper transportation rates for car-loads if and when the individual wholesaler would not be able to purchase a full car-load. The same advantage exist in retail cooperative marketing.

Besides these common advantages there are certain advantages which are not common to all three levels of distribution but which are particularly known for fishermen cooperatives.

Fishermen cooperatives are specifically advantageous in areas in which no wholesalers are located or in those in which only one or two wholesalers are located which exercise to a certain degree monopolistic power over the fishermen. For example, I know of one area in which one wholesaler controls about 200 miles of a coast as well as the commercial fishermen fishing along that coast. If this wholesaler would happen once or twice per year to close his business the fishermen would have no opportunity of selling their catch. In such a case not only does the catch spoil and valuable foods are being wasted but also the fishermen do not have any income from which to pay their grocery bills and other expenses. In such cases fishermen's cooperatives are not only advantageous; they are a necessity.

Fishermen's cooperatives are also advantageous in bringing improvements concerning technological developments and sanitary conditions.

A freezing and cold storage warehouse, for example, which cannot be built by an individual fisherman may be built by a cooperative. A cooperative combined of 60 or 70 fishermen may easily obtain a loan from a private bank or from the Federal Government in a case in which an individual fisherman could not obtain such a loan. If a cooperative builds a freezer and cold storage warehouse the members of the cooperative are not being forced to sell their fish in times of abundance at low prices, they will be able to store fish and to wait until they can obtain a normal price.

In many cases I could find that the activities of the fishermen's cooperatives have improved sanitary marketing conditions. A cooperative may obtain better machinery, cleaner working rooms, better inspection, and a more regular turn-over than the individual fisherman.

Wholesale cooperatives may lead to cooperative storing and transporting. As said above, the main advantage lies in cheaper transportation rates which they usually obtain.

Retail cooperatives may have a great influence upon wholesale prices. In one case of which I know, the retail cooperative rarely does active business but its existence alone prevents exorbitant wholesale prices. Other retail cooperatives successfully obtain wholesale discounts on purchases of fishery products.

There are presently operating in the United States 63 fishermen's cooperatives, one wholesale cooperative and two retail cooperatives.

Special Federal legislation has been passed only for fishermen's cooperatives. Congress passed in 1934 (Public Law No. 464 -- 73rd Congress) the so-called Fishery Cooperative Marketing Act which was approved June 25, 1934. The Fishery Cooperative Marketing Act does for the fishermen the same as the Capper-Volsteadt Act does for the farmer, namely; it authorizes that producers of their respective products act together in associations. Fishermen specifically may combine in cooperative associations for the purpose of catching, processing, or marketing of fish or for similar purposes. Of the 63 fishermen's cooperatives I know all except three, and I may tell you later of the different variations in their respective activities. Not two of these cooperatives are equal to each other in their activities, every one has its specific characteristics. One important cooperative which has nothing to do with fishing or marketing of fish, is the Commercial Fishermen's Inter-Insurance Exchange in San Pedro, California which was established to subscribe marine insurance for its members. This cooperative was successful in lowering the usual commercial insurance rates by about 50%.

Before I describe the different cooperatives in detail I will tell you of the powers of the United States Government in the case of fishermen's cooperatives. Actually there is only one power, namely, the power of the Secretary of the Interior to issue cease and desist orders against cooperatives if he finds that they monopolize or otherwise restrain trade and thereby unduly enhance prices.

To find out whether the cooperatives act properly the Secretary of the Interior, acting through the United States Fish and Wildlife Service, may ask information from cooperatives or send officials to cooperatives for the purpose of conferring with the officers, Board of Directors or the managers. The holding of these conferences is one of my duties and in fulfillment of this duty, I must visit all fishermen's cooperatives in the United States.

Starting in the far north I should like to tell you something about the Annette Island Packing Company. This cooperative comprises about 200 members, all Indians, which was established for the purpose of canning salmon and merchandising the canned products. It has operated very successfully like other cooperatives on the Pacific Coast. Among them I should like to mention the Fishermen's Packing Corporation, Anacortes, in the State of Washington which comprises 46 boat owners and 51 fishermen who are not boat owners. The purpose of this cooperative is to can salmon which is also the purpose of the Union Fishermen's Cooperative Packing Company in Astoria, Oregon, comprised of about 150 members. Some other large fishermen's cooperatives of the Pacific Coast are active in selling fish by either maintaining an auction salesroom or by contracting collectively with cannery or dealers associations. Among these I should like to mention, the Fishing Vessel Owners Association, Seattle, Washington, which comprises about 350 owners of halibut boats; the Fishermen's Cooperative Association also of Seattle, Washington comprising about 750 fishermen engaged in troll fishing; and the Fishermen's Cooperative Association in San Pedro, California comprising 95 members. Important in this field is a cooperative operating under the name of Monterey Sardine Industries, Inc., Monterey, California. There are also important fishermen's cooperatives on the Pacific Coast which are established to market fresh fish. For example, the LaConner Cooperative Fishermen's Association of LaConner, Washington; Santa Cruz Fisheries, Inc., Santa Cruz, California; and the Commercial Fishermen's Cooperative Association, Inc. of Newport Harbor, California. Each of these cooperatives just mentioned also purchases gear and net for fishermen.

It would take hours if I would go into details about all the cooperative activities. In Southern California, there are four cooperatives which mainly settle accounts between fishermen and canneries and which clear the papers with Mexican authorities. One cooperative the Willapa Oyster Growers Cooperative Association is successful in growing and marketing of oysters.

Not one cooperative along the Gulf Coast or Atlantic Coast can be compared in financial and economical importance with the cooperatives of fishermen operating on the Pacific Coast. There are, however, cooperatives on the Atlantic Coast which serve very good purposes. In Maine, there are several cooperatives for lobsters fishermen which furnish gear for fishermen and operate general stores to the advantage of their members. A recently established cooperative in Point Judith, Rhode Island is very successful in marketing the catch. This cooperative shows more than any other organization that not financial background is the most important factor in the cooperative movement but the cooperative spirit of the members. Their willingness to sacrifice for the common interest is important.

Among the Gulf Coast cooperatives I should mention as most important, the Twin Cities Fishermen's Cooperative Association, Morgan City, Louisiana, which comprises about 26 fishermen. The purpose of this cooperative is the marketing of shrimp. In Florida several smaller cooperatives are operating most successfully as the Cape Fish Company in Fort Pierce, and the Miami Fishermen's Cooperative Association in Miami.

On the Great Lakes Coast the North Superior Cooperative Fisheries, Inc., Duluth comprises about 70 members. Special circumstances brought about that this cooperative does not only the selling of fish but also the operation of a motor freight company. Concluding I feel that I have given an appropriate picture of the various activities of the fishermen cooperatives.

The United States Government is not promoting cooperatives, however, it gives advice to cooperatives like it gives advice to all members of the fishery industries.

The frequency of fishermen's cooperatives is far behind that of farmer cooperatives. At present of an annual catch of about 4.4 billion pounds in the United States about 1 billion pounds are in one way or the other controlled by cooperatives. Altogether about 4,500 boat-owner fishermen, employing about 16,500 other fishermen are organized in cooperative fishermen associations producing or controlling about 50 million dollars worth of fish per year.

The Fishermen's Cooperative movement has not only an economic importance. All those who work in cooperative movement agree that cooperatives have a high educational affect on their members.

Working in a cooperative means sacrificing some points of our selfish interest. No cooperative can exist if its members are not willing to give time and attention to the affairs of the cooperative. It also is necessary that in a cooperative, people work willingly together and that they have to curb their emotions. They do not impose their opinions on others and also do not hesitate to express their own honest opinion or to accept honest opinions of others.

The Cooperative Movement among fishermen means progress of the fishery industries. It will make its members better men, it will introduce better technical and sanitary handling methods and it will improve marketing of fish by bringing better quality of fish, either fresh or frozen, in the hands of the consumer. The United States Government salutes the Cooperative movement because it recognizes that progress is indivisible. It means that if progress is attained in cooperatives or in one part of the industry it will at last affect all parts of the industry and the economic life of the whole nation and this general progress is what we want.