

PART VII

Farm Marketing and Level of Living

Location for Marketing

Situated near the center of Washington State and on or near a major cross-state, transcontinental highway and railroad, the farmlands of Chelan County are fairly well located for markets. Marketing location is best in the Wenatchee Valley and less favorable for the Entiat and Chelan Valleys in the center and north of the county. Most of the crops, livestock and livestock products moving out of the county are marketed through Wenatchee with its large facilities for grading, storage and loading. Wenatchee is about 150 to 170 miles by highway and rail from the principal cities of Puget Sound, about 170 miles from Spokane and 300 miles from Portland, Oregon. The area is midway between Puget Sound and Spokane and can move products east or west, by truck or rail. Westward movement is seasonally handicapped by weather conditions over the Stevens Pass in the Cascades and travelling time to Spokane is slightly less in winter.

Transportation Facilities

Railroad and road facilities for collecting and exporting Chelan commodities have become excellent for the last 20 years. Year-round railroad connections to Puget Sound cities and ports became highly improved over the Great Northern Railway after 1926 when the long Cascade tunnel was completed under Stevens Pass. From the east, Great Northern Railway enters Chelan County across the Columbia at Malaga, skirts the Columbia River benchland to Wenatchee, where large loading spurs, sidings and warehouses are maintained at Appleyard to the south of Wenatchee. The Great Northern mainline continues on its route to Everett and Seattle up the Wenatchee River Valley to Stevens Pass. An important branch line goes northward from Wenatchee up the Columbia River west bank and serves Entiat, Chelan and the fruit growing valleys in northern Chelan County. A large volume of Chelan County fruit is transported over the Great Northern mainline and branch lines to destinations in mid-western United States and on Puget Sound. The fruit growers in this area depend more on rail shipment than truck transportation. In 1955 there were 7,161 cars of fruit loaded and shipped from Chelan County rail sidings.

Income, Value of Products Sold

Census of Agriculture data on the value of farm products sold show that the trend of gross incomes has been upward in recent years. Farm expenses and costs, however, have increased as much or more, keeping net profits largely uncharged. All Chelan County farmers marketed \$25,746,600 worth of agricultural products in 1944, a year of peak war-time demand, compared to \$27,729,500 in 1954, a more normal year. Since 1944 the gross annual sales by farmers have increased by \$1,982,900.

Chelan County ranks third in numbers of farms grossing over \$25,000 per year. Farm sales or the sharing of the gross returns vary considerably by farms according to Census figures for 1954. There were 520 farms with sales

over \$25,000 and 382 farms had sales between \$10,000 and \$25,000. Farms with sales of \$5,000 to \$10,000 numbered 158.

Being perhaps the most specialized farm county in Washington, 96 percent of gross farm income in Chelan County is derived from its tree fruit crops. Furthermore, the income from tree fruits is dependent on the apple crop, which makes up over 85 percent of cash sales. Chelan County farm income, both by individual farms and by total for all farms, ranks high among Washington counties. It stands second in value of fruit sales and fourth in value of all farm products sold to shippers, wholesalers, marketing associations, retailers and processors.

Total Value of Farm Products Sold in 1954: \$27,729,500

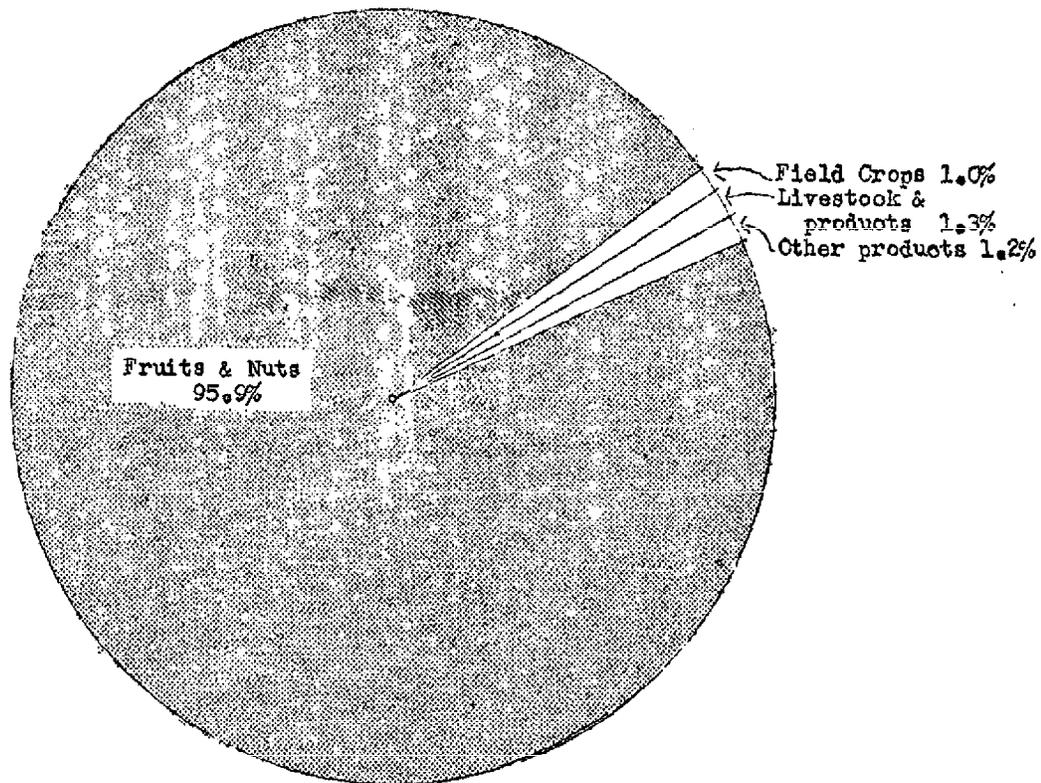


Figure 12.- Sources of Cash Income, Chelan County Farms, 1954.

Source: U.S. Census, Agriculture.

Marketing Fruit Crops

The major farm product marketing activity in Chelan County is the buying, grading, packing and shipping of the area's heavy tree fruit production. A large number of persons are employed seasonally and the investment in facilities used in getting fruit from growers to consumers is large. Led by apples, growers received over \$26,595,000 in 1954 for the crop.

Fruit buying, shipping and brokerage concerns are located mainly in Wenatchee. This city is second only to Yakima in fruit marketing agencies, the

number of buyers and the volume of fruit handled each year. In 1956 there were 43 marketing agencies including fruit buying, brokerage and shipping companies operating within and on the outskirts of Wenatchee and with branches at Cashmere, Peshastin, Entiat and Chelan. Among these buyers were companies buying apples, peaches, pears, cherries and apricots for canning and freezing in cities such as Yakima, Seattle, Auburn, Everett and other Puget Sound cities. Most of the buying is in loose-boxed apples for grading, packing and rail shipment all over the state and nation. In 1955 the fruit shippers loaded out of Wenatchee and other Chelan County stations the following rail carloads: apples, 7,161; pears, 1,239; cherries, 366; apricots, 132; peaches, 45 and mixed fruits, 259.

In addition to the agencies which buy and ship fresh fruit out of the county there is a good market at frozen food and processing plants. In Wenatchee there are freezing plants, fruit drying plants and one cannery. At Cashmere there is a concern which processes apples and apricots into a nationally advertised candy.

At Chelan and Entiat growers of northern Chelan County market fruit at ten firms which pack and ship fruit. In this area, the Lake Chelan Growers Union is prominent in fruit marketing. In 1955 there were 1,937 carloads of fruit shipped from Chelan and 754 from Entiat. Cashmere, Peshastin and Leavenworth in the upper Wenatchee Valley are also important fruit buying and shipping points. During the 1955 season the following carloads of fruit were shipped: Cashmere, 1,445; Peshastin, 631; Leavenworth, 151.

Marketing Field Crops

Compared to fruit the volume of other crops such as grains, hay and potatoes are minor. Wenatchee, Entiat, Chelan and Cashmere, however, are important marketing points for crops grown in Chelan, Okanogan, Grant and Douglas Counties. Hay and feed grains find market outlets at feed dealers and farmers exchanges in Wenatchee and in Entiat. A large national flour company's mill at Wenatchee processes livestock feeds and wheat flours for shipment to the coast. Canneries, freezers and mills in Wenatchee are markets for crops from Douglas, Grant and Okanogan Counties, as well as Chelan. Processing of vegetables has been increasing at Wenatchee since the newly irrigated lands of the Columbia Basin have come into production.

Railside storage facilities are good at Wenatchee and other towns on the Great Northern line. There is not only storage space for fruit but also considerable storage for potatoes, onions and frozen vegetables. There are three large frozen food locker plants in Wenatchee where consumers store vegetables, berries and meats.

The small number of farms producing horticultural specialties find a good local market in the large number of fruit farms in north central Washington. There is a constant demand for fruit tree nursery stock for replacement or expansion of orchards. In Wenatchee there are six companies who grow, buy and retail nursery fruit trees, landscaping shrubbery and flowers. Nursery fruit tree culture is of statewide importance. There are also six retail florists in Wenatchee who grow and sell flowers and plants, or buy these items from farmers for retailing.

Table 30.- Crops Marketed From Chelan County Farms, 1954.

| Type of Crop Sold | Amount Received By Farmers (Dollars) | Percent All Crops Sold |
|--|--|---------------------------|
| Fruits and Berries (apples, peaches, pears, apricots, cherries and grapes) | \$26,595,373 | 98.6 |
| Field Crops (wheat, barley, oats, potatoes, field corn, hay, silage, etc.) | 286,152 | 1.1 |
| Horticultural Specialties (fruit trees, shrubs, cut flowers, plants, seeds, bulbs, etc.) | 77,284 | .3 |
| Vegetables (tomatoes, sweet corn, dry onions, etc.) | <u>2,082</u> | <u>.007</u> |
| Total amount received by farmers for cash crops | \$26,960,891 | 100.0 |

Source: U.S. Census, Agriculture.

Marketing Dairy Products

Chelan County is located outside of the major milkshed areas centered on Seattle-Tacoma, Yakima and Spokane. This locational factor, in addition to the primary utilization of irrigated land for orchards instead of pastures and hay meadows, has limited dairy production and marketing to the fulfilling of local demands. The market is limited mainly to the population of 42,000 within the county and to a small part of the market in the Columbia Basin irrigation settlements in Douglas and Grant Counties. As a consequence, dairymen in the Wenatchee, Entiat and Chelan Valleys sell only between 2,500,000 to 3,000,000 pounds of fluid milk and 20,000 pounds of cream per year. The gross cash returns to dairy farmers totals a little over \$150,000 annually.

The largest fluid milk and butterfat markets are located in Wenatchee. In this city and its vicinity there are four licensed companies who buy fluid Grade A milk for distribution to consumers and retailers and processing into cream, ice cream and cottage cheese. One plant in Peshastin and another in Leavenworth are licensed by the State Department of Agriculture to buy milk or cream in bulk. Milk vendors licensed to distribute pasteurized milk in accordance with state regulations number three in Wenatchee and one in Chelan. Chelan County is a deficit area in butter and cheese and these foods are imported from other dairy regions of the state and nation.

Marketing Live Animals

Wenatchee is the most important market in Chelan County for live animals. Two state-licensed slaughter and meat packing companies are located there. These packers handle over 400 head of cattle and calves and 300 hogs per month buying from livestockmen in north central Washington. Hogs are imported from

other states as far away as Iowa. Some livestock farmers not selling to the packing houses in Wenatchee, transport truck lots of cattle, hogs and sheep to Yakima, Ellensburg or over the Cascades to Seattle and Tacoma.

Total sales of all live animals by Chelan livestock farmers amount to about \$340,000 annually. Cattle and calves are the major type of animals marketed. In contrast to earlier years, more livestock is transported by truck and there are fewer sales directly off farms to country cattle buyers and feeders. More are sold direct from the farmers to packers and shippers.

Table 31.- Livestock and Livestock Products Marketed
Chelan County, 1954.

| Class of Livestock Products Sold | Quantity Marketed | Amount Received By Farmers |
|--|----------------------|-------------------------------|
| <u>Dairy Products</u> | | |
| Whole milk----- | 2,699,078 lbs. | \$138,117 |
| Butterfat----- | 23,238 lbs. | 12,919 |
| Total all dairy products | | \$151,036 |
| <u>Poultry and poultry products</u> | | |
| Chickens----- | 20,947 birds | \$ 23,535 |
| Eggs----- | 192,632 dozen | 88,986 |
| Turkeys, ducks, geese--- | | 67,795 |
| Total all poultry & poultry products | | \$180,316 |
| <u>Animals sold alive</u> | | |
| Cattle----- | 1,678 head | \$208,085 |
| Calves----- | 1,374 head | 80,081 |
| Hogs and pigs----- | 591 head | 14,863 |
| Sheep and lambs----- | 2,372 head | 34,186 |
| Horses and mules----- | 84 head | 4,049 |
| Total all animals sold alive | | \$341,284 |
| <u>Other livestock and livestock products sold</u> ----- | | \$ 7,905 |
| Total amount received for livestock and livestock products----- | | \$680,541 |

Source: U.S. Census, Agriculture.

Marketing Poultry and Eggs

The production of poultry and eggs is on a minor scale, being more for a local than an outside market. Output within the county does not fill the demand and the deficit is made up from eggs and frozen chickens brought from western Washington poultry regions. In 1954, a normal year, Chelan County poultrymen sold \$180,316 worth of poultry products with eggs being the largest item.

Wenatchee is the most important local market for the poultry industry. A large Washington farmers' marketing cooperative operates an egg candling and packaging plant in Wenatchee. Live poultry, including turkeys, is marketed in Wenatchee where there is custom killing and wholesaling of dressed

poultry. Other poultry is marketed at a farmers' exchange in Wenatchee and at a turkey farm at Malaga. A considerable amount of poultry is processed on farms for the cold locker trade. Some truck load lots of chickens and turkeys are hauled out of the area to processors in the Yakima Valley.

Marketing Farm Forest Products

Being located largely within the Ponderosa pine forest belt of the east Cascade Mountain slope, Chelan County farmers have been selling an increasing volume of forest products. In 1954, Chelan County ranked 22nd in the state with total sales of \$88,000 made from farms. Firewood, fenceposts, tree props, poles, pulpwood and small logs are harvested from farm woodlands, particularly in the upper portions of the valleys. Markets for these items exist in the numerous orchards of the irrigated lowlands and eastward in the treeless Columbia Basin irrigated plains. Demands for boxes and packaging material related to the fruit industry resulted in several box-shook mills being built in the area. Lumber and box mills are at Peshastin, Cashmere and Ardenvoir and smaller mills cutting rough lumber are in each of the valleys. An important market for pulpwood and small logs from farms is a pulp company at Wenatchee which molds sections of apple cartons and egg containers. Woodland farmers are able to market forest products quite easily by use of modern trucks.

Table 32.- Forest Products on Farms, Chelan County, 1954.

| Type of Product | Farms Reporting | Quantity |
|---|-----------------|-----------------|
| Firewood and fuelwood cut----- | 51 | 416 cords |
| Fence posts cut----- | 20 | 10,801 posts |
| Sawlogs and veneer logs cut----- | 30 | 3,063 M bd. ft. |
| Pulpwood cut----- | 4 | 283 cords |
| Total value of farm forest products sold and used on the farm----- | 26 | \$88,088 |

Source: U.S. Census, Agriculture.

Agricultural Income Compared to Other Income Sources

Agriculture is the most important segment of the Chelan County economy. Although industrial, commercial and service trade employment has been gradually increasing in importance, agricultural income in 1954 accounted for nearly one-fourth the total. Net agricultural income of farm operators has been increasing in recent years, going from over \$17,000,000 to \$20,000,000 between 1950 and 1952. Not included in the income are the jobs which the primary agricultural production creates in packaging, storage and transportation.

Table 33.- Types and Sources of Income 1950-1952, Chelan County 1/

| Type and Source of Income | Income in Dollars By Years (In thousands of dollars) | | | Percentage of County Income by Years | | |
|---------------------------|---|--------------|--------------|---|-------|-------|
| | 1950 | 1951 | 1952 | 1950 | 1951 | 1952 |
| Agriculture | \$17,745,000 | \$19,965,000 | \$20,839,000 | 26.1 | 26.3 | 23.5 |
| Construction | 2,256,000 | 5,399,000 | 12,614,000 | 3.3 | 7.1 | 14.2 |
| Government | 5,096,000 | 5,818,000 | 6,416,000 | 7.5 | 7.7 | 7.2 |
| Manufacturing | 5,225,000 | 5,985,000 | 7,783,000 | 7.7 | 7.9 | 8.8 |
| Service | 5,938,000 | 6,380,000 | 6,565,000 | 8.7 | 8.4 | 7.4 |
| Transportation | | | | | | |
| Communication | | | | | | |
| and Utilities | 4,632,000 | 4,799,000 | 5,332,000 | 6.9 | 6.3 | 6.0 |
| Trade | 13,026,000 | 13,766,000 | 15,090,000 | 19.2 | 18.2 | 17.0 |
| Miscellaneous | 3,635,000 | 4,300,000 | 4,135,000 | 5.4 | 5.7 | 5.1 |
| Property Income | 5,039,000 | 5,343,000 | 5,434,000 | 7.4 | 7.1 | 6.1 |
| Other Income | 5,312,000 | 4,050,000 | 4,173,000 | 7.8 | 5.3 | 4.7 |
| Total | \$67,904,000 | \$75,805,000 | \$80,681,000 | 100.0 | 100.0 | 100.0 |

1/ John A. Guthrie and Stanley E. Boyle, County Income Payments in Washington, 1950-1952. Pullman, Wash. Washington State College, Bulletin No. 26.

Specified Farm Expenditures

Expenditures connected with operating a farm reduce the net income a farmer receives as profits from sales of crops and livestock. In the Census of 1954, farmers in Chelan County reported a total expense of \$8,251,593 for labor, machine hire, petroleum products, fertilizer and other materials and services. The money the growers and farmers spend for these items supports most of the commercial activity in the cities and towns. The farms represent a substantial market for many services and materials supplied through Wenatchee, Peshastin, Cashmere, Leavenworth, Entiat and Chelan.

The greatest cost in Chelan County agriculture is the total amount growers pay for fruit harvesting and orchard management labor. In 1954, there were 1,406 farms which expended over \$6,483,000, or an average of \$4,611 per farm for labor. This was the second highest outlay for farm labor in the state,

Table 34.- Specified Farm Expenditures in 1954, Chelan County

| Type of Expenditure | Number of Farms Reporting | Expenditure of All Farms | Average Per Farm |
|--------------------------------|---------------------------|--------------------------|------------------|
| Machine hire..... | 1,035 | \$ 255,029 | \$ 246.40 |
| Hired labor..... | 1,406 | 6,483,120 | 4,611.04 |
| Feed for livestock and poultry | 837 | 505,743 | 604.23 |
| Gasoline, petroleum fuel & oil | 1,607 | 600,181 | 373.48 |
| Commercial fertilizer..... | 1,435 | 404,985 | 282.22 |
| Lime and liming materials..... | 30 | 2,535 | 84.50 |
| Total expended | | \$8,251,593 | |

Source: U.S. Census, Agriculture.

Level of Living on Chelan County Farms

On the whole, farm people have not enjoyed as high a level of living as city people. Farm incomes are lower on the average than urban incomes. Because of the isolated location of many farms, such conveniences as electricity, hot and cold running water and telephones have not been as easily available to farm families. This is the general situation in American agriculture.

In Washington State and Chelan County particularly, however, the farm population compares quite favorably with other population groups in conveniences of modern living. The standard of living on Chelan County farms is above average. The farm family level-of-living index for the United States was 122 in 1950. With an index of 154, Washington ranked eleventh among the states.

The farm family level-of-living index in Chelan County in 1950 was 171, considerably above the state and national average. Farm families of Chelan County have more comforts and conveniences, such as electrical service, washing machines, water heaters, refrigeration, plumbing and telephones, than are found generally over the state's and nation's farmlands. The quality of farm housing is better and isolation by poor roads and distance from towns is much less than in most American counties.

Table 35.- Indices of Level of Living of Chelan County Farm Families, 1950 Compared with State and National Averages.

| Index Items | Percentage of total farm families with listed index items | | |
|---|---|------------|---------------|
| | United States | Washington | Chelan County |
| Farm Family Level-of-living | 122 | 154 | 171 |
| Median Income per Family | \$1,567 | \$2,380 | \$2,234 |
| Electricity | 78.3% | 92.5% | 93.9% |
| Electric Hot Water Heater | 17.4 | 49.1 | 63.0 |
| Electric Washing Machine | 58.7 | 85.4 | 87.4 |
| Home Freezers | 12.1 | 14.5 | 20.3 |
| Mech. Refrigerators | 62.7 | 77.4 | 78.1 |
| Telephone | 38.2 | 57.5 | 69.3 |
| Hot and Cold Water Plumbing | 23.8 | 70.4 | 49.7 |
| Central Heating | 18.1 | 17.8 | 27.8 |
| Houses with More than One Person per Room | 22.3 | 15.7 | 19.1 |
| Automobiles | 63.0 | 77.6 | 83.3 |
| Travel 10 Miles or More to Trading Center | 21.4 | 20.5 | 11.1 |

Source: Walter L. Slocum and Carol L. Stone, The Farm People of Washington at Mid-Century.

As history and statistics presented in these pages have shown, Chelan County agriculture is a record of progress by its industrious people. In less than a century those who have chosen to live on the soil have made it an important farming county. Its numerous fruit specialty farms are basic to the economic well-being of the area. Many part-time farms provide a secure and wholesome way of life for industrial workers. Each orchard or farm stands as a living monument to the spirit of enterprise and progress and religious faith of the many and varied agriculturists who have chosen their homes in the valley lands of Chelan County in central Washington.