

Before the Start of Farmers' Co-operation

TWO PERIODS are of particular interest in the history of farmers' co-operation in Sweden. One came at the end of the nineteenth century, and the other during the early 1930's.

Agriculture, and especially livestock production, was expanding very rapidly at the turn of the century. Because grains were being imported from overseas, Swedish farming shifted its emphasis to milk, butter, hogs, and poultry. This change was accelerated through the introduction of better farming methods and improved feeds by the county agricultural societies and the farming schools.

Margarine was put on the market about this time, and because of its cheapness and the effective way in which it was advertised, it sold quite well among the lower income groups.

Dairy Co-operatives Founded

A surplus of dairy products soon developed in Sweden—the same problem that the farmers of Denmark were facing. World markets for dairy products had to be found, but the first export at-

tempts were not too successful. Exporters soon found that prices were not the sole determinant — buyers demanded high quality and a standardized product.

Up to this time the Swedish people had not paid much attention to the quality of their dairy products. Take, for example, butter. Much of the milk left over from consumption needs was processed into butter. The homemade farm butter varied widely in water content, flavor, taste, color, and age when marketed. Butter turned out by small dairies and creameries was probably better than the homemade, but there was still no guarantee of quality or condition.

Butter could not be exported under these conditions, and on the home market the standardized product, margarine, offered serious competition.

Danish farmers had already solved this problem by establishing dairy co-operatives, and the Swedish farmers followed suit. The Danes were ahead in this field because their high production had brought the problem to a head years before the Swedish output became significantly large.

The first Swedish co-operative dairy started in the 1880's, and was soon followed by a number of others, particularly in southern Sweden. These co-operatives were successful in standardizing buttermaking, and exports grew from year to year, making milk production more profitable.

Co-operative Bacon Factories Develop

Development of bacon factories proceeded on similar lines somewhat later. The great quantities

of skimmed milk from the co-operative dairies led to a rapid rise in the production of hogs. The ordinary taste in Sweden was for large, fat hogs, but there was a wide difference in size and quality.

Because of the surplus which arose, some individuals tried to export bacon, but without success. There was a lack of uniformity both in the types of the hogs and in the methods of curing bacon. Here again the idea of co-operation came from Denmark. Some people from the Halmstad district went over to Denmark to study the co-operative bacon factories. They realized that there was a market for bacon, particularly in England, and that the Danish factories were doing rather well.

They discovered, however, that Swedish farmers would have to change their feeding methods and breed of hogs if they were to compete for the export trade. Farmers were taught new feeding techniques, and the breeders concentrated on a long, lean hog, suitable for bacon curing. This breeding is still being carried on.

The Halmstad people were able to form the first co-operative bacon factory in Sweden in 1899. In spite of hard competition from a private firm in Hälsingborg, the co-operative was surprisingly successful. Previously, prices had fluctuated widely, sometimes falling as low as \$2.00 per hundred pounds. The co-operative, by eliminating the middlemen's margin, was able to pay its members \$7.00 per hundred. There were 1,100 members to start with and some 7,840 hogs were killed and cured the first

year. These figures rose rapidly during the following decades. However, the existence of only one co-operative bacon factory kept all prices on a fair and reasonable level. This lasted 10 years until the next one was formed. Then factories came into southern Sweden, and before long most of the export business was carried on by the co-operatives.

Another method of agricultural co-operation should be mentioned — the buying and selling co-operatives. Their main function was cutting the margin of the middlemen. Farmers previously had no control over the price or quality of artificial manure, oil cakes, and other such supplies. The first co-operatives of this kind formed during the nineties, and combined into a national union in 1905.

During this period the co-operatives engaged mainly in export trade, paying little attention to the home markets. Farmers prospered under this system until the outbreak of the first world war. The high prices and deflation that followed as an aftermath brought bankruptcy to many farmers and to some of their co-operatives.

Once again production recovered, and a surplus of food developed, leading to the world crisis of 1930. This brought Swedish farmers lower prices, and many of them operated at a loss each year. During the worst period, milk sold for 5 cents a gallon and a fattened hog for \$8.70. The bottom fell out of the export market even though people in many countries suffered from malnutrition and even starvation.

Hitherto co-operative ideas had come from Denmark. Now there was a change. Sweden was developing into an industrial country with a large urban population and an increased market for foods. We began at last to consider the home market and realized that very much could be done there, most likely through co-operative activities.

THE FIRST CONFLICT

This affair started some years before the appearance of the Farmers' Union, but was not definitely settled until after the union was in operation. The background was as follows:

When I started as a farmer I soon realized that the rates for electric current were extremely high. It is sometimes difficult to translate a Swedish text into English, but it is still worse to translate measures and prices. It is enough to say that in 1927 the electric current on the farm cost me \$520 a year. In other words, every 3 months I had to send to the butcher one cow and one rather big heifer in order to pay the electricity bill.

The conflict started among the farmers belonging to a distribution network in Harplinge, not far from my farm. The contracts of some 150 farmers with the electricity company were running out at the end of 1927. The company was a large one, carrying on the business throughout most of our county and in other counties as well.

We had consulted some electricity experts, and therefore knew that the company could sell at lower rates without risking a loss. Two representatives

went to the managing director and suggested a negotiation about the rates.

“We can’t sell one öre cheaper,” was the answer. They tried several times, but without success.

All the farmers met again in Harplinge, and resolved that they could not possibly sign new agreements on the same basis. We decided to call a strike against the use of electric current, and the strike went into effect on New Year’s, 1928. There was much discussion in the press about that strike. The idea had never occurred to most people that a strike could be established by anyone other than laborers’ trade unions — by consumers in fact.

There was a boom in gasoline lamps as we tried to solve our power problem in different ways. A few people on the Harplinge network did not join our action. They pretended they could not do without electricity, and could not find their kids in the dull light of oil lamps. Most, however, were very active, and we helped each other with tractors and engines. I did not realize it, but I must have taken a considerable part in our efforts, for I remember one lady of the nonstrikers once saying to me, “Mr. Gullander, you have not got your right place. You shouldn’t be a farmer. Instead, you ought to become a communist agitator. In that line you would, no doubt, have a glorious future!”

As time went on the company did not seem willing to give up their position. We represented only a small part of their total consumption, and they were not concerned with a minority.

In the meantime, however, farmers all over the

county of Halland were organizing into the Farmers' Union. Several years after the Harplinge action was started, many farmers all over the district were in the same position — their contracts with the company were running out. Their electricity rates were not as high as ours, but there was a strong desire for a better agreement for the rural population. Townspeople had very cheap rates, however. These were worked out on a modern basis, which stimulated the use of electric power.

The Farmers' Union county branch asked the company to negotiate the electric rates. This was in the spring.

"We are very sorry," said the company, "but we have nothing to negotiate about. Prices are fixed; there is nothing we can do about it."

"Well," said Daniel Svensson of Björnås, farmer and expert on these questions, "we shan't take up your time any longer, but we shall take further steps."

The director smiled a little, and the farmers' delegation left the office.

During the following months Daniel was quite busy. He distributed forms to all the rural consumers of electricity, in which they gave our union the right of negotiating for them. If the union was not able to come to an agreement with the company, the people pledged themselves to join the Harplinge strike. He got nearly all the forms back with signatures.

In August, several weeks before the contracts were due to expire, officials of the company arranged to meet with Daniel. At the start, the position of both parties was very difficult and negotiations nearly broke down again.

“Well, gentlemen,” said Daniel, “I have some papers here which may be of some interest to you,” and he opened his bag, containing thousands of the forms mentioned above. The directors looked at each other, but they did not smile this time.

As a result, the parties finally agreed on a figure which was between one-half and two-thirds of the previous rates. However, it was worked out on a thoroughly different basis, stimulating the use of electric power.

“There is only one thing to add before we sign,” said Daniel, “this agreement includes the farmers of Harplinge.”

The directors looked as if they had been stung by a bee, but answered, “Well, there is nothing to be done, we accept even that.”

This business had proven the value of co-operation and collective action.