

# Town and Country

## BUSINESS PROGRAM

### STANDARDS AND GRADES

### To Make Marketing Easier

**PURPOSE:** To increase an awareness of grading, standards, and inspection as they relate to the marketing of agricultural products.

“As much alike as peas in a pod” is an old adage, but farmers know that even five peas in a pod are not always uniform. In nature, things do not grow exactly alike. Potatoes may be big, little, round, long, perfect, or defective.

And, customers differ in desires and wants almost as do potatoes in a hill. Some customers want only the best and are willing to pay the price; others are willing to sacrifice quality in order to save a penny.

This Key Point is about things produced for sale and ways in which marketing is made easier through the use of grades and standards.

A standard or grade is really a special kind of measurement. Since measurements are extremely important in marketing, let's consider the kinds of measurement that make buying and selling possible.

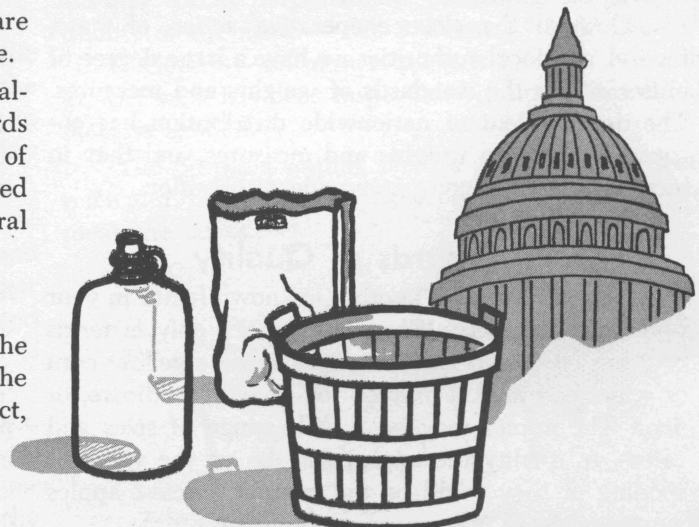
If you are buying a bushel of corn or a peck of apples, you have some assurance of the quantity of the product you will receive. The bushel or the peck are known measurements which are the same anywhere.

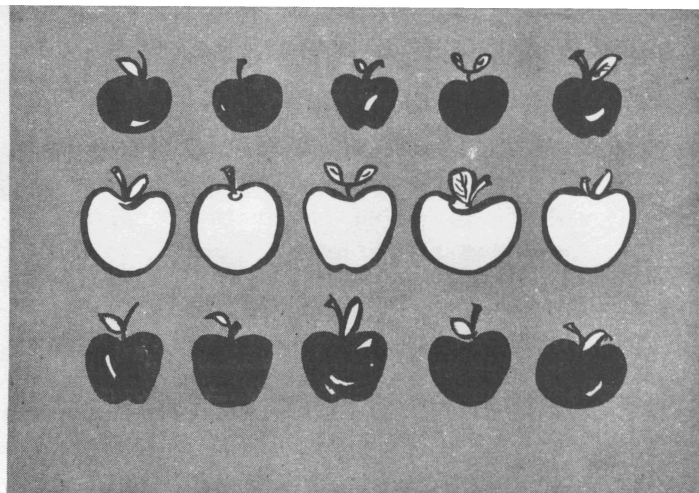
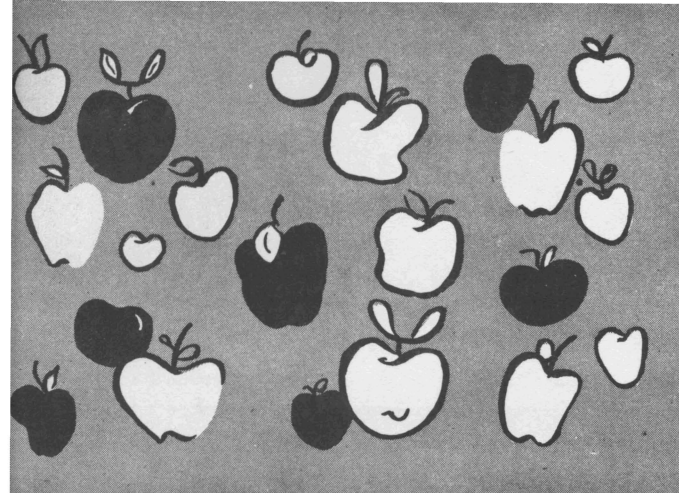
There are also standards or measurements of quality which are referred to as “grades.” Grade standards of quality are of more recent origin than standards of weights and measures, but they are now considered especially important in marketing. In agricultural products these are known as “grade standards.”

#### Standards of Amount

Let's first consider standards of amount. The bushel, the pound, and the gallon are among the standard measures of volume, size, and weight. In fact,

without measurements such as these, there could not be an orderly marketing system. Measurements of amount must be understood and adhered to by both buyers and sellers. The accurate and scientific measurements used in marketing today represent a slow development from the crude measurements known in the days of Columbus. In those days the hand, the foot, or grains of wheat actually were used as standards of measurement. Of course, the hand and the foot can vary considerably from man to man, and so could many other early measures. Through nearly 500 years of development, governments have played an important role in establishing the measurements authorized for marketing purposes. Only 50 years ago in the United States a buyer could not trust the unknown seller. Even those who wanted to carry on honest, straightforward business were impeded by the reputation for sharp dealings of others in the same markets.





Grading involves the sorting of products into groups of similar colors, sizes, shapes and condition.

This was largely because we had not advanced to the point of giving recognition to the need for reliable measurements in marketing.

Today our government has a National Bureau of Standards which is engaged in the task of helping many groups develop dependable standards of measurement for use throughout the country. These measurements apply to many products of industry and business.

To make marketing easier, the government through its various regulatory agencies has established a system of standard weights and measures. Congress has the authority to fix the standards of weights and measures. All of the states have similar and complementing laws. The various governments have laws to provide a legal basis for confidence in measures used in the market.

For example: the cubic contents of a barrel in the U. S. is 7,056 cubic inches. Hampers and baskets used in marketing must conform to dimensions fixed by federal and state government. Cans used for packing grocery items, such as fruits and vegetables, have specific designation as to volume of contents for 32 different sizes.

Through the close cooperative action of state, federal, and local authorities we have a large degree of uniformity in the standards of weights and measures. The development of nationwide distribution has encouraged uniform weights and measures, and they in turn have encouraged nationwide distribution.

### Standards of Quality

But you still have another unknown factor in your purchase — quality. When you specify only in terms of a bushel or a peck, you might receive yellow corn or white corn and it may be top-quality, mediocre, or poor. The apples may be a wide range of sizes and colors. In quality the apples may be on the verge of spoiling or they could be the crispest, juiciest apples you ever tasted.

In today's markets many apples, most grain, and many other products are bought and sold without the buyer ever seeing the commodity until it is delivered to his place of business. The produce handler in Boston can buy cabbage, cauliflower, onions, and tomatoes from Crystal City, Texas, by relying on quality standards to designate the kind of product he wants.

Federal grade standards have been developed as nationally uniform measures of quality for more than 100 foods, including meat, dairy and poultry products, fruits and vegetables, grain and grain products. The use of official standards for quality, with a few exceptions, is not compulsory.

Grading is done so that a common language can be used to describe the quality of a product. This makes marketing at a distance possible. Grading has become essential in our complex marketing systems. Just as pounds, dozens, and quarts are accepted as measurements of quantity, the terms U. S. Grade A, U. S. Fancy, U. S. Choice, and U. S. Inspected for wholesomeness are accepted as official measurements of quality.

### What Is Grading?

We might say simply that grading is "sorting things that grow." In nature and in agriculture things do not all grow exactly alike. Mother Nature seems to like variety. Man is more set in his ways. He seems to like things uniform, so it is customary to do sorting or grading.

When sorting, it is necessary to have some standard for sorting. This standard is really a measurement. A producer must determine the kind of sorting to be done: size, color, both size and color, and shape.

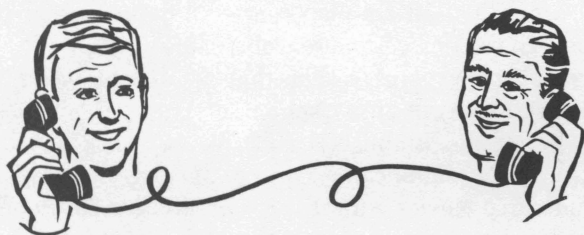
It isn't hard to see that there must be some basis for sorting. Without a standard of some kind, our products would end up almost as mixed as they are before sorting. Grades are standards. Grades tell what kind of thing to put in one group and what to put into another.

To be of value, grades must not change. At least they must not change too often. Uniform classes of a product cannot be made if the grader changes his mind or sorts according to any passing whim. Grades must be described in writing. They describe what may or may not go into one group or class.

Grades are a measure of quality. Because of this, U. S. Grades for most farm products have been established. They are the same for all parts of the country and for both buyer and seller.

Sometimes there are different uses for a product. One size, shape, or texture is good for one purpose. A different size, shape, or texture is useful for another purpose. In these cases it is desirable to sort the product into classes most suitable for the purpose for which they are to be used.

Mixed grades seldom suit anyone. Those desiring high quality may not get what they want. Those seeking the lower grades will not pay for a mixture of high-priced and lower-priced goods, unless the good product in the mixture is included at the lower price.



Grades make it possible to do business at a distance. Nobody likes to buy a "pig in a poke." He wants to see what he is getting. When distances are great, it may not be practical to go look at the product before buying. When there are grades or specifications for the product, the buyer is more willing to buy "sight unseen" and may feel fairly sure that he is getting what he wants.

Grades and grading not only reduce risk for the buyer, but also help the seller. Grades tell him what he has to deliver to satisfy the buyer. They help him to check on the price he should get for a certain quality or kind of product.

Grades and grading help to lower the costs of marketing. The seller need not go to the expense and trouble of shipping a kind or quality that the buyer does not want. The buyer need not spend time and money to hunt what he wants. In this way risk is reduced and costs lowered.

Grades provide the basis for a uniform product. Without uniformity mass distribution would be more costly and perhaps impossible. Grading that is not well done often has to be done over again before the

product is finally sold. Poor grading sometimes is little better than none, and often is wasted effort.

Grades help to settle price differences and promote understanding. They help to smooth out differences of opinion that lead to arguments, misunderstandings, and loss of friendship. In a small way they help to promote good will among men. Grades and grading can do these things only when they are used honestly.

## Types of Inspection

Two general types of inspection are in use by the United States Department of Agriculture regarding standards for farm products. One has to do with health and sanitary requirements and the other with standardization of quality.

Every consumer has observed the small round purple stamp on large cuts of meat. This small circle has great significance. It helps to assure you of clean and wholesome meat.

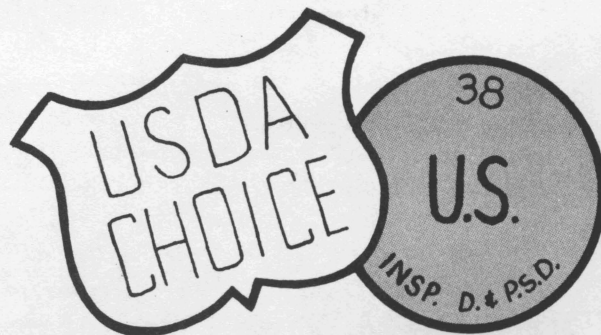
The purple circle appears on all large cuts of meat, including hams, roasts, quarters, or other large cuts the retailer receives from his wholesaler supplier. It may not, of course, appear on each portion when these larger cuts are divided into steaks, chops, or other retail items. The stamp reads, "U. S. Ins'd & P's'd" and means "Inspected and Passed by the U. S. Government."

All meats moving in interstate commerce are inspected by the U. S. Department of Agriculture for cleanliness and wholesomeness at the packing plant. If approved, the carcass and large cuts are stamped.

A similar type of inspection for sanitation and wholesomeness of produce exists in the case of dressed poultry products.

In the case of meat the homemaker is likely to find another USDA purple stamp, indicating the grade or quality of the meat — "U. S. Prime," "U. S. Choice," "U. S. Good" — on most retail cuts of meat. All such graded meat has been inspected, but not all inspected meat is graded.

The purple stamping fluid is as harmless as fruit juice and the homemaker need not remove it from the meat she cooks.



Federal meat inspection began in the days of President Theodore Roosevelt, and has been going on ever since. Today, 80 per cent of the nation's commercial meat supply is federally inspected; this includes all meat that moves across state lines. The remaining 20 per cent is subjected to state or local regulations, many of which are patterned after the USDA requirements.

Graduate veterinarians are in charge of inspection in plants where slaughtering is done. In addition to six or more years of study in an accredited veterinary college, these veterinarians must pass a civil service examination. They must demonstrate a keen sense of smell and sight, which are important faculties in this work. After passing the tests, an applicant has to work as an assistant for some time under an experienced man before qualifying to judge the condition of dressed carcasses. Final examination of every carcass is made by a veterinary inspector.

Meat inspectors assist the veterinary inspector in all examinations, and are specially trained for this work.

Meat inspectors have the health of the people in their hands. Their thorough, conscientious work is responsible for the high degree of public confidence in the meat-inspection program.

For fruits and vegetables, the Federal-State Inspection Service maintains inspectors in most states. It is their duty to certify as to the grade (quality) packed. These men, in many cases, assist with the actual grading procedures. Inspectors, both state and federal, now operate in one way or another with most products graded for shipment to markets. This procedure applies to frozen and canned goods as well as to fresh products. The inspection service guarantees or

certifies as to the quality and condition of the grade packed.

This type of inspection is a marketing aid to producers, dealers, wholesale commission merchants, and retailers. It provides a common language among producers and dealers for trading purposes for a commodity.

## Grading Inspection Services

Government grading inspection services, closely associated with the grading of farm products, protects the producer as well as other segments of the marketing system.

As grades for farm products developed during the World War I period, so did the need for some type of inspection to certify the grade.

## Trademarks and Brands

As a forerunner to official standards and grades for farm products, trademarks and brands were used, and are still used by many large shipping organizations. These devices were sometimes originated for advertising purposes rather than a sincere effort to establish measures of market value. As the use of these brands became established, their use in most cases had considerable significance in conducting sales. The brand name carries with it the reputation of its owner. Brands are private property. They are devised to serve their owners and identify their products to customers. Some firms have several brands, each representing a degree of quality. Many trademarks and brands are reliable evidence of quality, although in themselves they have no official grade classification.

