

CO-OPERATING ROUND THE CLOCK

Lyn Lemarchand, *The Grower*, March 14, 1985 (British) Vol. 103(11)

The clock auction selling system in Belgium seems to be a producer's dream. Commission is 3% (8% in Holland), everything is sold in returnable containers at no cost to the producer, sales rationing prevents big buyers from monopolising the market, and a credit control system stops a buyer purchasing goods if he has not paid his previous bills.

The auction at Saint Kateline Waver, between Brussels and Antwerp, is impressive. In 1950 there were 538 members with a sales value of 41,000,000 Belgian francs (about \$750,000). This had risen to 2,842 members by 1983 with a sales value of 3,365,000,000 Bf (\$621 million). Current sales figures are set out in the table.

Returnables

Returnable containers number 5 million, going out to supermarkets and the smallest greengrocers who have to pay a deposit of 30 Bfs and 3 Bfs every time. If non-returnables are needed, notably for some German customers, they pay the packaging cost.

The speed of processing, transaction, and handling is formidable. Buyers' purchases go through by computer print-out to the loading bays, where they each have their designated pitch. Their drivers come in, off-load returned containers, have them checked, and drive on by a very strict one-way system to pick up that day's purchases.

The producer receives a computer print-out of returns when the market finishes so he knows exactly what his sales came to that morning. There is no waiting two weeks to see if the advice note quotes the same figures as the salesmen on the day of sale.

Prices are averaged, which would seem to act against the better producer. However the number of grades product is enormous, and averaging is only done within these narrow bands. For instance, at one auction there were 30 grades of tomatoes: EEC extra, A x 4, B x 3, C x 3, Beef x 4, green, soup, etc. Returns range from 45.10 Bfs (58p per kg) for "A"s to 3.50 Bfs (4½p per kg) for "Soup 3".

Buying by clock auction, where just a sample of the produce is displayed, requires the buyer's faith in the grading of the commodity. Although the basic standards are on EEC lines, the auction's management committee has its own inspectors to ensure that the wide range of grades, plus individual buyers' requirements, are complied with.

Customers are a cross section of wholesalers and retailers representing most Belgian towns. Also buyers come for specialised, high quality, vegetables like cauliflowers, asparagus, tomatoes, lettuce, leeks and cucumbers which are exported to Germany, Holland, France, Sweden and Switzerland. The percentage bought by one customer is controlled to stop big buyers getting together and forcing down the price. Buyers renting storage at the auction must have a license to buy, and are locked out if they have not paid their bills.

Supermarkets and processors have problems buying enough from any one supplier even though members of the

Auction sales figures

Strawberries	1,850,000 boxes
Cauliflowers	12,920,000 heads
Green celery	
(glasshouse & field)	6,770,000 bunches
Cucumbers	8,320,000 pieces
Lettuce	3,250,000 x 12
Leeks	50,020,000 plants (sold very long, both shank and green)
Sprouts	1,590,000kg
Tomatoes	39,000,000kg
Chicory	3,370,000kg
White celery	
(glasshouse and field)	3,280,000 bunches

auction co-operatives have to send *all* their produce to the auction. This is because Belgian horticulture is small-scale with holdings averaging 2ha and few big enough to justify direct sales contracts. However although there are some multiples, notably the GB and ALDI supermarkets, vegetables and fruit are still generally sold through quality greengrocers.

Producer's Dream

So is the auction system a producer's dream? For these very small producers, co-operation is the only way to supply the big buyers, but they have to obey strict rules: total commitment to the auction and strict adherence to quality control or they risk being locked out. On the other hand the market's location and turnover act in the producers' favour: the buyer has to go to them. Information and advice are good, with total amounts for sale recorded on the day. Auction directors give data on sales, particularly export, prospects.

If the price for a commodity is strong there is nothing to stop producers rushing out and cutting everything in sight but as the overall average falls if the auction is oversupplied they soon learn better. Samples of crops coming forward have to be subjected to residue tests some days before, and are spot-checked on the day of the auction. Laboratories are unhappy about the testing procedure for bromides, however.

Now the Saint Kateline auction is being enlarged to tie it in by computer to two other Belgian clock auctions. Between them they will have a monopoly of Belgian vegetables.

Rail link

The extension has generated a new rail link, mainly to benefit importers like Spain, and a linkroad direct to the E10 motorway. This is part of an unbroken motorway network extending to all major European countries.

Technically, the new system will be enormous. Six clocks will be linked by the most up-to-date computer mechanism so that buyers can buy in any of three markets. There are no worries about computer breakdown through power failure: the electricity supply is so reliable that a back-up generator is being dispensed with. The phones are not

quite as reliable so they have a complete spare phone cable system for the whole mechanism. The market, with cold stores, container on/off load and import facilities, covers 25ha.

So why doesn't everybody sell through the clock auction system? One reason is that it takes commitment, of produce and money, to get started. The State gives aid, but the co-operative members themselves set the whole thing in operation with their produce and at least two shares (1,000 Bfs per share or about \$346). There is the risk that buyers may not rush to patronise the new auction, particu-

larly as producers face competition from the nearby Dutch who are much more aggressive salesmen. The flower and pot plant industry is even more fragmented than the vegetable with many individual syndicates, most of which are unwilling to co-operate to get a venture such as this started.

The advantages of the Saint Kataline auction are the reliable supplies of very high quality produce with a grading system which buyers can trust. The result is higher returns to the producer.

FORT COLLINS GREENHOUSE CLIMATOLOGICAL SUMMARY FOR FIVE WEEKS, BEGINNING FEBRUARY 1, 1987 (See Bulletin 426 for details.)

	Week beginning									
	Feb. 1		Feb. 8		Feb. 15		Feb. 22		Mar. 1	
	Day	Night	Day	Night	Day	Night	Day	Night	Day	Night
Average outside temperature (°F)	48	36	48	40	34	31	37	23	53	36
Maximum outside temperature (°F)	68	59	61	54	45	27	44	32	69	55
Minimum outside temperature (°F)	28	18	32	22	22	25	31	11	19	22
Degree-days of heating	119	203	119	175	217	238	196	294	84	203
Average hours in the period	9	15	9	15	9	15	10	14	10	14
Accumulated total solar radiation (MJ/sq.m.)	64.9	1	62.5	1	57.0	1	16.6	1	85	1
Average relative humidity (%)	41	57	45	55	70	88	xxx ¹	82	38	64
Maximum relative humidity (%)	99	97	97	83	97	100	xxx	100	80	84
Minimum relative humidity (%)	14	14	12	26	37	68	xxx	57	18	42
*Average absolute vapor pressure (mb)	5	4	5	4	5	5	xxx	4	5	5
Average wind speed (mph)	2	1	1	1	2	1	xxx	2	1	0.3
Maximum wind speed (mph)	24	33	9	11	13	13	xxx	13	14	5
Average CO ₂ concentration (Pascal)	28	—	27	—	29	—	xxx	—	28	—
Maximum CO ₂ concentration (Pascal)	49	—	37	—	35	—	xxx	—	43	—
Accumulated gas consumption (cu.ft./sq.ft.)	16	58	16	49	31	58	xxx	77	5	43

¹Missing data



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