Grocery Store Credit Service

credit, like delivery, telephone, and sales service, offered customers is related to characteristics of individual stores

Marilyn Dunsing and Jessie V. Coles

The following article is the third of a series of reports of a survey of characteristics of and services offered by retail grocery stores in five counties in California made cooperatively by the Department of Home Economics, University of California, and the United States Department of Agriculture under the authority of the Research and Marketing Act as part of Western Regional Research Project WM-26.

Characteristics of 1,028 retail grocery stores—included in a survey conducted in Alameda, Butte, Fresno, Los Angeles, and San Diego counties—as reflected by location, ownership, and size, are related to the type of credit, delivery, and telephone services stores offered to their customers.

Credit was made available in a larger proportion of stores in each county than was either telephone or delivery service. More than one half of the stores surveyed offered credit to customers. However, the proportions varied considerably by county. Fresno had the highest proportion of such stores, somewhat fewer than four fifths, and Los Angeles with slightly more than two fifths had the lowest proportion.

Surveyed stores were classified as offering limited credit if it was provided for some but not all customers, or only for those who purchased a certain amount of goods, or if the store made an extra charge for the service. If there were none of these restrictions, stores were classified as offering full credit to customers.

Limited credit was available relatively more frequently than full credit. In four counties two thirds to four fifths of the stores granting credit offered a limited type. In Fresno only about one third of the stores offered limited credit.

In Butte, the county with the most rural stores, 77% of those stores offered credit. In Fresno 78% of the rural stores and in San Diego 61% offered credit. In Butte and Fresno, the majority of the rural stores offering credit—54% and 71%—offered full credit and in Fresno the majority—83%—offered limited credit.

Of the urban stores, 76% in Fresno, 68% in Alameda, 54% in San Diego, 46% in Butte and 43% in Los Angeles offered credit. In four counties 70%–80% of the urban stores offering credit limited it but in Fresno only 40% of them did so.

Stores in neighborhood-secondary shopping districts, for the most part, offered credit somewhat more frequently than isolated stores or those in downtown shopping districts. In the five counties, from 43%–80% of the neighborhood-secondary stores, and from 40%–70% of the downtown stores offered credit. The proportions of stores in these two areas offering credit were highest in Fresno and lowest in Los Angeles. For isolated stores, from 35% in San Diego to 79% in Fresno granted credit.

In four counties, the majority of stores offering credit in each shopping district limited it. These limited-credit stores constituted 60%–92% of the credit stores in downtown areas and 71%–80% in neighborhood-secondary shopping districts. They also constituted 51%–80% of the isolated stores offering credit. In Fresno the majority of stores which offered credit in each shopping area—56%–79%—offered full credit.

Credit was provided predominantly by stores which were independently owned and operated as single units. Fresno had the highest proportion of independent stores providing credit—84%—and Los Angeles the lowest—52%. About the same proportions of affiliated independents and nonaffiliated independents offered credit. The former were affiliated with other independent stores for the purpose of engaging in cooperative activities and the latter were not so affiliated.

Of the independents granting credit, the majority of them—68%–81%—in each county, except Fresno, offered limited credit. The majority of these stores—64%—in Fresno granted full credit.

The majority of both the affiliated and nonaffiliated independents which offered credit offered only limited credit in four counties. On the other hand, in Fresno, 76% of the affiliated independents and 60% of the nonaffiliated independent stores with credit offered full credit. In four counties where limited credit was more frequently available than full credit, it was somewhat more common among the affiliated independents—70%–91%—than among the nonaffiliated independents—66%–82%.

Credit was infrequently made available to customers of chain stores. In each county only one fifth or fewer of the chains provided this service. None of the chains in Fresno, 7% in Alameda and Los Angeles, 17% in San Diego, and 20% in Butte provided credit. In each county two thirds or more of the chains which granted credit—from 67% to 100%—offered only the limited type.

Size of store as indicated by number of equivalent full-time employees was related to the extent to which credit was made available to customers. The tendency was for stores employing smaller numbers of persons to offer credit relatively more frequently than those employing larger numbers of persons.

Credit was offered by about the same proportions of stores employing one or two persons—54%–83%—as by those employing 3–6 persons—54%–79%. By comparison, the proportions of stores with 7–14 employees, which granted credit varied greatly from county to county. In Alameda and San Diego 6%, in Los Angeles 12%, in Butte 36%, and in Fresno 78% of these stores gave credit. Of the stores with 15 or more employees only 6%–11% of the stores in Los Angeles, Alameda and Butte and none of these stores in San Diego and Fresno offered credit.

In four counties limited credit was more frequently available than full credit in stores with six or less employees. In these stores only limited credit was available in two thirds or more of those employing one or two persons—65%–85%—and of those employing 3–6 persons—67%–81%. In Fresno, 56% of the stores with 1–2 employees and 74% of those with 3–6 employees offered full credit service.

Although 15%–35% of the stores with six or less employees which offered credit had full credit, the situation was quite different for stores with 7–14 employees. Although relatively few of these stores

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Credit Service Offered by Surveyed Grocery Stores

County	% of stores offering credit	% of stores offering credit which have: full credit	limited credit
Butte	60.6	31.8	68.2
Fresno	78.1	63.6	36.4
San Diego	55.5	19.8	80.2
Alameda	68.7	26.3	73.7
Los Angeles	42.6	28.4	71.6

CREDIT

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offered any kind of credit, none, with one exception, offered full credit. The exception was in Fresno where 86% of the stores with 7–14 employees which offered credit had full credit.

To be continued

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PARITY

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be gained from such regulation. The parity standard is intended to define prices that are fair to producers and consumers.

However, the argument has been advanced that the present parity index is unrepresentative of production and cost conditions for specialty crops and a more representative index would give greater weight to wages of hired labor and perhaps certain other inputs which bulk relatively large in specialty crop-production cost. Since the wages subindex stands at a higher level than any other, any increase of its weight will raise the over-all parity index. The amount of the increase would depend upon how offsetting decreases of weight are distributed among the other subindexes.

While certain types of special-purpose revision of the parity index for specialty crops could result in parity-price increases of perhaps 10%–20%, the prospects of obtaining such revision are remote. The contention that revision should be made appears to rest on the premise that the parity index should accurately represent production expenses of individual commodities or groups of commodities. A cost-of-production parity index would logically have to take into account decreases in cost as a result of increasing efficiency which might offset gains from other modifications.

A market control program that is effective in smoothing out short-run price fluctuations about a basic price level or in preventing disastrously low prices in unusual seasons may benefit both producers and consumers. It can stand without recourse either to the parity goal or the parity limitation. Prudently administered, with proper attention to consumer interests on the one hand and long-run supply responses on the other, marketing orders might conceivably function better without objective standards of any kind. But it is hardly conceivable that consumer safeguards could or should be eliminated from the law. Despite the deficiencies of the parity standard, it is better than none. Any proposal to eliminate the parity limitation, therefore, might reasonably be accompanied by a proposal for a substitute standard.

A bill under Congressional examination would provide, in the interest of producers and consumers, an orderly flow or disposition thereof to and among the available market outlets throughout the normal marketing season to avoid unreasonable fluctuations in supplies and prices.

Passage of this or a similar amendment which does not mention parity, would complete the process of sterilizing the parity limitation by providing an alternative and more flexible set of criteria. Nevertheless, administrative standards would still be required to replace the legislative parity standard.

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POTATOES

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amination of the tubers at harvest revealed that gibberellin applied to the foliage as late as one week before harvest markedly stimulated sprouting. In comparison, tubers from untreated plants showed little or no sprouting activity.

When the tubers harvested from sprayed plants were cut and planted as seedpieces, the rate of emergence of new plants was accelerated. Most rapid emergence resulted from the earliest application and the highest concentration. similar results were obtained with a summer crop of White Rose potatoes at Davis. Although foliar sprays are reasonably effective in shortening the rest period, high concentrations of gibberellin are required and therefore the method probably has limited practical value.

Immersing resting potatoes for five minutes in a gibberellin solution—from 0.5 to 25.0 ppm—will consistently curtail the rest period and promote sprout growth. However, the commercial significance of these findings must be determined.

The influence of gibberellin on yield and on the processing quality of the resulting tubers is being investigated under a variety of environmental conditions and locations. The effect of the chemical on sprout emergence and plant growth from nonresting potatoes needs to be investigated.

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PLUMS

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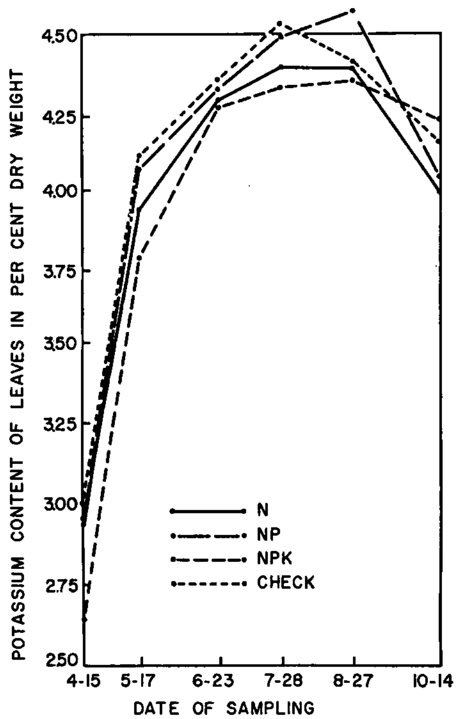
sium, the variability of the plots is such that it can not be considered significant. The shape of the seasonal curves—an initial rise rather than a drop—is like that of the apricot rather than like the prune. The potassium values tend to be high.

Potassium content of Santa Rosa Plum leaves, Orchard A, 1956.

N—nitrogen
NP—nitrogen and phosphorus
NPK—nitrogen, phosphorus, and potassium



Potassium content of Santa Rosa Plum leaves, Orchard B, 1956.