



We Welcome Practical Progress!

SASKATCHEWAN & RURAL HOME

The Recognised Exponent of Dairying in Canada

Trade Increases the wealth and glory of a country; but its real strength and stamina are to be looked for among the cultivators of the land—Lord Chatham.

VOL. XXXVII.

TORONTO, ONT., DECEMBER 12, 1918.

NO. 50.

Should Farmers Own Their Own Factories?

A Proposal to Form a Great Dairy Company to Own and Operate Cheese Factories and Creameries in Ontario—Should Benefit the Industry

THE formation of a great cooperative dairy company, composed mainly of dairy farmers, to own and operate scores, if not hundreds, of the cheese factories and possibly creameries in Ontario, is a matter that is now before the dairy farmers for consideration. Should such a company be consummated it should do much to revolutionize dairy conditions in Ontario and to place the whole industry on a better basis.

The project has been under careful consideration for months. It has advanced to the point where the committee which has been investigating the situation and the prospects for such a company is ready to submit their report at the approaching annual convention of the Eastern and Western Ontario Dairy-men's Associations and at the annual convention of the United Farmers of Ontario, which will be held in Toronto next week. It is in order that those farmers and dairymen who will attend these meetings may be in a better position to discuss the matter intelligently. The committee in charge has decided that the time is opportune for the following information relating to it to be made public:

What is Proposed.

In brief, it is proposed to organize in Ontario a dairy company that probably will have to be capitalized at \$2,000,000 or more. It will be formed on lines similar to those of the great Saskatchewan Co-operative Elevator Co., Ltd. By means of this company the farmers in Saskatchewan who are engaged in grain growing have obtained control of 360 grain elevators in that province and of a great terminal elevator at Port Arthur. They also hold seats on the grain exchange. Thus they not only produce the grain, but they are able to largely control its storage and sale as well. The profits of this company have run as high as \$750,000 a year. None of this money would have come into the hands of the farmers had they not formed this large provincial company. By means of it also they have been able to assist in standardizing the grades of grain and in overcoming many former abuses in the grain trade.

The Saskatchewan Co-operative Elevator Co., Ltd., has been in existence about eight years. Growing out of the great success that has attended its operations the dairy farmers of Saskatchewan got together about two years ago and, with the approval and assistance of the Saskatchewan Provincial Government, formed the Saskatchewan Co-operative Creameries, Ltd. This company also is meeting with success. It controls two-thirds of the creameries of Saskatchewan as well as several cold storage plants at central points in the province. The committee of Ontario farmers and dairymen who have been investigating the operations of these two companies, as well as dairy conditions in Ontario, believe that the formation of a similar company in Ontario to take over and operate possibly several hundred cheese factories and creameries, and probably a cold storage warehouse at Montreal, should prove of equal benefit to the dairy farmers of Ontario and to the industry as a whole.

How it Started.

Over a year ago the United Farmers of Ontario appointed a committee to investigate the situation. This committee, as recently reconstituted, is composed of Messrs. R. W. E. Burnaby, of Jefferson, the president; Mr. L. M. Powell, of Toronto, the manager; and Mr. J. J. Morrison, of Toronto, the secretary of the United Farmers' Co-operative Co., Ltd.; E. A. Van Allan, Aultsville; E. R. Stedman, of Perth;

and H. B. Cowan, of Farm and Dairy, Peterborough, who has been acting as chairman of the committee. Last winter and again last summer a member of the committee visited Saskatchewan and investigated fully what has led up to the formation of both the Saskatchewan Co-operative Elevator Co., Ltd., and of the Saskatchewan Co-operative Creameries, Ltd. He held also with some of their directors, their managers, Mr. F. W. Riddell and Mr. W. A. Wilson, and also with F. H. Auld, Deputy Minister of Agriculture, whose department has been in close touch with both companies from their inception. All were agreed:

Benefits Derived.

- 1st. That the two companies had been of great benefit to the grain and dairy industries in that province and to the farmers engaged in them.
- 2nd. That the farmers have proved their ability to enter upon and conduct successfully big business enterprises, running into the millions of dollars annually.
- 3rd. That by means of these companies the farmers have overcome many abuses that formerly they had to contend with and that they have saved for

their own use millions of dollars that formerly went into the pockets of numerous middlemen.

4th. That the Acts incorporating these companies have been found to meet their needs admirably and to be based on sound business principles.

5th. That there was no reason, as far as they could see, why under similar conditions farmers in other provinces could not duplicate the success of their brother farmers in Saskatchewan.

The western men volunteered to assist in every way possible any enterprise of a similar character that might be launched by their brother farmers and dairymen in the East. They readily, also, furnished copies of the Acts under which they were incorporated, of their by-laws, and even of their financial statements.

Dairymen's Associations Cooperate.

Realizing that the situation was one that closely affected the two great Dairymen's Associations of Ontario, the matter was laid before their officers at meetings held last September. Both were invited to appoint committees to confer with the committee of the United Farmers of Ontario in reference to the situation and the advisability of taking further action. The Eastern Ontario Dairymen's Association appointed its president Mr. George Leggett, of Newboro, and Mr. G. G. Publow, Chief Dairy Instructor for Eastern Ontario. The Western Ontario Dairymen's Association appointed its president Mr. James Donaldson, of Atwood, who is also a member of the Montreal Cheese Commission, and its secretary, Mr. Frank Herris, of London, who is the Chief Dairy Instructor for Western Ontario. Four men better qualified to look into the matter could not well have been selected. A meeting of the representatives of the three organizations was held a few weeks ago in Toronto, when the situation was discussed thoroughly. Those present were: Messrs. Donaldson, Burnaby, Morrison, Publow, Powell, Blatchford, and Cowan. Mr. Cowan acted as chairman of the joint committee.

Should Prove Beneficial.

The committee first discussed whether or not the formation of such a company would be likely to prove of benefit to the dairy industry. It was unanimously agreed that it should be decidedly beneficial. Among the benefits that it should ensure the following were mentioned:

1st. Were the dairy farmers of Ontario to own and operate several hundred factories of their own it would be possible for them to greatly improve the uniformity of the milk and thereby the quality. The prices realized for the output of the factories should increase in proportion.

Effect Great Savings.

2nd. While most of the cheese factories in Ontario are run so economically that it may not be possible to reduce their cost of operation much (that is, if provision is to be made for needed improvements), it was agreed that many thousands of dollars a year could be saved in their operation in certain ways, more particularly in the purchase of supplies. By making their orders for their supplies marked concessions could be obtained. The chairman stated that he had consulted the manager of a large dairy supply company, who had quickly agreed to give considerable concessions on the goods handled by his firm. In doing so, he had pointed out that his firm, under heavy expense, in
(Continued on page 3.)



The Dairymen's Opportunity

TO the dairy farmers of Ontario, who are patrons of cheese factories and creameries, desire to cooperate in owning and operating more of the cheese factories and creameries of the province than they do, as well as having a greater say in the conditions under which their products are graded, stored and sold for export in Montreal? If so the opportunity, as set forth in the article on this page, is knocking at their door.

In Western Canada the farmers of the three prairie provinces have formed three great companies—the United Grain Growers, Limited, the Saskatchewan Co-operative Elevator Co., Ltd., and the Saskatchewan Co-operative Creameries, Ltd. These three companies own and operate almost 1,000 local elevators on the prairies, great terminal elevators at Port Arthur and Fort William, grist mills, a timber limit and saw mills, numerous creameries and cold storage plants and great warehouse for the sale of agricultural implements and supplies. These companies are capitalized at millions of dollars and save the farmers of the West sometimes over \$1,000,000 a year by the profits they earn, which formerly went to the middlemen.

Ontario farmers, four years ago, formed a company, which this year has done over \$2,000,000 of business. Why should we not extend our operations to cover the great dairy industry as well? Is there any real reason why?