

# A Farmers' Packing Plant

Over 2,000 farmers own this plant at Wausau, Wisconsin. It's making \$1,000 a month

By E. A. Weir, B.S.A.

It is frequently asserted that the "packing" business is one of the most highly specialized and scientifically managed industries of today. And there seems absolutely no reason to doubt the assertion. Packers say that the only part of the hog they don't use is the squeal, and a visit to any large plant would confirm such. An investigation carried on by one of the state universities of the United States is foundation for the statement that the poor packer is reduced to the extremity of taking his small allowance from the by-products of the stock that pass thru his abattoirs, or, in other words, he has injected so much thorough scientific work into this business that he is able to make a handsome profit from by-products alone. Even tho it was a state college investigation that made this discovery, there is always some individual mean enough to ask when this assertion is made, "How much were they paid to find it out that way." This is simply mentioned as one instance of the well known fact that the packing industry has not got the confidence of the public at all. Controversy as to the extent of blame resting on it of course will always be plentiful, but there is no denying the public idea in regard to the large packing interests.

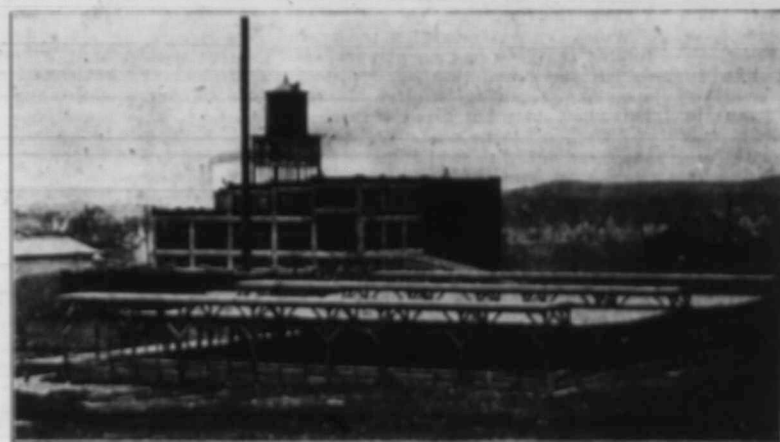
The packing business, while extending over a considerable period of years from the early sixties, has had a marvellously rapid growth in recent years in America. Now it has extended its operations in a large way into the Argentine, into Australia and over our own country. Not only is this gigantic combination extending its operations over enormous areas of territory, but its ramifications extend into nearly every phase of the livestock business. The packers not only loan money in enormous sums over large areas for buying, feeding and finishing cattle, they buy much of the stock direct, they kill and cure it, and the general impression is now that they have started the operation of retail stores of their own in many cities of the United States and Canada. The latter, of course, is common in Western Canada, but that the aim is to make it a great system completely controlling the retail trade is the impression. These packers have unlimited millions at their disposal, so that the shifting about of a few millions to keep control of the industry in any one place amounts to nothing when they are in a position to take it out of the producer in some other part of the country, or probably even in another country altogether. That this state of affairs as controlled at present has made, is making and will continue to make for great discontent on the part of the producer is not open to argument, and the state of mind as exhibited by American producers, particularly during the last three years, is ample proof of it. There are always men who kick on conditions generally, particularly when they lose money by bad judgment in buying or selling under booms, but where a nation of producers rises up on its hind legs and paws the air in wrath there is something genuinely askew, and particularly so when packers cannot or will not answer the simplest of questions asked them. Such a thing happened at El Paso, Texas, last winter when the American National Association of Stock Growers held their annual convention and decided to collect some millions of dollars to fight the packing interests. What this will accomplish remains to be seen, but it is doubtful if it will get very far under the packers' skins.

## The Co-operative Movement

On top of this is another movement in Minnesota and Wisconsin quite unpretentious as yet, that may or may not amount to something in time. That is the establishment of small farmers' packing plants. There are now two of these in operation and two more building. The writer had the privilege of spending part of a day at one of these new plants established on January 17 last at Wausau, Wisconsin. Wausau is a beautiful little city of about 15,000 people, lying near the centre of Wisconsin and surrounded by a splendid mixed farming country with many small towns and villages within a comparatively short dis-

tance from it. The territory is well and long settled, and while the natural agricultural resources are not so rich as many other areas in that or neighboring states, it has rapidly developed of recent years into a progressive part of the state. While mixed farming is carried on mostly, it now leans rather heavily to dairying, as is quite evident from the black and white and fawn colors of the Holstein and Guernsey veals reaching the new plant.

The Farmers' Co-operative Packing Company of Wausau was organized in September, 1914, and capitalized at \$250,000. A reliable stock salesman was given charge of the sale of stock, and by January 21, 1915, had sold nearly \$200,000 worth. The shares were \$100 each. The first \$100,000 were sold at par, the next \$50,000 at \$106, the second \$50,000 at \$112 and the last \$50,000 at \$118. This gave a premium of \$18,000 to offset the selling charges. Practically all the money on past due notes has



The Wausau Packing Plant as seen from the rear, showing the yards and sheds while under construction.

been paid this summer. Another sixty days should see the last cleaned up.

There are 2,078 stockholders. None hold less than one or more than ten shares, and each has only one vote regardless of the number of shares held. The manager and all heads of departments are stockholders. After paying the stock salesman and all expenses of the company up to the time of letting the contract there was left \$220,000. The land and building cost \$165,000, which left about \$55,000 for operation, really too small a sum. This is now found to be one of the greatest handicaps in the operation of the plant, and the directors are considering increasing the capital stock another \$100,000 to give greater working capital, which will be needed much worse when a heavier season approaches in the fall or when marketing conditions are not so favorable as at present. This plant should have at least \$150,000 working capital to carry meat in storage, to take advantage of varying markets, carry stock, etc. The present high prices also make operation more difficult from this standpoint.

## The Management

The present manager, L. C. Hoopman, of Milwaukee, was engaged before construction began



The beef killing floor of the Wausau factory. The plant has a capacity of 200 hogs, 60 cattle and 100 calves or sheep daily.

and worked with the engineers and contractor during construction. There are fifteen directors, of which the manager is one. They hold not over four meetings per year and receive three dollars per day and expense money for their meetings. An executive made up of the president, secretary-treasurer, manager and one other carry on the business from meeting to meeting, but the responsibility falls practically altogether on the manager. He is the only man who knows the packing business and the only man drawing a salary that could be called such. He was formerly a Federal government meat inspector and has spent his entire life in the packing business. He worked in twenty-two different houses, from the largest to the smallest, and made a special study of the business from the consumers' standpoint as well. That he has gathered a wealth of experience is plainly evident. The difficulty of securing managers knowing all phases of the pack-

ing business is great, and since the small plant cannot pay high priced specialists in the capacity of assistants, the necessity of getting an able manager of wide experience is doubly important. The plant is exceedingly economical in arrangement, and everything from the receiving yard to the fertilizer room is maintained in a scrupulously neat, clean condition. The writer cannot recall having been in a neater office anywhere at any time, and the working conditions of all the employees seemed to be so satisfactory that a spirit of co-operation existed rarely found in any factory of any kind. The evidence of ability to handle men was plentiful. In starting, Mr. Hoopman preferred to take a considerable number of green men and train them, rather than bring in older men from other plants at high wages. He did secure competent heads for his different departments.

When operation began seventy unskilled laborers were required to do what thirty-seven are now doing. Endless days and nights were spent in teaching employees the work. Six men for as many different departments were hired from different packing houses, men whom the manager had met himself during his own time in various houses and whom he knew were alive and had ability. As an instance, a new man had to be started on the lard department, and it took much hard work with many nights as late as 11 o'clock to get him trained. Now he has learned the lesson well and the quality of lard being turned out is very superior indeed. Where increases are deserved the policy of giving them without asking has been found a lot more profitable than the danger of incurring any dissatisfaction over wages. This is merely cited to show that not only stock buying, expert knowledge of meat curing, meat marketing, etc., are needed, but also a knowledge of men and how to handle them. In short, the knowledge and ability required to handle a plant like this is most unusual and difficult to find. There are forty-nine people all told in connection with the plant, which includes three salesmen and one expert auditor, perhaps the most essential man about the plant next to the manager himself.

The plant is 118 feet long by 87 feet wide, with a basement and four stories, and has a capacity of 200 hogs, 40 cattle and 100 calves or sheep per day. It was designed by a Chicago abattoir engineering firm of wide experience. At present it is running 60 per cent capacity, and this is about the limit during this season for any of the packing plants, whether large or small. It is constructed of brick and reinforced concrete and is fire-proof throughout. The power house, ice house and stock yards are at the back of the main plant, as shown in the cut. The plant is built on one corner of a block of 18 acres of land which is used for holding and feeding stock. Here many piggy sows which are too far gone to pass the federal inspection regulations are held over and the pigs raised. Other hogs not ready to kill are often fed for a time and finished up properly. The same happens with many cattle, or sometimes cattle which could better be disposed of on other markets can be held to make up shipments or for a

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