

Farmers' Elevators in Minnesota

Continued from Page 7

of all companies in the state. Ninety-four and a half per cent. allow but one vote to a member, irrespective of the number of shares that he owns. Five-sixths of the companies limit the number of shares that one person may own. Thirty per cent. of the companies set the limit at ten shares apiece; most of the others have limits of four, five or eight shares.

Only twenty-six per cent. of the companies limit the dividends on capital stock and distribute the balance on the basis of patronage, i.e., distribute surplus

profits on the basis of business done by individual members. In cases where the patronage dividend is paid the majority of the companies first pay stock dividends of eight or ten per cent. altho this is higher than the current rate of interest, the risks attached to this manner of investing money seem to justify the payment of the fairly high stock dividends.

Because so few have the patronage dividend, many people claim that the farmers' elevators of Minnesota are not truly co-operative. The writer believes that this is a narrow way of looking at the matter. The fact that the companies are owned and controlled by the

farmers themselves is a more important criterion of co-operation than the technical provision of the by-laws with regard to the distribution of profits. In fact nearly half of the companies in Minnesota paid no dividends at all during the past year, and of those that did pay dividends, very few paid over ten per cent. One company paid a dividend of 125 per cent. last year, but this one has since adopted the patronage dividend. Whether one calls these companies co-operative or not, they are just as interesting, and just as important to the farmers of Minnesota in the marketing of their grain crop.

The co-operative purchase of supplies

thru farmers' elevator companies is becoming increasingly important, and bids fair to become one of the most important features of the movement. As already said, the aggregate value of commodities purchased in this way thru farmers' elevators in Minnesota amounted to about \$2,000,000 last year. Sixty-three per cent. of all elevators reporting buy coal; forty-one per cent., feed; forty per cent., flour; thirty-five per cent., binder twine; eighteen per cent., seeds, and sixteen per cent., salt. Among other commodities handled are cement, tile, farm machinery, lumber and fence posts, oil, and wire fencing. All but forty-one companies out of 239 reported the handling of some other commodity than grain.

Some Failures

In spite of this splendid showing thru statistics of accomplishment, the situation among the farmers' elevators of Minnesota is not what it should be. At least twenty per cent. of the companies furnishing complete financial reports lost money during the year 1912-13, and it is a well known fact that several companies fail each year. The principal reasons for these failures and losses are poor management and competition from other elevator companies. Poor management results from the employment of inefficient managers and from the use of inadequate and faulty accounting systems. North Dakota has recently passed a law requiring the state to determine the most efficient accounting system for a farmers' elevator, with a view of making such system compulsory in the future. The Minnesota College of Agriculture aims to perform this same function for the elevators of that state. One-fifth of the companies acknowledge that their accounting systems are not satisfactory and judging by the nature of their reports the real proportion is much higher than this. Possibly some system of public auditing of accounts may be necessary or beneficial in the future. It has also been suggested that there should be some system whereby managers who have demonstrated their ability may procure licenses or certificates from the state. In this way it is believed that the hiring of competent managers may be encouraged.

Many Highly Efficient

Altho so many of the companies are suffering from inefficient management, there are a great many which are managed with a very high degree of efficiency. The success of a farmers' elevator cannot be measured by its profits, because it is the aim of most well-managed companies to pay as much as possible for grain from day to day, rather than to accumulate large profits. The condition of farmers' elevator companies is gradually improving year by year, and with aid that may be given by the state, it is safe to say that within a few years they will be in a much stronger position than they are today, and that they will market a much larger proportion of the crop than they do at present.

FOOT AND MOUTH DISEASE IN AMERICA

For the first time since 1908, the dreaded foot and mouth disease has broken out again on this continent. The infected area is thru the West corner of Michigan and the adjoining county in Indiana, where about fifty herds have been found to be involved.

The disease was diagnosed by Dr. Mosier, the United States chief pathologist, bureau of animal husbandry, assisted by Dr. Torrance, Dominion veterinary director general, and other doctors. On the return of Dr. Torrance to Ottawa after his consultation with the United States authorities, an order was promptly signed by Hon. Martin Burrell, minister of agriculture, placing an embargo against the importation into Canada of all animals subject to the disease and of hay, straw, fodder, etc., from Michigan or Indiana.

The district where the disease has been discovered is a dairy farming district, and there is a possibility of the infection having already been disseminated to other districts. The United States authorities are taking the most vigorous and rigid measures to stamp it out. All infected animals are being slaughtered, a cordon has been drawn around the whole infected area and the movement of all stock prohibited.

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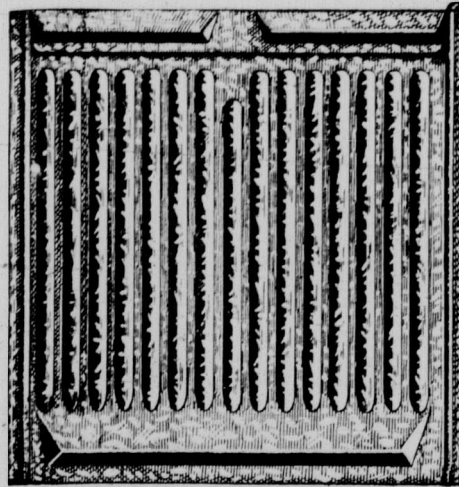
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