

daily get back the skim milk and butter milk, the directors or salesmen making it their business to sell the butter to wholesalers. Out of the proceeds of the sale, they pay to the factory either four cents per pound of butter, or 20 per cent of the selling price of the butter, this being the usual charge or indemnity to the factory for the making and furnishings (labor, tubs, salt, cotton, &c., &c.); and the balance of the proceeds is distributed at the *pro rata* of the milk delivered by each of the patrons.—Purchasing milk, especially at a fixed and uniform price throughout the whole season, will, as a rule, lead to failure. Farmers will readily understand that owing to the variations in market prices, no trader can afford to buy their crops at a price fixed in advance; and for the same reason, the factory should not buy the milk, unless placed in exceptional conditions for so doing.

The charge of 20 per cent or four cents a pound may at first strike people as a little high, but it is the current and accepted price in almost all factories. A close examination of the facts will prove that a factory run with our separators will return the farmers more money than they could get at home by making their own butter. Careful tests, conducted during years in Denmark, on the same milk treated according to the best known methods and by practical experts, have proven that centrifugal separators, on an average, will yield at the lowest 10 to 15 per cent more butter than can be obtained by the best other methods (see above, p. 1). Besides, the wholesale price obtained by creamery butter is on an average 15 to 20 per cent higher than the best Townships butter which is quoted highest of all dairy butter. Then, taking only 10 per cent increase in the yield, and 10 per cent increase in price, which the factory is sure to secure, the 20 per cent charge for making is wiped off; and still the factory furnishes labor, tubs, salt and all; it further affords *insurance* against bad quality, as the factory owners must produce an article of first quality or pay the difference under first quality. Further, by adopting the cooperative plan suggested below, the profit of the factory comes in as a direct rebate on the price charged for making.

The farmers, by drawing their milk to the factory, will save their labor, time, expenses, losses, and still will get more actual cash than they could get at home.

How to secure a Butter factory.

In places where no person is willing to take the charge of starting a factory, we would suggest the following plan:

- 1° The farmers to form a joint stock company, each taking a certain number of shares; the company to own the plant and building.
- 2° The affairs to be managed by a board of directors.
- 3° At the end of each year's business, out of the profits, a dividend equal to a stated amount of interest (6, 7 or 8 per cent) will be first paid on the stock owned by each shareholder, as usual, and a reserve fund will be provided; but the balance of the profits will be divided only to the stock holders who have delivered a certain amount of milk so delivered to the factory, and without any regard to the number of shares held.

This system is the most **cooperative** in character, as the surplus profits over the stated interest go to encourage the production and delivery of milk to the factory.