

## Wheat Growing Costs in Saskatchewan

By Wiljames Thompson, Saskatoon

When the Board of Grain Supervisors for Canada decided to fix a maximum price of \$2.21 per bushel of 60 lbs. for No. 1 wheat, the question promptly arose, what does it cost to grow wheat per bushel basis for the 1917 crop? Moreover, the fixing of a price for the 1917 crop is going to very materially affect the plans of farmers and prospective farm settlers in supplying the increased world need for a large and successful crop for 1918.

Saskatchewan has 100,000,000 bushels of wheat to sell. Nominally all of this will find its way to Europe. If therefore, the price fixed is a profitable one, no other equal area in the Western hemisphere is justified in expecting a larger rush of land seekers to make permanent homes in a land of unlimited possibilities in its industrial development and social and commercial prosperity. There is no public evidence, however, showing the exact factors that influenced the Canada Board of Grain Supervisors to fix the same price limit for wheat as adopted by the United States Grain Markets Board. There is a very material difference in the wheat market standards of the two countries. Unless the price limit is based on an equal ratio of values, Canada stands to lose millions of dollars, the strain of which will fall chiefly on the farmers of Western Canada.

### Economic Conditions in Canada and U.S.

The economic conditions of the two countries are in many ways radically different, both as a direct result of the war and from many economic handicaps caused by limited capital supply, high interest rates, tariff injustices, transportation costs, long hauls, limited markets, over booming of towns and cities, scarcity and inefficiency of labor and land speculation by absentee promoters and syndicates.

As a direct result of the war, Canada is also under a greater handicap compared with the United States. Canada is short a half million men, engaged in war and war munition work; the United States in proportion is ten million men better off in keeping stable labor supply, wages and production costs. Canada has been involved in the war for three years; the United States only about six months. It is reasonable to assume in the light of above facts that the Canadian public will not be satisfied with the price fixed for their wheat production, unless there is also some equitable adjustment of the other important factors that burden the farmer, making his daily efforts a gamble, and the calling of agriculture a delusion and a snare.

### Wheat Growing Cost Investigations

The United States has for years been conducting both national and state wide investigations into farm production costs, but in Canada no authoritative definite statement of farm costs for wheat production or any other farm product has been made.

It is true that in 1913 the Saskatchewan government did appoint a Grain Markets Commission. Sessions were held in various parts of the province, and the commission also visited Europe and the United States where market conditions were studied. To determine the cost of wheat production, the commission confined itself to only one question, as part of a questionnaire, covering various farm products. The commission was evidently not satisfied with the results from its enquiries addressed to 1,000 farmers in the province. Here was the question, "What does it cost you on an average to make 4,000 bushels of wheat? Include every item of expense until grain reaches Fort William."

It is not a surprising fact that the commission should report thus, "It must be admitted that neither the evidence received from the farmers direct, nor that received from them through the Minister of Agriculture nor that received from the Department of Agriculture, is altogether satisfactory. It is not sufficiently definite and authoritative to be entitled to unquestioning acceptance."

In fairness to the farmer it might be argued that the question of the commission was not submitted in such a way as to help anyone gain much of an analytical insight and clear understanding of the several cost factors that entered into wheat production. Even in the analytical statement of costs which the commission published it does not show a cent

of cost represented in such items as might fairly be charged under the head of (a) interest on money invested in the land, (b) interest on investment in equipment, (c) crop management, (d) crop insurance, (e) value of depreciation in soil fertility, (f) loss cost in crop failure.

### Farmers Sell Their Wheat At a Loss

During the time that the commission was taking its evidence, thousands of farmers were claiming that they were selling their wheat at 20 to 50 per cent. less than it cost them to grow it, only charging implement costs and wages, but without any allowance for their labor or interest on their investment.

What would an itemized statement of costs look like if the farmer had the benefit of expert cost accountant service, such as all large factory corporations control in determining the selling prices for their products? The following statement of costs of wheat growing in Saskatchewan is submitted in the hope that it will stimulate discussion and wider investigation on the part of farmers, and the various authorities:

### Wheat Growing Costs Per Acre of 20 Bushel Yield.

(Limited to 10 Mile Haul to Railroad.)

1.—Interest on land at \$30.00 per acre, at 8% per year	\$2 40
2.—Plowing (Based on current wage costs, ten hour day)	3 00
3.—Double Disking	1 50
4.—Double Harrowing	1 00
5.—Seed (1½ bushels per acre at \$2.50 per bushel)	3 75
6.—Drilling	1 00
7.—Formalin (treatment of seed)	1 00
8.—Gopher Poison	25
9.—Twine	40
10.—Taxes	20
11.—Cutting and Stooking	1 50
12.—Threshing at 20c. per bushel, from Stook	4 00
13.—Hauling to Railroad	2 50
14.—Storage, Insurance, Selling Commission	1 00
15.—Repairs and Depreciation on Machinery	2 00
16.—Management (Time and Brain Expense of the Boss)	2 00
<b>Total Cost per Acre</b>	<b>\$27 50</b>

NOTE.—No cost item allowance for crop failure, crop damage and loss of fertility to be replaced.

### Control Both Farm and Factory Costs

Some of the above items may appear unusual, but they are submitted with the assurance that the writer, having taken a leaf from his experience in growing wheat, and with extensive inside knowledge in determining factory costs in the production of packing house products derived from farm animals, is reasonably assured that if the farmer sold his product under the same conditions of control as prevail among factory corporations, he would add all the items in the above statement, and several more besides that might be named, not the least of which would be the protective tariff, and the freight both ways between purchaser and consumer. The scientific factory cost accountant is a new profession in modern business, and is important as a factor in explaining the high cost of living.

The average yield of wheat in Saskatchewan for 1917 will not exceed 15 bushels per acre, and 75 per cent. of the crop will not average 12 bushels per acre. This means that the great majority of Saskatchewan farmers will be under the necessity of selling their wheat at less than it costs them to grow it, if \$2.21 per bushel is to be final as a price limit. Thousands of farmers will no doubt make good profits at \$2.21 per bushel for wheat, but if they do it will be at the expense of the future, and due to many of the items not being all allowed for, or by being absorbed in other operations, such as sale of livestock and other farm products in which the ratio cost of production is not so great as in wheat growing.

The real public need of the wheat price problem is a minimum rather than a maximum fixed price as well as a controlled price for the labor supply and the materials needed for production.

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With the confidence born of success we decided to demonstrate this remarkable farm implement in the Brandon Tractor Demonstration in July of this year. It was there—it was an instantaneous success—it plowed the full allotted space as well as taking part with other tractors in plowing the headlands at the finish—and it was operated by a lady. Today it is making good in the three prairie provinces of Western Canada, proving beyond doubt all that we have said for it.

### Proof From The Farm

"With the Staude Mak-a-Tractor purchased from you this spring, I have plowed 100 acres, drilled 150, disced 70, harrowed 550, and packed 240, making in all 850 acres. Besides this 10 trips to town were made—about 200 miles on the road. This work was accomplished with eight barrels of gasoline and 20 gallons of cylinder oil, costing altogether \$130. The repairs in connection with the car and tractor amounted to \$16.55.  
"We plowed as much as seven acres in 10 hours with a 14-inch gang plow and one section of Diamond harrow, and one of our men drilled 35 acres in 12 hours with a 20-run drill.  
"To all appearance this work has not had any bad effects on my Ford, as I am running it back and forth to the farm, a distance of 90 miles, and it seems to be running just as nicely now as it did before this work was done with it.  
"From the experience I have had with this, I feel that I could cheerfully recommend it to any farmer."  
L. L. WATSON, Regina, Sask., Canada.

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