

Marketing Our Wheat

Report of Saskatchewan Commissioners shows Need of Handling Grain Cheaper and Lowering Cost of Production—Recommend Publicly

Owned Terminals, Free Trade, Lower Interest, and wider instruction in agricultural methods

On January 28, 1913, J. H. Haslam, Chas. A. Dunning and Hon. George Langley were appointed commissioners "to examine into ways and means for bettering the position of Saskatchewan grain on the European markets." They visited all the principal grain handling and dealing centres in Eastern Canada, Eastern United States, Great Britain and Continental Europe, held public sittings at many points thruout the pro-

levied for the same services in 1909 are also given.

"The services enumerated are those performed in connection with 1,000 bus. of No. 3 Nor. wheat shipped thru a country elevator in Saskatchewan, hauled to Winnipeg, there sampled and graded by the Government, sold on commission to an exporter, hauled to Fort William, unloaded, weighed, received in store, cleaned and insured at a terminal elevator, inspected out into a lake steamer before the close of navigation, carried to a Georgian Bay or Lake Erie Port, unloaded thru a transfer elevator into a railway car, hauled to Montreal,



J. H. HASLAM

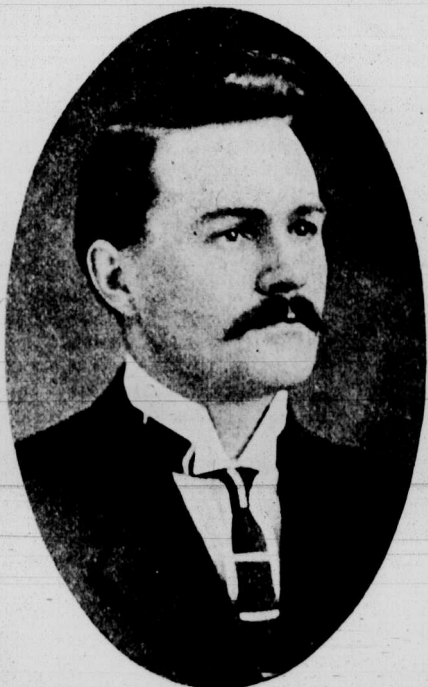
unloaded from the car into a transfer elevator, loaded thence into a steamer and carried to Liverpool or London. This procedure and route are selected because more grain has been handled by this procedure than by any other, and more has been exported via this route than by any other Canadian route.

"The charges may be grouped naturally under two heads:

"1. Charges paid directly by grower and shipper of consigned grain.

"2. Charges paid directly by purchaser of consigned grain, but indirectly by grower and shipper because deducted from the price the grain realized.

"These charges, it will be remembered, are those levied on wheat exported by one of the direct and most used routes and with the least delay. More wheat is shipped thru without being held for any length of time at any point in transit than is held in store for extended periods en route. This condition results in higher charges being asked and secured for lake and ocean carriage in the fall, and in a lowering of



CHAS. A. DUNNING

vince after their return, and on January 20, 1914, transmitted their report to the Saskatchewan Government.

The average of 36 estimates of the cost of producing a bushel of wheat in Saskatchewan in 1912 given to the Commission by farmers is 60 cents per bus. The cost in 1911, as ascertained by the Provincial Department of Agriculture, was around 56 cents per bushel.

The cost at the present time, as ascertained by Commissioner Millar, is "considerably over fifty cents" on the farm, with at least five cents more, on the average, to market it.

After analyzing all the available evidence the Commission places the cost of producing wheat at about fifty-five cents per bushel on the farm, thus endorsing Mr. Millar's estimate, and places the cost of wheat when in a car at a country point at 62 cents.

Data is presented to show that the cost of production has increased 12.15 per cent, since 1909, every element entering into that cost—land, building material, labor, horses, machinery and living—have increased in price during that time.

What the Farmer Gets

On the other side of the account a table showing the average price received by the Saskatchewan farmer for his wheat during each of the last five years as nearly as that price can be figured is given. The prices are as follows:

1909	81 1-5 cents per bushel
1910	76 1-6 cents per bushel
1911	74 1-5 cents per bushel
1912	69 cents per bushel
1913	66 1-8 cents per bushel

Marketing and Exporting

Section 6 of the report, in dealing with this matter, says in part:

"In order to set forth in complete form and as clearly as possible the services which must be performed by the different interests in connection with exporting wheat from Saskatchewan to Great Britain, a table has been prepared and is here presented setting forth those services and the charges that were levied in 1913 for their performance. For the sake of comparison the charges

The Country Elevator Owner		1909	1913
For receiving, weighing, elevating, cleaning (when possible), spouting, insuring against fire, storing for first 15 days and loading into car		\$ 17.50	\$ 17.50
(For subsequent storage and insurance, if any, 3/4c per bushel per month. No change).			
The Railway Company			
For hauling from a shipping point in Saskatchewan to Winnipeg—a distance of from 641 to 1,086 miles—\$96.00 to \$144.00 per 1,000 bus. On an average say		120.00	120.00
For hauling from a Georgian Bay port or Port Colborne to Montreal		42.50	42.50
(This is a 5c rate but it includes elevator charges at either end of the haul; for these services 3/4c has been deducted).			
The Dominion Government			
For sampling and inspecting at Winnipeg, 50c per car. For weighing at Fort William, 30c per car. For cargo inspection out of Fort William, 50c per 1,000 bushels. For cargo weighing out of Fort William, 30c per 1,000 bushels.		1.60	1.60
The Commission Merchant			
For selling wheat on Winnipeg Grain Exchange, 1c per bus.		10.00	10.00
The Exporter			
Not possible to determine exactly, say		10.00	5.00
(See chapter on exporting).			
The Terminal Elevator Owner			
For receiving, elevating, cleaning, spouting, insurance against fire and storage for the first 15 days		7.50	7.50
The Bank			
Interest and exchange on money supplied to meet draft of shipper on Commission Merchant: Interest on, say \$700 for one month		3.50	3.80
Exchange on, say \$700		90	1.75
Interest on money supplied to exporter to finance the exporting of the wheat on \$1,000 for, say 2 months		10.00	10.85
The Lake Steamship Co.			
For carrying wheat from Fort William or Port Arthur to Georgian Bay ports or Port Colborne (October or November charter).		10.00	20.00
The Transfer Elevator Co.			
For elevation from vessel to cars at Georgian Bay or Lake Erie port and 15 or 30 days free storage of export grain.		2.50	2.50
For transfer from railway car to ocean vessel at Montreal and 20 days free storage		9.00	9.00
The Ocean Steamship Co.			
For carrying wheat from Montreal to Liverpool, London or Glasgow		40.00	75.00
(On the basis of November, 1912, freight rates. May, June, July and August rates were higher in 1913).			
Marine Insurance			
Insurance while on Great Lakes; average figure for first and second class boats for Sept.-Nov. shipments of lower lake ports. 70 per cent. on \$800.00		5.60	5.60
Insurance while on Atlantic (first half of November rate from Montreal), 40 per cent. on \$1,000		4.00	4.00
Sundry Charges			
Insurance against fire while in Eastern transfer elevators, transfer of money from Europe to Canada, fees connected with sundry documents, certificates, etc., say		10.00	10.00
Total		\$304.60	\$346.60



HON. GEO. LANGLEY

the price that importers are willing to pay for our wheat delivered during the last months of the year.

"Whether the higher price that could be obtained from importers for later deliveries would more than offset the storage and interest and insurance charges that must accumulate month by month against grain once it has been delivered at a public grain storage, is a point that cannot, in the nature of things be determined. So, too, is the question of whether finance could be obtained to permit of a larger percentage of our wheat being held in public storage elevators over winter for sale to Europe in the spring."

General Observations

Following a description of the grain trade at the principal ports of Great Britain and the part played by Canadian grain in the trade at each port the Commissioners make certain general observations which are in part as follows:

"1. There is no 'best' wheat. The wheat of each country has certain characteristics. Australian wheat yields a whiter flour than any other and also yields more flour per bushel of wheat than any other. Canadian wheat yields a flour whose outstanding characteristic is strength. The miller needs both wheats to obtain the color and strength he desires coupled with a good percentage of flour. If there is more wheat characterized by strength than wheat characterized by white color, then he must pay more for the wheat that gives him his color. If the opposite condition obtains he must pay for his strength. At present there is much less Australian wheat for export than Canadian and other strong wheats, consequently thruout most of the year Australian wheat is the highest priced wheat in the world's markets. Australia only produces from 75 to 100 million bushels of wheat and no other wheat shares its characteristics. Canada produces over 200,000,000 bushels and Duluth wheat shares its characteristics, as also does Russian and Argentine to some extent. This explains the disparity in price between