

THE GRAIN GROWERS' GUIDE

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VOL. 1

ADDRESSED TO THE FARMERS OF



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ANOTHER VIEW OF COST

According to the Premiers' reply, in the shipping season of 1907-8 there were 1,334 elevators in the three provinces which handled 42,000,000 bushels of wheat, or an average of 31,500 bushels per elevator. These figures did not, however, take into account the oats, barley and flax which passed through them.

The total amount of all kinds of grain handled by them, allowing that 22 per cent. passed over the loading platform in that year was over 66,000,000 bushels.

Allowing that the elevator capacity should be equal to one-third of the amount passing through them in a year, there would be required only 22,000,000 bushels of storage capacity, that is to say: the Government would be required to furnish 752 elevators in place of 1,334 then in existence.

The average capacity of these 752 elevators would require to be the same as the average capacity of the present system, viz., 30,000 bushels, in order to provide the required storage. Employing proper business methods, elevators of this capacity could be built and equipped at the present time for \$5,400 each, but those now in existence should be purchased for very much less owing to depreciation from age.

Within the last few days the Northern Elevator Company sold a 25,000 bushel elevator with stone foundation and equipped with cleaning apparatus for \$1,500.

Not accounting for depreciation, the requisite 752

elevators would cost \$4,060,800. If a fair amount were allowed for depreciation the cost of purchasing the needed storage for the three provinces would not exceed \$3,000,000.

In establishing a government system the representatives of the government would endeavor to purchase the storage in existence at any given point.

If the storage were not in excess of the requirements at such point the price offered would be equal to the cost of duplication, less a proper allowance for depreciation through age.

Where a point was overstocked with storage facilities, the price offered for the total storage would be equal to the cost of duplication less a proper amount for depreciation through age, cost of tearing down excess storage and re-erecting same at another shipping point.

The tearing down, removal and re-erection of elevators is quite common, the cost, in the case of an ordinary line elevator rarely exceeding \$1,500.00.

Should the storage facilities which could be purchased on these terms prove to be in excess of present requirements, it could be utilized from time to time to meet the increasing needs of the provinces.

The increase of storage for one year since 1907 has been 9 per cent. The acceleration which will be given to railway building in the West by the policy of the present Governments leading to a great increase in the production of grain will greatly increase the percentage of storage expansion during the next few years and thus rapidly absorb any excess storage which the governments might acquire even should they purchase all the elevators in existence.

In the cost of operation we must consider that where new storage is created at points where the shipment will be large, the capacity of such elevators will be much more than 30,000 bushels, and consequently the amount of help required will be much less than in a system of smaller elevators.

At points where more than one average sized elevator will require to be retained to provide the necessary storage, two or more elevators can be connected by conveyors and shafting and operated by a single staff, except perhaps at the busiest season.

Taking the above facts into consideration, and also the fact that at only a few points will the elevators require to be kept open for the whole of the year, \$720.00 per annum is a fair allowance for salary of operation.

Cost of operation may be estimated as follows:

Operator's salary	\$720.00
Helpers' salary (3 months)	135.00
Fuel	150.00
Repairs and up-keep	150.00
Apportionment of cost of general supervision of system, commissioners, etc.	45.00
Total cost of operation	\$1200.00

Taking the capacity of the average elevator to be 30,000 bushels, and that the storage supplied is equal to one third the amount passing through, each elevator would have the handling of 90,000 bushels.

At the customary charge of 1½c. per bushel (allowing