

# A Business Proposition

*How 151 members of the South End Farmers' Shipping Association, Hope, N.D., have saved themselves thousands of dollars thru Co-operation*

By Ernest J. Trott, B.S.A.

"If a man doesn't want to do business in a business-like way, we don't want to do business with him. And, here, what's more, we ain't taking any chances; and that's why we're livin'." So said E. A. Nelson, county agent for Steele County, North Dakota, the other day when modestly explaining the success of the South End Farmers' Shipping Association that he organized in 1914. And right underlying these words is the secret of success in not only this particular association, but in any properly conducted business that is going to be made a success. More than this, the same idea contains in a nut shell the principle that is responsible for the success of county agent work thru the state of North Dakota. Get a sure policy and, in addition, be absolutely sure every time that what you are advocating is going to turn out successfully. But that is another story that can be told some other time. To get back to the South End Farmers' Shipping Association. Arriving at Hope one bright June morning we asked if Mr. Nelson was around. "Oh, 'Better Farming' Nelson, you mean. He's likely at home, you can get him on the 'phone." And later get him we did and spent a very interesting and profitable day in his company. No apter title could be chosen for Nelson than that given us on the platform at Hope. "Better farming," in its broadest sense, is his text. Everything that he does, whether organizing institutes, short courses, farm women's meetings, shipping associations, buying associations, picnics, automobile visits to the state fair, practical demonstrations on farms and innumerable other activities, has as its object the placing of agriculture in his county on that permanent basis as the foundation industry to which it rightfully belongs.

## Need for Association

The county agents—called district representatives in Western Canada—have different ways of getting acquainted with the farmers in their county. Nelson concluded he could do best by organizing a livestock shipping association and, from results, he made what he would term "a good guess."

But this wasn't the only reason for the forming of an association. Buyers used to come in and pick up stock here and there, pay what they pleased, or at least just as little as they possibly could, and clear regularly on every carload of stock they shipped from \$120 to \$200. This doesn't happen any more in Steele County. The association started up two years ago with one shipping point. Now stock billed out in the name of the association goes from six different shipping points, one of which—Galesburg—is located outside the county in the neighboring one of Trail.

The organization meeting was held in April, 1914, and the first car of stock was shipped on July 19, 1914. Since then the association has handled about \$200,000 worth of business, both stock—hogs and cattle—and feed, 120 cars of stock having been shipped up to the time of our visit. The saving at the very least is 35 cents per hundred, so that on the minimum shipping weight of 16,000 pounds per car for hogs the saving to farmers in the district in two years is well over \$10,000. The association is incorporated under the laws of North Dakota to buy, sell, ship, trade, exchange, buy or sell on commission, traffic or otherwise deal in, at wholesale or retail or both, any and all kinds of agricultural and farm products and livestock of every description, including horses, cattle, sheep, hogs, poultry, butter, cream, eggs, corn, grain, hay, cereals and fruits, and any and all kinds of agricultural implements and farm machinery, automobiles, wood and coal and fuel of all kinds; and any and all other kinds of merchandise of every kind, character and description. So far business has been confined to shipping cattle and hogs and buying carlots of flour, feed, coal and some building material. The amount of capital stock is \$25,000, divided into five thousand \$5 shares.

Stockholders have one vote irrespective of the number of shares held. The association is reserved

strictly for farmers. The rules provide that only persons actively and personally engaged in farming or stock raising may become members of the association on the purchase of one or more shares of capital stock of the par value of \$5. The business is controlled by a board of five directors, themselves stockholders, elected by the stockholders at their annual meeting. They hold office for three years and elect their own president, vice-president



E. A. Nelson, county agent for Steele County, North Dakota, talking dairy cattle at a short course held twelve miles out in the country from Hope.

and secretary-treasurer. Nelson was secretary-treasurer at the commencement, but after matters proceeded satisfactorily and the success of the scheme was apparent to everyone, his numerous other duties required attention and he resigned. The secretary-treasurer now is Ed. W. Hanson, who owns the local lumber yard at Hope and is himself a farmer. Any member may ship stock thru the association by paying the association a commission of five cents per hundred pounds, live weight, at destination.

## Playing Safe All the Time

Any person not a member may ship thru the association by paying a commission of ten cents per hundred pounds, live weight, but if he so desires he can get the benefit of the association by agreeing in writing before shipping—note "in writing"—that \$5.00 be deducted from his returns in payment for one share of stock. Nelson wouldn't take word of mouth from shippers. It is very easy to change one's mind and farmers, in common with members of other callings, cannot be said by any



Farmers listening to Nelson's talk at dairy cattle. The women had a meeting at the same time in the Presbyterian Church nearby, the lecture for this particular day being the preparation of hocks and farm facilities.

means to be the least offenders in this respect. In any case it is a business proposition, so that to protect the secretary and do away with any possible chance of annoyance or misunderstanding when the returns are made, non-members shipping for the first time and intending to buy stock sign a little printed form, all ready prepared, having blank spaces only for the date, signature and post office, that says: "I hereby apply for one share of the capital stock of the South End Farmers' Shipping Association, par value \$5.00 per share."

In making the returns all expenses connected with the shipment of any car are charged pro rata

against each shipper having stock in the car. Freight and the association commission are prorated per hundred pounds, live weight, delivered at the destination. All other expenses are prorated per head. A very complete, easily understood and efficient system of bookkeeping is used and Nelson, with characteristic frankness, gives his "better half" the credit of evolving and perfecting the system. The secretary-treasurer is required to take

out a \$10,000 bond. The party having charge of assembling the car—and "he's a mighty important official," as our friend said—checks in each individual shipment as it arrives, classifies it, has it weighed, throws back any straw, tailboards, spring seat or other loose truck that a shipper might conveniently forget to re-weigh, rejects any stock he does not think fit for shipment, and if more stock is brought than formerly agreed upon he has the right to refuse to take it. In this way every shipper is assured of being able to load his stock. The association has found that a farmer, when he notifies it that he has so much stock to ship, usually over-estimates his weight by around twenty per cent. Thus, in deciding upon a shipping day, the secretary takes this into consideration. When sufficient stock is ready to ship the secretary notifies every farmer, nearly all by 'phone, and arranges with the railway company for a car. Before the association was organized the stock yards were located just west of the station beside an elevator and down in a deep hole out of which, after a rain, if one was lucky the stock might manage to crawl, but as often as not the struggle was too severe and a lifting jack had to be called into requisition. After things were started, Nelson hustled around and it was not long before the yards—proper yards this time—equipped with loading chutes and water, were located in a good high, dry spot. Now he has prevailed upon the company to put in a set of weigh scales that the association is going to buy and use for all its various transactions.

## Pay Freight on Stock Promised

"Do you have any trouble with farmers not delivering for shipment stock they have promised?" the secretary was asked. "No, sir, not often, anyway, because when joining the association any member who has promised to deliver stock for shipment on a certain day at a certain time, and who fails in such promise is held responsible for the total expenses that would have been incurred on the number and weight of the animals promised. It's up to him. He delivers his stock or not, but he pays the freight anyhow." This rule may seem remarkable to some, but there has been no difficulty experienced in enforcing it. There are now 151 members, and after two years of operation only one member has lodged any complaint, and he was dissatisfied because the secretary wouldn't take his home weights for the stock he shipped. This is a remarkable record and speaks volumes for the thoroughness and efficiency of the management of the association.

The man assembling the car gets \$5.00. Each car shipped is accompanied by a different member of the association. Any member wishing to take in a load of stock sends in his name to the secretary, who records it—there is usually quite a waiting list—and he takes his turn with the rest to go down with the car. The man in charge gets \$5.00 expense money, and the railway company supplies return transportation. Going in with a car of stock provides in itself an excellent educational feature of the association work. On the market the shipper can see for himself how hogs or cattle should be fitted to get the highest price. This feature crops up again, too, when each shipper is bringing in his load of hogs to the car. He sees John Johnson has his pigs in better shape than his own, and he goes home fully determined to deliver something choicer than John Johnson in his next shipment.

The car is billed out in the name of the association

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