

Saving Dollars Selling Stock

How a co-operative association makes livestock shipping a leading feature of its work.

These should be jointly organized where possible

By J. W. PAYNE

The Rozilee Co-operative Association was incorporated in 1914, devoting itself for the first few months of its existence to selling shares with a view to getting \$500 paid up capital before starting business. It also had as stock in trade some rather vague ideas as to what that business would be other than that it was intended to take the fullest advantage as soon as possible of the Agricultural Co-operative Associations Act of Saskatchewan.

The Co-operative Association had its inception in the Rozilee Grain Growers' Association. This association had just previously taken a leading part in organizing a local of the Saskatchewan Co-operative Elevator Company and in building a Grain Growers' Hall. It has since established a Rural Telephone Company with a thirty-five or forty mile system in the district.

It was decided not to incorporate the Rozilee Grain Growers' Association (notwithstanding that Central seemed to favor the incorporation of the locals) for two reasons in particular: 1st, Rozilee is eight or nine miles from a village, and a co-operative association to be really successful we think must have its headquarters in a central position and on a railway; 2nd, an ordinary Grain Growers' local, even a strong one, is far too small a unit and covers too small a territory to become a strong co-operative association. The idea was to form a co-operative association which would serve all the Grain Growers' locals in the district surrounding the village of Shellbrook.

The authorized capital of the association is \$2,000, divided into four hundred \$5.00 shares. The association started at a time when the district had recently acquired some very expensive experience connected with shares and it was very difficult to dispose even of \$5.00 shares. Now, however, the disadvantage of such small shares is beginning to be felt and it is to be hoped that the unsold shares can be cancelled and larger ones authorized in the near future.

Commenced Shipping Livestock in 1915

At the beginning of 1915 the association's paid up capital was only \$200 and no business had been done. Then the Shellbrook Grain Growers' Association, which had got well started with co-operative buying, turned over its business to the Co-operative Association. The latter shortly afterwards bought a warehouse on the track and opened for business at first once and later twice a week. During the year a commencement was made in shipping livestock, which proving successful was continued with increasing frequency throughout the year. During 1915 the association shipped ten carloads of stock valued at \$9,148.47, while the sales from the warehouse amounted to \$16,524.47. The profits from sales from the warehouse amounted to \$602.42, out of which a bonus was paid to the patrons of three per cent. on the amount of their purchases, after paying six per cent. on shares and a substantial amount to the reserve fund. The end of the present year will show a considerable increase in sales and livestock shipments. To date the association has 225 shareholders, \$725 paid up capital and a reserve fund of about \$225. The association is not yet affiliated with Central, but most probably will be by the end of the year and many of the shareholders are members of the surrounding Grain Growers' locals.

Of the ten carloads of stock shipped in 1915, nine were of hogs and one of cattle. So far this year fourteen carloads have been shipped, eleven straight

carloads of hogs, one of cattle and two mixed cars. Lately, owing to the shortage of hogs, mixed carloads have become a necessity. The co-operative hog shipments have been very successful and have almost always realized from 50 cents to 75 cents a hundred pounds more than was paid by the buyers. Early in the year we had to face a very keen competition for a while. For three successive shipments buyers from a neighboring town arranged to ship on the same day as the association and every effort was made to divert the hogs from the association's yard. Tho to a slight extent they were successful, the association got the bulk of the hogs and even with reduced loads had the satisfaction of securing a higher price for its shippers. Since then the association has been left in undisturbed



In the Co-operative Association's warehouse at Shellbrook, Sask. A shipment of flour. The warehouse is open for business twice a week. The turn-over is large.

possession of the field, but may, of course, have to face the same difficulty again at any time.

Preparation for Shipping

The usual procedure in shipping is to select and advertise a likely date upon which farmers notify their intention to ship and the number of animals, etc. The association's warehouse being open two days a week, together with the telephone system in operation in part of the district, helps the manager to keep in touch with intending shippers. It would greatly assist in arranging shipments if farmers would notify in plenty of time, but the tendency is usually the other way. In most cases no notification is received until the shipment is advertised and then often at the last minute. It has happened that a shipment has been postponed for want of a sufficient number and then at the last minute when too late it is found that a sufficient

number would have been forthcoming. There is, however, a continuous improvement in this respect and in time no doubt the difficulty will disappear altogether. At first some trouble was caused by a considerable number turning up who had given no notice. It proved too expensive to ship two cars two-thirds loaded and on the last occasion about thirty head were kept back and fed in the yard at the owners' expense. Fortunately a speedy method was found of getting them away so that the extra cost to the owners was very little. We try now to get in touch with all possible before arranging a definite date, but even then there is difficulty.

Hogs are graded at this end and the grades usually tally out with the grades at Winnipeg. Practically no difficulty is encountered in this matter. Farmers are now mostly well acquainted with the method of grading on the Winnipeg market and know what their hogs will grade before they bring them. In doubtful cases they are usually graded the lower grade and the shipper is given the advantage of any gain at the other end. In this matter shippers have always shown a very reasonable spirit. There are several scales in the town on which hogs can be weighed in the wagon or sleigh, and being the only method available this is the one resorted to, but it is very unsatisfactory. The association intends eventually to put a proper roofed and walled-in stock scale at the stockyards.

Insuring the Stock

For the first few months insurance against loss was provided by making a small charge, 13 cents per cwt., against every hog shipped, thus creating a fund from which shippers were paid in full for any stock lost. This fund was sufficient to pay all losses incurred and would have been sufficient to meet all losses to date. But it had the disadvantage that it would have been quite inadequate to meet a big loss, and for this reason it was abandoned and the stock is insured with a reliable livestock insurance company. A policy was taken out for one year at the cost of \$1.00. The insurance premium is paid on each car by the commission agents and charged to the association. When a loss occurs the commission agents put in a claim for full value at market price. The claim is paid the same day and the association receives payment in full as if no loss had occurred. The cost is about the same as under the old scheme and the protection received is vastly greater.

The association makes no distinction between members and non-members in shipping stock. The co-operation of everybody is necessary to make it a success and non-member shippers usually become shareholders before long. There is no obligation on shareholders to ship their stock thru the association. They dispose of it in the manner which they consider will give the best results and that at present happens to be thru the Co-operative Association. It is much to be feared that consideration for the principles of co-operation as such does not figure very largely in most cases.

One of the largest items of expense, tho it is not included in the figures given as cost to shipper, is shrinkage, that is the loss of weight on the journey to Winnipeg. This is a very important item in the returns from the shippers' point of view. Generally speaking, the shipper would be happier with a lower price and no shrinkage, especially in the early ex-

Continued on Page 24

HOG SHIPMENTS FROM ROZILEE CO-OPERATIVE ASSOCIATION FROM JANUARY 3 TO OCTOBER 30, 1916

Date	Cars	Hogs	Home Weight	Shrinkage		Price at Wpg.	Proceeds Sale	Freight	Mgr.	Insurance	Feed Yardage and Miscellaneous Expenses	Selling Commission	Total Expenses	Cost to Shippers Per Cwt.
				Lbs.	Per Cent.									
Jan. 3	1	103	19,405	1,105	6%	\$ 9.10	\$1,620.70	\$ 61.80	\$ 10.00	\$ 9.27	\$ 61.00	\$ 10.00	\$ 152.07	\$0.79
Jan. 24	1	65	10,347			7.70	759.85							Sold Locally
Feb. 11	1	71	12,930	470	4%	9.60	1,189.76	60.95	10.00	6.39	40.25	8.00	125.59	.97
Feb. 21	1	101	18,830	340	2%	9.35	1,680.65	60.76	10.00	8.00	53.04	10.00	141.80	.76
March 6	1	64	12,078	298	2 1/2%	10.00	1,170.35	59.95	10.00	5.12	38.10	8.00	121.17	1.00
April 3	1	117	22,750	1,270	5 1/2%	10.45	2,208.11	74.94	10.00	8.96	66.69	10.00	170.59	.70
April 17	1	93	17,205	505	3%	11.10	1,798.58	59.95	10.00	7.36	59.56	9.30	146.57	.85
May 29	1	64	15,553	423	3%	10.10	1,474.51	60.95	10.00	5.04	49.44	8.00	133.43	.86
June 23	1	89	20,271	891	4 1/2%	10.90	2,074.96	86.43	10.00	7.04	87.28	8.00	179.55	.89
July 3	1/2	42	10,903	315	3%	10.35	1,066.76	59.95	10.00	3.36	32.23	8.00	113.54	1.04
Aug. 14	1	65	18,078	1,058	6%	11.60	1,674.17	61.06	10.00	5.20	50.67	8.00	134.93	.75
Sept. 18	1/2	40	9,000	272	3%	11.75	929.70	44.24	1.81	4.00	15.77	8.00	73.82	.80
Oct. 23	1/4	28	5,950	181	3%	10.50	602.35	17.29	4.00	2.82	23.78	4.00	51.89	.92
		942	193,302	7,128	Av. nearly 4%		\$18,250.45	\$688.27	\$105.81	\$72.56	\$577.81	\$100.10	\$1,544.55	\$10.33—Av. \$0.86

Prices at Winnipeg are for selects. Feed, yardage and miscellaneous expenses include feed and bedding on cars and at yards, insurance against disease at market, inspection fee, exchange, postage and stationery, and man in charge who is allowed \$10.00 for the trip. The average shrinkage is nearly four per cent. on 182,955 pounds. The second shipment being sold locally there was no shrinkage on it.