Saskatchewan Co-operative Elevator Company, Limited

6th Annual General Meeting, held at Regina, Sask., Nov. 22, 1916

REPORT AND BALANCE SHEET PRESENTED TO SHAREHOLDERS

REPORT OF BOARD OF DIRECTORS.

The Report which your Board of Directors submit for your consideration in connection with the fifth year's business of the Company, for the season ended July 31, 1916, deals with the exceptionally good crop of 1915. It has now been amply demonstrated that our system of co-operative elevators can successfully cope with the conditions arising in a phenomenally good crop year, as well as with those of a poor year. The last report dealt with the latter conditions.

It is a matter of history by this time that the 1915 crop was unusual in several ways—for high yield, for high average grade and for high prices, all of which greatly benefited the farming community and the country generally. In the 1915-1916 grain season, ending with August, approximately 211,000,000 bushels of wheat, and 59,000,000 bushels of oats, barley and flax were shipped from this Province. All who had to do with the handling of this crop found their facilities taxed to the limit, the country elevators, the railways, the terminals and the Great Lakes freighters; while coupled with these difficulties was the pressing labor problem. Our average handling per elevator was 170,000 bushels, which is 68,000 bushels higher than our best previous record. The Cabri elevator heads the list, showing a handling of 520,000 bushels of grain.

The cost of handling grain through our elevators was lower than in any previous year. This is entirely attributable to the large volume handled, and the saving effected thereby is reflected in the profits for the period.

OPERATING DEPARTMENT.

During the 1915-1916 grain season the Company handled a grand total of 43,198,000 bushels of grain, of which 4,109,000 bushels were loaded over the platform and 39,089,000 bushels passed through our 230 elevators, the latter amount being three million bushels more than the combined handling through our elevators during our three first seasons. Eight of the new houses constructed in the spring and early summer of 1916 were opened for business as soon as complete, as it was apparent there was sufficient grain unmarketed in these districts to justify this procedure. The call for recruits in the service of the Empire, and consequent general scarcity of help, made it difficult to secure and retain a sufficient number of experienced operators. The Company's policy of training its own assistants to become operators continues, and the number of operators in our employ who have seen service only with this Company increases yearly.

Stocktaking at the close of the business year was a task of real magnitude. An accurate yearly valuation of stocks by means of a careful weigh-up and grading is essential. The balance sheet shows our grain stocks on July 31st, 1916, to be valued at $1,724,020.69. When it is remembered that these "cut-offs" are all taken by the travelling superintendents, who have an average of 23 elevators to look after, and that every bushel of grain in the elevators has to be weighed up by them, some appreciation is gained of the work involved. The securing of cars prior to the weigh-up was another factor to be considered. The greatest care, however, was exercised in prosecuting this work, to ascertain in what districts there was most grain yet to be marketed, so that such points might be weighed up last, and the elevator closed for the shortest possible period.

CONSTRUCTION DEPARTMENT.

Twenty-seven new elevators were built during the 1916 building season, and one was purchased. Crews were employed for a period of six months, and the work was carried on expeditiously despite unfavorable weather, with the result that every new elevator was completed in time for the new crop season. There is considerable work to be done during the year in maintaining so large a system of elevators in a good state of repair, and much of the time of our chief engineer and the employees of the Construction Department, is devoted to this work.

ORGANIZATION AND SHARE DEPARTMENT.

The work of this Department is constantly increasing with the growth of the Company. Nearly 200 applications for organization were received, and from among these 30 new Locals were organized, making 260 in all, with 18,077 shareholders, holding an aggregate of 47,178 shares.

PUBLICITY DEPARTMENT.

During the year your Directors instituted a Publicity Department, through which shareholders are kept in touch with matters affecting the Company's interests and development. The Co-operative News is issued bi-monthly, and since last April has been sent regularly to all shareholders. A further amount of publicity has been secured through the medium of special issues of agricultural and financial journals.

COMMISSION DEPARTMENT.

The Commission Department at Winnipeg handled 39,674,000 bushels of grain, which included the Company's purchased grain, 93 per cent. of all farmers' grain stored in our elevators and 3,287 cars which were loaded over the platform. The number of platform-loaded cars consigned to the Commission Department is on the increase. These facts constitute a gratifying feature of this Report.

BALANCE SHEET AND DIVIDEND.

A copy of the balance sheet and the profit and loss account, setting forth the financial position of the Company as at July 31st, 1916, certified by the Provincial Auditor, has been sent to each shareholder. The profit for the year amounts to $757,275.10. From this amount provision has been made for the payment of the Dominion Government Business Profits War Tax. This tax is assessable at the rate of 25 per cent. of all profits in excess of 7 per cent. on capital invested, including reserves, and is collectable on the profits of three annual financial periods. The amount provided, $199,479.39, represents tax payable for the two periods ended July 31st, 1915, and July 31st, 1916.

A cash dividend of 8 per cent. on capital paid up on all shares allotted before April 1st, 1916, was declared by your Board of Directors out of the above profits, and has been sent to each shareholder. Your Directors will submit to this meeting their recommendations for the disposal of the balance of the surplus.

BONUS.

The very large business handled during the year entailed a heavy pressure of work upon all our employees, and this condition was accentuated at the Regina and Winnipeg offices by the unavoidable shortage of experienced help. The employees having responded cheerfully to these demands, it was decided that our appreciation should be extended to them in the form of financial consideration. Towards the close of the business year, a bonus was therefore paid to all deserving employees.

TERMINAL ELEVATOR.

Your Directors were instructed by the last Annual Meeting to carefully consider the advisability of erecting a terminal elevator at the head of the Great Lakes. They decided that the time had come for such a move, and as a result of their decision a site was secured at Port Arthur, Ontario, and the building of a terminal of 2,500,000 bushels capacity was commenced on July 3rd last. The elevator will have a storage tank capacity of 2,000,000 bushels, and the workhouse capacity will be 500,000 bushels. Additional units to provide a total storage up to 16,000,000 bushels can be added as required. The workhouse is designed to accommodate a storage capacity of 8,000,000 bushels. Mr. C. D. Howe, Chief Engineer of the Board of Grain Commissioners for Canada, is the Consulting, Designing and Supervising Engineer. The foundation work is nearly complete, the Barnett-McQueen Company, of Fort William, having been awarded this contract, as well as the contract for the elevator building, which is to be ready for service by September 1st, 1917. The estimated cost of the