

PUBLICATION 481
TECHNICAL BULLETIN 3

ISSUED OCTOBER 1935
FIRST PRINTING

DOMINION OF CANADA, DEPARTMENT OF AGRICULTURE

FARMERS' BUSINESS ORGANIZATIONS IN CANADA 1935

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Agriculture and
Agri-Food
Canada

Agriculture et
Agroalimentaire
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Published by authority of the Hon. JAMES G. GARDINER, Minister of Agriculture
Ottawa, Canada

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FOREWORD

THE contents of this report, which are based on information received from farmers' business organizations in Canada in 1933 and 1934, summarize the business activities of co-operating associations during the crop years 1932 and 1933. The information contained herein supplements and brings up to date the results published in Bulletin No. 173, New Series. It is the intention of the Economics Branch at a later date to prepare a list of the names and location of farmers' business organizations in Canada which may be coupled with such a report as this. The last available listing was prepared by joint arrangement with the Department of Labour and published by that Department in 1932 as the Fifth Annual Report of Co-operative Associations in Canada.

Acknowledgment to Co-operating Organizations

This report has been prepared and made possible by the co-operation of farmers' business organizations in all parts of Canada whose officers have completed and forwarded a record of their business operations. It is the desire of the department to express appreciation for that assistance. The business of each co-operating organization is included in this consolidated report. Each organization is a unit in a method of distribution of farm products and farm supplies which forms an important part of Canadian business. As far as possible, individual records are analysed and comparisons made with companies in the same type of business. In order that the work be reliable and of most value, promptness, completeness and accuracy of statement on the part of those solicited is required.

Acknowledgment is also extended to the officers of provincial governments who co-operated and assisted in the collection of records which comprise this report, and to Mr. W. F. Chown, Accountant Examiner in the Economics Branch, who summarized and tabulated a large part of the statistical material.



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CO-OPERATIVE BUSINESS ORGANIZATION IN CANADA

The letters of John Young of Halifax, Nova Scotia, who wrote under the pen name of "Agricola" in the Acadian Recorder during the latter part of the 18th century, provide one of the earliest records of agricultural organization in Canada. His writings inform us that, "the first agricultural society in Nova Scotia was instituted at Halifax on the 10th of December, 1789; and soon after, the inhabitants of the county of Hants formed themselves into a similar association, with a view to co-operate with the Capital in promoting agriculture and rural economy." These early societies were interested mainly in improved husbandry, and by collective action encouraged and assisted in the introduction of new machinery, seeds and live stock and in the treatment and application to the soil of the natural limestone deposits. Through their organization they also assisted immigrants in settlement on the land and in finding employment. There is also evidence of the formation of a farmers' club in Quebec City under the patronage of the Governor-General Lord Dorchester in 1789. Two years later the first agricultural society was formed in Upper Canada with provincial wide aspirations but does not appear to have carried out its program and by 1805 had ended its brief career. Following closely after these early attempts at organization other societies were formed from which can be traced the beginnings of our agricultural fairs and other permanent institutions.

The organization of the Grange which was flourishing in the rural communities of the United States entered Canada and organized branches in Quebec and Ontario in 1872. This affiliation was broken and a Dominion Grange of the Patrons of Husbandry was established under federal charter in 1877. This organization established a number of co-operative business enterprises, none of which has survived although the society itself still exists, the last meeting having been held in Simcoe in 1932. In 1889 another farmers' organization made its way into Canada from the United States. This was the Patrons of Industry which also promoted and established a number of co-operative enterprises. In principle and purpose this organization differed from the Grange in that it definitely entered politics both provincial and federal. The growth of the Patrons of Industry was phenomenal, but the organization died out rapidly after its failure in the elections of 1896. The Dominion Grange following the principles of its constitution has always kept out of the political field.

An Act to facilitate the Incorporation of Farmers' Fruit, Produce and Warehouse Associations was passed by the Nova Scotia Legislature in 1908. Co-operative marketing legislation was introduced in British Columbia through the Agricultural Associations Act of 1911. The province of Saskatchewan was the first to recognize marketing in the organization of its Department of Agriculture and in 1913 established the Co-operative Organization Branch. In 1914 the Ontario Government established a Co-operation and Markets Branch and later other provinces set up machinery to deal with co-operative organization among farmers.

Establishment of the Economics Branch.—When the Agricultural Economics Branch was established within the Dominion Department of Agriculture in 1929, the object of one phase of its work was to study the farmers' co-operative movement. It was felt that the first step to take should be the acquisition of all the information possible on the activities of such agencies in Canada. To that end, under joint arrangement with the provincial Governments a survey of existing organizations was undertaken in 1931 and it is expected that such a survey will be made annually or at intervals of a few years. The information thus obtained forms the basis of a permanent record of co-operative activities.

The records obtained from farmers' business organizations at present active show that during the nineties and up to 1915 development of co-operative enterprises in Canada moved rather slowly. The Branch records show that of the companies at present active, 139 were established within that period. During the next decade and up to the present time organization in business by farmers has made steady growth in numbers, membership and business. Co-operative organizations now hold an integral position in the movement of farm products to market and the purchase of farm supplies, and they have gained an important place in the field of Canadian business. The activities of the larger organizations such as the wheat pools, live stock and fruit co-operatives have reached a high stage of development, and have received world wide recognition. In addition to these are hundreds of comparatively small organizations which are working quietly and effectively in serving local areas.

MEMBERSHIP AND VOLUME OF BUSINESS

Available statistics summarized in Tables 1 and 2 show 690 farmers co-operative associations actively engaged in business in 1933 compared with 686 reporting in 1932. Approximately 100 community halls which were included in former reports are not included in this summary of farmers' business organizations. The 690 associations have 2,533 branches which combined make a total of 3,223 places of business engaged in the marketing of farm products and the purchase of supplies for farmers. The shareholders and members financially interested numbered 345,024 and patrons reported totalled 379,740. Comparable figures for 1932 were 342,369 and 382,325 respectively. Combined assets totalled \$104,350,702 with plant and equipment valued at \$40,432,859. The total actual investment of member shareholders in capital stock amounted to \$8,722,451, and reserves and surplus totalled \$39,590,050. Sales of farm products for the year under review amounted to \$128,909,035. The sales value of supplies handled totalled \$7,389,034 which combined with other receipts gave a total business of \$136,411,483. Total business reported by the 686 associations for the year previous amounted to \$115,849,894. Statistics for the year 1933 for all co-operatives and for the commodity groups which follow are summarized in Table 1. Comparable statistics for 1932 are contained in the appendix of the report Table 16.

TABLE 1.—FARMERS' BUSINESS ORGANIZATIONS IN CANADA, 1933. COMMODITY GROUPING

—	Number of associations	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
Marketing—					\$	\$	\$	\$	\$	\$	\$	\$
Dairy products.....	83	112	28,388	45,653	3,825,474	1,654,658	1,526,202	1,639,665	609,607	8,567,690	254,759	8,827,527
Fruits and vegetables.....	102	114	8,875	9,221	3,129,724	1,422,483	1,584,010	844,159	701,555	6,098,283	1,081,278	7,241,931
Grain and seed.....	31	2,146	169,475	168,957	88,719,303	34,720,847	49,189,876	3,342,929	36,186,498	94,795,694	116,048	94,912,237
Live stock.....	59	275	43,149	51,949	1,050,007	637,216	287,732	693,700	68,575	5,240,804	363,381	5,612,473
Poultry.....	25	155	33,529	22,738	408,528	62,925	205,372	38,088	165,088	1,809,460	1,933	1,811,393
Honey.....	2	2	1,606	612	102,515	8,507	61,876	35,238	5,401	237,715	22,091	259,806
Maple sugar.....	1	1	1,982	1,982	300,372	224,485	178,388	56,844	65,140	287,260	.....	287,260
Tobacco.....	6	6	1,009	860	669,397	120,804	342,904	106,046	220,447	262,652	.....	262,652
Wool.....	1	18	2,124	6,500	297,584	79,278	45,310	115,110	137,164	746,896	55,409	815,163
Miscellaneous.....	30	41	27,211	26,102	2,762,714	993,944	1,834,390	651,340	276,984	10,367,226	350,186	10,717,412
Total.....	340	2,870	317,348	334,574	101,265,618	39,925,147	55,256,060	7,573,099	38,436,459	128,413,680	2,245,085	130,747,854
Purchasing.....	326	329	26,104	43,491	3,011,258	487,302	777,304	1,112,857	1,128,840	495,355	5,143,949	5,659,021
Miscellaneous.....	24	24	1,572	1,675	73,826	20,410	12,580	36,495	24,751	.....	.....	4,608
Total for Canada.....	690	3,223	345,024	379,740	104,350,702	40,432,859	56,046,004	8,722,451	39,590,050	128,909,035	7,339,034	136,411,483

TABLE 2.—FARMERS' BUSINESS ORGANIZATIONS IN CANADA, 1933. PROVINCIAL GROUPING

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
					\$	\$	\$	\$	\$	\$	\$	\$
British Columbia.....	75	87	11,910	13,402	3,718,577	1,238,178	1,111,358	1,727,755	879,464	6,934,006	1,244,144	8,194,394
Alberta.....	40	492	59,668	64,215	23,026,027	7,592,895	12,635,613	304,693	10,085,721	27,394,801	814,296	28,215,630
Saskatchewan.....	198	1,369	125,600	133,900	48,018,206	13,559,652	22,535,658	991,509	24,498,842	50,677,216	1,666,444	52,343,660
Manitoba.....	46	252	45,331	44,729	3,753,170	2,398,854	3,251,609	288,707	212,854	8,902,024	518,486	9,435,142
Ontario.....	110	120	32,580	39,748	2,859,722	1,187,122	1,387,135	1,052,837	419,750	9,206,375	1,926,648	11,155,083
Quebec.....	128	128	15,540	15,540	3,060,768	1,399,074	1,984,050	630,608	446,110	6,175,189	.....	6,175,189
New Brunswick.....	22	103	3,974	10,074	266,221	69,781	66,736	73,492	125,993	413,692	338,839	757,531
Nova Scotia.....	50	81	5,253	8,079	1,217,543	535,090	694,655	363,911	158,977	1,198,366	586,110	1,825,563
Prince Edward Island.....	14	93	8,988	9,497	120,084	41,303	118,567	14,337	-12,820	1,129,799	153,705	1,283,504
Inter-provincial.....	7	498	36,180	40,556	18,310,384	7,410,910	12,260,623	3,274,602	2,775,159	16,872,667	140,362	17,025,787
Total.....	690	3,223	345,024	379,740	104,350,702	40,432,859	56,046,004	8,722,451	39,590,050	128,909,035	7,389,034	136,411,483

Dairy Products.—Eighty-three dairy co-operative associations reported to the branch compared with 76 in the preceding year, and the amount of business showed a proportionate increase which totalled \$8,827,527 in 1933. The noticeable reduction from the 1931 figure which was published in a previous report is explained by the fact that the dairy product sales of the United Farmers Co-operative and the Coopérative Fédérée amounting to approximately three million dollars are included in the miscellaneous item. Assets for the dairy companies in 1933 totalled \$3,825,474. Most of the companies in this group are organized on the joint stock plan. Paid-up share capital and reserve amounted to \$2,299,272.

Fruits and Vegetables.—A large proportion of the Canadian fruit and vegetable crop is marketed through 102 fruit co-operatives with a combined membership of 8,875 growers. The year previous 100 associations reported. Assets for all companies totalled \$3,129,724, of which over 40 per cent is invested in plant and equipment. Sales of fruits and vegetables for 1933-34 returned \$6,098,283 compared with \$5,394,035 in 1932-33. There was a slight decrease in the supply business reported which amounts to approximately 15 per cent of the total business of the fruit co-operatives.

Grain and Seed.—Within the marketing group the grain and seed co-operatives which include the wheat pools of Western Canada have the largest membership and investment and exceed all other commodity groups in volume of business which is estimated at \$94,912,237 for the year under review compared with \$75,295,109 in 1932. Membership reported by 31 associations for 1933 totalled 169,475 compared with 171,332 in 1932. Mainly through deductions from the selling price of their grain members have invested a sum of \$36,186,498 which is retained in reserve funds, and in addition have contributed over three millions in share capital. Combined assets totalled \$88,719,303 in 1933.

Live Stock.—The records for 59 live stock marketing associations with 216 shipping agencies reported a combined membership of 43,149 which is a slight reduction from the previous year. Assets are comparatively low amounting to \$1,050,007. This accommodated a business of \$5,612,473 in 1933. Business reported for the year previous was \$4,584,948. The transfer of live stock sales of the United Farmers Co-operative and the Coopérative Fédérée to the miscellaneous group partially explains the reduction in this item as compared with that shown for 1931 in a previous report. The live stock co-operatives in Canada undertake very little processing of their product. Their main activity is the assembling of live stock in cars at producing points for shipment and sale at central markets.

Poultry.—Poultry producers have organized in each province to sell their products co-operatively. Altogether reports were received from 25 associations with 130 shipping and assembling stations. Membership for 1933 was reported as 33,529 compared with 32,007 in 1932. Total assets amounted to \$408,528 with reserves of \$165,088. Sales for the year totalled \$1,809,460 compared with \$1,862,608 reported for 1932.

Wool.—Practically all the wool marketed co-operatively in Canada is handled by the Canadian Co-operative Wool Growers Limited. The company operates in each province through the medium of 18 sheep breeders' and wool growers' associations. The co-operative stores, grades and markets the wool received from its 6,500 patrons. In his report to the members for the year ending February 28, 1934, the President stated:—

The past year in all departments has been one of the most active yet experienced. The quantity of wool received during the year showed an increase of some 25 per cent over the preceding year—sales of the different lines of Stockmen's supplies for the year are the

highest yet recorded, and show a sales increase of nearly 40 per cent as compared to the previous year—the dollar value of wool sales during the year is more than double the previous year's sales—at the same time, earnings in sundry lines continue to be of substantial value to the organization.

Honey, Maple Sugar and Tobacco.—In Ontario and Quebec, the honey producers are organized co-operatively with a combined membership of 1,606 members. The Ontario Honey Producers Co-operative Limited markets approximately four million pounds of honey annually. The Producteurs de Sucre et Sirop d'Erable de Québec with a membership of 1,982 is organized on a co-operative basis. During the year under review the sales value of maple products marketed by this association amounted to \$287,260. Three tobacco co-operatives in Ontario, two in the province of Quebec and one in British Columbia reported a total membership of 1,009 and sales of \$262,652 for the year 1933. Further reference to these commodity groups is made under the section of the report dealing with business analysis and provincial activities.

Miscellaneous.—Within this group are included co-operative companies such as the United Farmers Co-operative, Ontario, and the Coopérative Fédérée de Québec which handle a variety of products and farm supplies. As far as possible in reporting the business of these central organizations and their branch affiliates adjustments have been made in order to avoid duplication. For that reason totals may be lower than actually reported. Thirty associations and 27,211 members were reported by this group for the year 1933 compared with 22 associations and 24,128 members in 1932. Although sales of \$10,717,412 for 1933 were lower than in 1932 the operating position of the companies as a whole showed improvement.

Purchasing.—Returns received in 1934 show 326 associations with 26,104 members organized for the purpose of purchasing farm supplies and merchandise on the co-operative plan. Comparative figures for 1932 are 330 associations and 24,923 members. Assets totalled \$3,011,258 in 1933. Members have invested \$1,112,857 in share capital and surplus and reserves amounted to \$1,128,840. Business reported for the year under review by associations organized exclusively for the handling of supplies amounted to \$5,659,021 compared with \$5,534,784 reported for 1932.

BUSINESS ANALYSIS

Associations of producers which are established for the purpose of marketing farm products or the purchase of supplies on a co-operative basis are business organizations. In most of the provinces of Canada, machinery has been provided through Acts of Legislatures for the organization of co-operative business organizations. By enacting statutory laws governing the establishment of co-operative associations governments have given recognition to the usefulness of this type of organization in the economic life of the community. They have provided the instrument for organization and established the legality of such organization. Responsibility for formation and incorporation then rests with the producers and they must realize that they are entering the field of business and must be prepared to take the risks of business, the rebuffs of business and meet competition in a business-like way. If co-operatives are going to hold their place in the commercial field they must maintain a sound financial structure, hold a solvent position and withstand scrutiny and tests of business efficiency.

The appraisal of co-operative business in Canada which follows is based on returns received in 1934 which cover operations in 1933. It is necessarily approximate but it is an indication of the financial status of the companies. Such grouping together naturally hides many weaknesses of individual companies

TABLE 3.—ANALYSIS OF OPERATIONS OF CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA FOR THE YEAR 1933*

	Total equity of members	Average equity per member	Working capital	Working capital of total assets	Ratios of				Business per patron
					Assets except plant to general liabilities	Business to plant value	Net worth to debt	Net worth to fixed assets	
	\$	\$	\$	%					\$
Marketing—									
Dairy products.....	2,299,272	80.99	644,614	16.85	1.42	5.53	1.51	1.39	193.36
Fruits and vegetables.....	1,545,714	174.16	123,231	3.94	1.08	5.09	0.98	1.09	785.33
Grain and seed.....	39,529,427	233.25	4,808,580	5.42	1.10	2.73	0.80	1.14	561.75
Live stock.....	762,275	17.67	125,059	11.91	1.43	8.81	2.65	1.20	108.04
Poultry.....	203,156	6.06	140,231	34.32	1.68	28.79	0.99	3.23	79.66
Honey.....	40,639	25.30	32,132	31.34	1.52	30.54	0.66	4.78	424.52
Maple sugar.....	121,984	61.54	.....	.....	0.44	1.28	0.68	0.54	144.93
Tobacco.....	326,493	323.58	205,689	30.73	1.60	2.17	0.95	2.70	305.41
Wool.....	252,274	118.77	172,996	58.13	4.82	10.28	5.57	3.18	125.41
Miscellaneous.....	928,324	34.12	.....	.....	0.96	10.78	0.51	0.93	410.60
Total.....	46,009,558	144.98	6,084,411	6.01	1.11	3.27	0.83	1.15	390.79
Purchasing.....	2,241,697	85.88	1,746,592	58.00	3.25	11.61	2.88	4.60	130.12
Miscellaneous.....	61,246	38.96	40,836	55.31	4.25	0.22	4.87	3.00	2.75
Total for Canada.....	48,312,501	140.03	7,871,839	7.54	1.14	3.37	0.86	1.19	359.22

*Considering the ratios in columns 5, 6, 7 and 8, in the form of a fraction, 1 is to be understood as the denominator, i.e., the ratio of assets exclusive of plant to general liabilities for the dairy products group is 1.42 to 1; in other words, the group has \$1.42 of assets, exclusive of plant, covering every \$1.00 of general liabilities.

but at the same time these weak companies dilute the strength of the efficient in an average. The Dominion averages and ratios give a rough estimate and while they cannot properly be used as standards of performance, they form a base with which to compare provincial commodity groups and what is more important, they may be used by the companies themselves against which to test their individual strength. Dominion averages and ratios for the various commodity groups are shown in Table 3.

Net Worth Position.—The total equity of the 345,024 shareholders and members of co-operative business organizations in Canada amounts to \$48,312,501 or an average equity of \$140.03 per member. The producer's equity in the business is composed of paid-up share capital plus surplus and reserves. It represents what the members have contributed in cash and by deductions from the sales value of the commodities marketed or from accumulated surplus earnings. Equity or net worth should bear a certain relationship to other balance sheet items if the financial structure of the organization is sound. A rough standard ratio of net worth to debt is 1 to 1, which means that one dollar of the owner's investment offsets each one dollar of debt. For all co-operatives in the Dominion the ratio of worth to debt is 0.86 to 1. This is not favourable as it indicates that for each 86 cents of member owned capital, there is one dollar of capital loaned by creditors supporting the business. If this position were to persist, it would be considered serious, but if it is of temporary duration to overcome an emergent situation and the relationship continues to improve, such a position at the time may be justified. Net worth may be accompanied by a reasonable investment in fixed assets. If the fixed assets exceed net worth to an unreasonable degree, the ratio is out of proportion and a company is said to be over-invested in plant. The ratio results from dividing the net worth by the amount of fixed assets. For this composite group it is 1.19 to 1. Certain commodity groups exceed a 2 to 1 relation and thereby show a stronger position in this regard.

Assets and Liabilities.—Assets exclusive of plant and equipment amount to \$63,917,843. This figure approximates current assets. General liabilities of \$56,046,004 include the full debt of co-operatives which reported. When the former figure is divided by the latter figure the ratio is calculated to be 1.14 to 1. In other words the co-operatives as a whole have \$1.14 of such assets covering each one dollar of debt. This shows slight improvement over a similar ratio for 1932 of 1.10 to 1. Considering that this may be a more drastic test than the current ratio, the current position of the majority of commodity groups may be regarded as reasonably secure. In such a test as this, the type of product and the changing nature of balance sheet items must be taken into consideration. At certain seasons of the year, the current position of such commodity groups as grain and fruit which are highly seasonal may present an entirely different picture. On the other hand, dairy factories and supply companies which have a fairly steady week-to-week business must have a relatively high proportion of liquid capital at their disposal throughout the year.

Working Capital.—Working capital is the excess of current assets over current liabilities. It is required in varying amounts to carry on the business of a company from day to day, and a working capital position must be maintained if a company is to remain in business. By the same method of calculation as was used to arrive at an approximate current ratio, working capital for the composite group roughly amounts to \$7,871,839 compared with \$4,474,698 for the previous year. In order to test the strength of the working capital position of a company, its relation to total assets may be considered. For all co-operatives in Canada, working capital amounted to 7.54 per cent of total assets with certain commodity groups ranging considerably higher. For the purchasing

group working capital amounts to 58 per cent of total assets. The comparatively low average ratio of 6.01 for the marketing companies is caused by the heavily weighted influence of the grain and fruit commodity groups.

Business and Plant Value.—The ratio of business to plant value is indicative of efficiency in the use of plant. Again considering the combined operations of all co-operatives reporting, the ratio stands at 3.37 to 1, which means that the co-operatives did \$3.37 worth of business for each dollar of value in plant and equipment. Some commodity groups ranged considerably higher. Here again it should be pointed out that the nature of the product must be considered in applying this ratio to commodity groups, and it would be quite incorrect to conclude that because the live stock companies operated on a ratio of 9 to 1 and grain co-operatives on a ratio of 3 to 1 that the plant and equipment at the disposal of the live stock handlers was used with greater efficiency. A large proportion of the live stock is sold in yards, while weather proof storage at country points and at seaboard must be provided to accommodate a product such as grain which is delivered seasonally in large quantities. It is interesting to note that the purchasing co-operatives which have a relatively large turnover of supplies during the year did \$11.61 of business compared with \$3.27 for the marketing group for each dollar invested in plant.

Business Per Patron.—Figures under this heading must of course be considered as estimates only, although the relative position of commodity groups is probably not far astray. The average amount of business contributed by each patron for all co-operatives is estimated to be \$359.22 during the year 1933. For commodity groups such as fruit and grain where production is more or less specialized the average is relatively high.

Summary.—These tests indicate that co-operative business organizations in Canada are in a reasonably sound financial position. Numbers of associations and memberships have been maintained. Assets have been increased during the last three years but not out of proportion with net worth. The relationship of net worth to general liabilities is not all that might be desired but is still within the safety zone. Reported business increased twenty millions or approximately 17 per cent over that reported in 1932. In the face of depressed prices business-like adjustments were made in plant operations and costs were reduced. The great majority of the companies ended the year with a net operating income. The first call made on this surplus was to reduce debts and a substantial amount was put to that purpose. A considerable number of companies were in the fortunate position of being able to pay patronage refunds out of net operating income and to assign a substantial part to surplus and reserves which were increased by \$816,398 over the previous year.

BRITISH COLUMBIA

Returns for British Columbia were received from 75 farmers' business organizations with 12 branches which reported a combined membership of 11,910 for 1933. Patrons of the co-operatives were reported as 13,402 during the year. Of the 87 places of business, 65 were marketing co-operatives with 9,347 members, 19 were purchasing co-operatives with 1,988 members and 3 miscellaneous with 575 members. Total assets for all groups amounted to \$3,718,577 with surplus and reserves of \$879,464. Member shareholders have subscribed and paid up \$1,727,755 in share capital. Total sales of farm products by all associations in the year 1933, amounted to \$6,934,006 and supplies handled had a sales value of \$1,244,144. Total business including other receipts amounted to \$8,194,394 in 1933 as compared with \$7,454,546 reported in 1932. Statistics for 1933 are summarized in Table 4. Comparable statistics for 1932 are contained in the appendix to the report, Table 18.

TABLE 4.—FARMERS' CO-OPERATIVE BUSINESS ORGANIZATIONS IN BRITISH COLUMBIA, 1933

	Num- ber of places of busi- ness	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy pro- ducts.....	11	5,298	4,499	1,517,631	287,290	352,477	1,025,809	139,345	3,027,958	156,310	3,184,327
Fruits and vegetables...	50	3,714	3,215	1,835,088	865,200	664,314	562,457	608,317	3,772,625	447,957	4,235,050
Grain and seed.....	1	63	63	7,768	4,365	4,315	.....	3,453	35,870	.....	35,870
Live stock.....	2	230	450	9,414	2,240	3,120	3,503	2,791	65,915	.....	65,915
Tobacco.....	1	42	42	736	100	721	.....	15	3,435	.....	3,435
Total.....	65	9,347	8,269	3,370,637	1,159,195	1,024,947	1,591,769	753,921	6,905,803	604,267	7,524,597
Purchasing.....	19	1,988	4,556	342,332	76,954	86,228	134,514	121,590	28,203	639,877	669,797
Miscellaneous....	3	575	577	5,608	2,029	183	1,472	3,953	.....	.....	.....
Total for province...	87	11,910	13,402	3,718,577	1,238,178	1,111,358	1,727,755	879,464	6,934,006	1,244,144	8,194,394

Fruits and Vegetables.—The fruit and vegetable co-operatives are credited with the largest volume of business amounting to \$4,235,050 of which \$3,772,625 or 89 per cent was derived from the sale of farm products and \$447,957 or 10 per cent from the sale of supplies. Shareholders numbered 3,714 who owned capital stock amounting to \$562,457. Together with reserves and surplus of \$608,317 the shareholders equity in the business amounted to \$1,170,774 or an average of \$315 per member compared with the Dominion average of \$174. The ratio of assets, exclusive of value of plant, to general liabilities was calculated to be 1.46 to 1 and on the same basis working capital amounted to \$305,574. Business transacted by the companies amounted to \$4.89 on the average for each dollar invested in plant and equipment compared with \$5.09 for the Dominion. This indicates relatively higher overhead charges in British Columbia as compared with other provinces. From available information the business per patron averaged \$1,317 compared with the Dominion average of \$785.

The principal fruit growing area of British Columbia is in the Okanagan Valley in the southern interior of the province where 15 of the listed co-operative packing houses are located. In the adjoining Kootenay district 14 companies reported. The 10 companies reporting from the Lower Mainland and Vancouver Island are engaged largely in the marketing of small fruits and vegetables.

The Associated Growers of British Columbia with head office at Vernon, B.C. is the central selling agency for 34 local packing houses. The company handles about 45 per cent of the fruit marketed in the Okanagan. Membership reported for the year ending March 31, 1934, was 1,620. Fruit marketed by this company during the season 1933-34 amounted to 1,656,420 boxes of apples and 444,025 packages of other fruits and approximately 5,300 tons of vegetables. In the carload distribution 1,594 cars were sold in Canada of which 1,462 were disposed of on the prairie market. Exports amounted to 1,328 cars of which 1,147 were sold in Great Britain and the remainder found markets in thirteen other countries. Three affiliated branches which handle approximately a half-million dollar business annually are the Vernon Fruit Union at Vernon, the Kelowna Growers Exchange, Kelowna, and the Penticton Co-operative Growers at Penticton. About 20 per cent of Okanagan fruit tonnage is handled by Sales Service Limited which is the selling agency for 12 subsidiary companies. Headquarters of this company are at Kelowna.

Dairy Products.—Eleven co-operative dairy companies reported their business operations to the branch in 1934. Total membership reported was 5,298 in 1933. Of this number 3,673 are members of the Fraser Valley Milk Producers' Association of Vancouver. Production for the year amounted to 5,407,430 pounds of butter-fat of which 36 per cent was marketed as fluid milk through the Associated Dairies Limited, Vancouver and 64 per cent manufactured. Other dairy companies whose business amounts to over \$100,000 annually are the Comox Creamery Association at Courtenay, the Okanagan Valley Co-operative Creamery Association, Vernon and the Cowichan Creamery Association, Duncan.



Condensary of Fraser Valley Milk Producers' Association of Vancouver, British Columbia.

Shareholders in this group have invested \$1,025,809 in capital stock. With reserves and surplus of \$139,345 added to this figure the shareholders equity in the business amounted to \$1,165,154 or an average of \$220 per member compared with the Dominion average of \$81. The ratio of assets exclusive of value of plant to general liabilities was calculated to be 3.49 to 1 compared with the Dominion ratio of 1.42 to 1. On the same basis working capital amounted to \$877,864. For the group this indicates a good operating position. Business transacted by the companies amounted to \$11.08 on the average for each dollar invested in plant and equipment. The comparable Dominion average was \$5.33. From available information the business per patron averaged \$708 compared with the Dominion figure of \$193.

Purchasing.—Nineteen co-operative associations organized for the purchase of supplies have 1,988 shareholders who have paid-up share capital amounting to \$134,514. Together with reserves and surplus of \$121,590 the shareholders equity in the business amounted to \$129 per member compared with \$86 for the Dominion. Working capital of \$179,150 for the group and a ratio of assets exclusive of value of plant to general liabilities of 3.07 to 1 indicates a sound financial position. Business transacted by the companies amounted

to \$8.70 on the average for each dollar invested in plant and equipment which is about \$3 below the Dominion average. For companies reporting, the business per patron averaged \$147 compared with \$130 for Canada as a whole.

The largest trading company in the province reporting to the branch is the F. V. Surrey Farmers Co-operative Association at Cloverdale. Next in order are the Dawson Creek Co-operative Union at Dawson Creek and the Armstrong Co-operative Society at Armstrong.

ALBERTA

In 1934 returns were received from 40 co-operative associations in Alberta with 492 branches making a total of 532 places of business active in 1933. Members and shareholders combined, numbered 59,668 and patrons were reported as 64,215. Total assets amounted to \$23,026,027 with surplus and reserves of \$10,085,721. Sales of farm products amounted to \$27,394,801 in 1933 and supplies handled had a sales value of \$814,296. Total business including other receipts amounted to \$28,215,630 in 1933 as compared with \$26,378,992 reported in 1932. Statistics for 1933 are summarized in Table 5. Comparable statistics for 1932 are contained in the appendix of the report, Table 19.

TABLE 5.—FARMERS' BUSINESS ORGANIZATIONS IN ALBERTA, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	7	7,674	10,568	656,657	337,910	394,488	110,254	151,915	1,440,324	.....	1,440,324
Grain and seed.....	446	44,238	44,111	21,889,704	7,152,409	12,132,787	17,587	9,739,330	25,055,091	38,994	25,094,391
Live stock.....	12	4,791	4,104	82,164	45,205	16,443	27,097	38,624	885,083	83,219	969,637
Poultry.....	1	19	19	274	.....	.....	.....	274	3,899	.....	3,899
Total.....	466	56,722	58,802	22,628,799	7,535,524	12,543,718	154,938	9,930,143	27,384,397	122,213	27,508,251
Purchasing.....	24	2,673	5,209	391,034	56,371	89,921	148,015	153,098	10,404	692,083	707,379
Miscellaneous....	2	273	204	6,194	1,000	1,974	1,740	2,480	.....	.....	.....
Total for province...	492	59,668	64,215	23,026,027	7,592,895	12,635,613	304,693	10,085,721	27,394,801	814,296	28,215,630

Grain and Seed.—Over 90 per cent of the co-operative business in the province is credited to the grain and seed group for which sales are estimated at \$25,094,391 in 1933. In that year members numbered 44,238 whose equity in the business totalled \$9,756,917 or an average of \$221 per member. The ratio of assets exclusive of value of plant to general liabilities was calculated to be 1.21 to 1 and on the same basis working capital amounted to \$2,604,508. Business transacted amounted to \$3.51 on the average for each dollar invested in plant and equipment.

The activities of the Alberta Wheat Pool are included in this group. It is the second largest co-operative on the branch records. For the year ended July 15, 1933, membership is reported as 43,534 with acreage under contract amounting to 4,885,123 acres. Receipts of all grain during the season 1932-33 amounted to 43,390,660 bushels which compared favourably with total handlings of the previous season of 41,591,781 bushels. To handle the crop, 439 country elevators and 4 terminal elevators were used. Total receipts of wheat on pool basis during 1932-33 season amounted to 5,461,569 bushels. Of the pool wheat, 49 per cent graded No. 1 Northern which sold for 47.066 cents per bushel. The net return to pool members was 46.551 cents which meant that sales and operating expenses amounted to slightly over one-half cent per bushel.

Dairy Products.—Six co-operative dairy companies reported a membership of 7,674 and patrons numbered 10,568. Of the reported membership 3,500 belong to the Northern Alberta Dairy Pool Limited at Edmonton, 2,500 to the Central Alberta Dairy Pool at Alix and 1,213 to the Southern Alberta Dairy Pool Limited at Calgary.

Shareholders in dairy co-operatives in Alberta have invested \$110,254 in capital stock which with surplus and reserves of \$151,915 means an average equity of \$34.16 per member in the business. This is considerably lower than the Dominion average of \$81 and indicates that the co-operative dairy business in Alberta is being financed to a considerable extent on borrowed capital. The ratio of assets exclusive of value of plant to general liabilities was calculated to be 0.81 to 1 which further emphasizes the position. A large proportion of the general liabilities of the co-operative dairy companies in Alberta is composed of bank loans with repayment guaranteed by the provincial government. A statement published recently shows that the creamery department loans have been reduced from a total of \$179,151 in 1929 to \$102,553 in 1933 or a reduction of 57 per cent in five years. At the same time the producer-members' equity in his business has increased by \$266,679 and patrons have received \$140,758 in cash dividends. The management appear to be working on a systematic plan of repayment towards a full producer owned and controlled business. If this course is adhered to steadily and consistently the system of financing may be regarded as commercially sound. Business transacted by the companies amounted to \$4.26 for each dollar invested in plant and equipment. The comparative Dominion average is \$5.33. From available information the business per patron averaged \$136 compared with the Dominion figure of \$193.

Live Stock.—Reports from eight co-operative live stock associations with twelve branch places of business reported 4,791 members and sales of live stock amounting to \$885,083 in 1933. Assets totalled \$82,164 of which \$45,205 is invested in plant and equipment. Business on the average amounted to \$21.45 for each dollar invested in plant and equipment compared with the corresponding average for the Dominion of \$9. Members' equity which is represented in paid-up share capital of \$27,097 and surplus and reserves of \$38,624 averages \$14 per member. The ratio of assets exclusive of plant to general liabilities was 2.25 to 1. On the same basis working capital amounted to \$20,516. From available reported information, business per patron amounted to \$236 compared with the Dominion average of \$108.

A number of co-operative live stock shipping associations reported inactivity during the year under review due to direct buying and trucking by the packing industry. The Southern Alberta Co-operative Association Limited increased its business \$170,000 over 1932.

Purchasing.—Twenty-one associations with three branch organizations reported 2,673 shareholders and 5,209 patrons in 1933. Paid-up share capital of \$148,015 with surplus and reserves of \$153,098 gave an average equity to each member of \$113 compared with \$86 for the Dominion. Working capital of \$244,742 for the group and a ratio of assets exclusive of value of plant to general liabilities of 3.72 to 1 indicates a strong financial structure. Business transacted by the companies amounted to \$12.55 on the average for each dollar invested in plant and equipment which is slightly above the Dominion average. For companies reporting, the business per patron averaged \$136 compared with \$130 for Canada as a whole.

Business reported by the twenty-four co-operatives for 1933 amounted to \$707,379 compared with \$1,000,534 reported by 31 co-operatives for 1932. The largest co-operative purchasing agency in the province which reported a record

of its business to the branch in 1934 was the Wetaskiwin U.F.A. Co-operative Association Limited. The company has 440 shareholders who have invested \$16,884 in their business. Sales value of supplies for the year 1933 amounted to \$103,293.

SASKATCHEWAN

One hundred and ninety-eight co-operative associations in Saskatchewan reported activities to the branch through their officers in 1934. Together with 1,171 branches, these associations operate a total of 1,369 places of business. In addition, there are approximately 100 community halls which were listed in a previous report but which are not included in this summary. Members total 125,600 who have a total equity in their business of \$25,490,351. Total assets of co-operative business organizations amounted to \$48,018,206. Farm products sold, returned \$50,677,216 in 1933 and supplies handled sold for a total of \$1,666,444. Along with other receipts total business amounted to \$52,343,660 compared with \$34,746,885 reported for the year 1932. Statistics for 1933 are summarized in Table 6. Comparable statistics for 1932 are contained in Table 20 in the appendix of the report.

TABLE 6.—FARMERS' BUSINESS ORGANIZATIONS IN SASKATCHEWAN, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	1	1,822	1,822	178,912	106,932	54,701	10,752	113,459	269,512	.....	269,512
Grain and seed.....	1,074	85,476	85,476	46,160,080	18,087,564	22,098,201	86,074	23,975,805	47,710,506	.....	47,710,506
Live stock.....	99	18,471	26,771	447,473	362,712	40,196	365,670	41,607	2,243,030	.....	2,243,030
Poultry.....	8	8,250	8,250	63,997	2,444	38,012	4,571	21,414	404,954	.....	404,954
Total.....	1,182	114,019	122,319	46,850,462	18,559,652	22,231,110	467,067	24,152,285	50,628,002	.....	50,628,002
Purchasing.....	171	11,143	11,143	1,130,407	.....	294,125	495,762	348,323	49,214	1,666,444	1,715,659
Miscellaneous.....	16	438	37,438	37,337	.....	10,423	28,680	-1,766	.....	.....	.....
Total for province.....	1,369	125,600	133,900	48,018,206	18,559,652	22,535,658	991,509	24,498,842	50,677,216	1,666,444	52,343,660

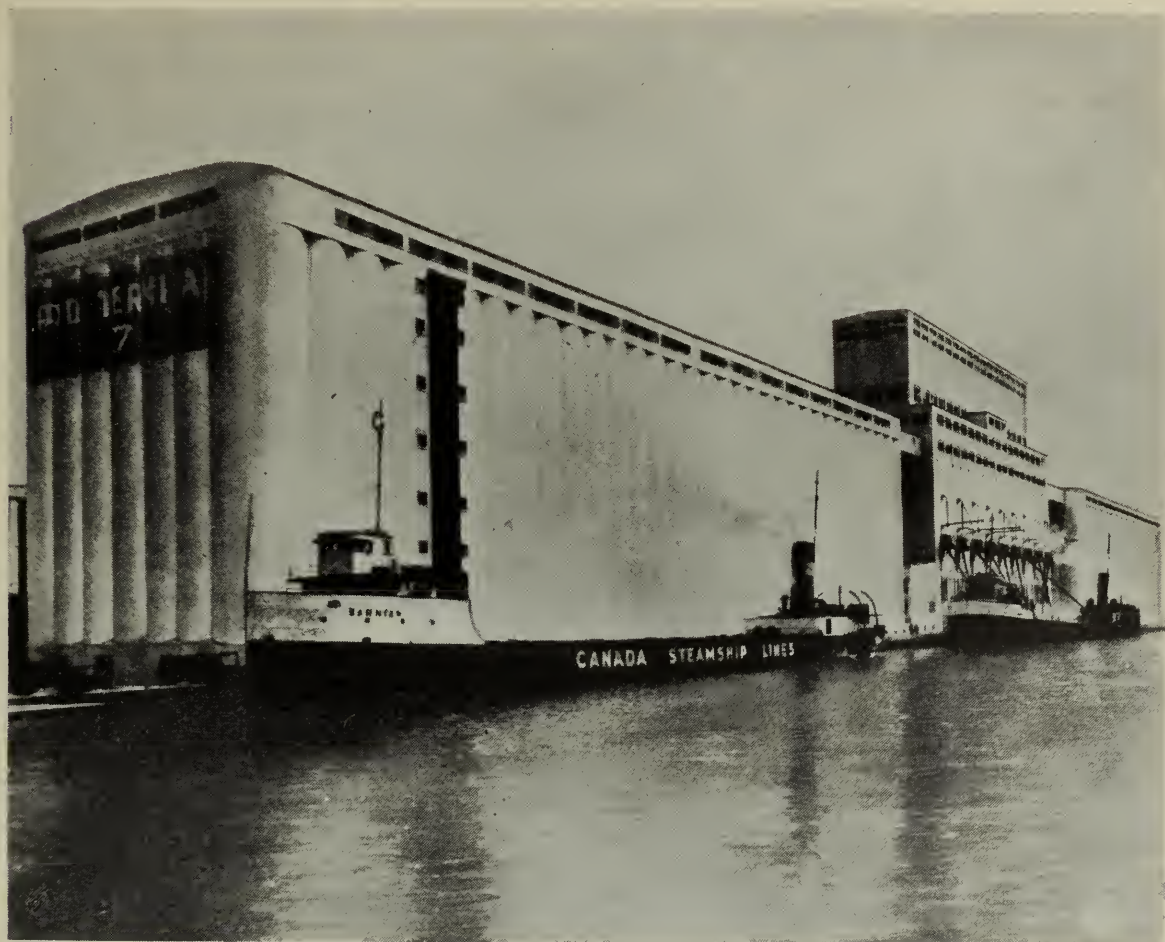
Grain and Seed.—Although co-operative business is well distributed among commodity groups in the province, the activities of the grain pools overshadow all others with a reported membership of 85,476 and business estimated at \$47,710,506 during the year 1933. The equity of members in their business which is made up of paid-up capital stock, surplus and reserves totalled \$24,061,879 or an average investment of \$281 per member compared with the Dominion average of \$233 per member. Assets totalled \$46,160,080 of which plant and equipment accounted for \$18,087,564. The current position of the companies is roughly disclosed by the relative position of assets exclusive of plant to general liabilities which gave a ratio of 1.25 to 1. On the same basis working capital amounted to \$5,974,315 which indicates a liquid position for the companies as a whole. A worth to debt ratio of 1.09 to 1 indicates that surplus and reserves or owned capital more than equals outside borrowings or in other words the grower members have their business well under their own control.

The Saskatchewan Co-operative Wheat Producers Limited with headquarters at Regina is the dominating factor in the group. During the crop year 1932-33 this company handled 56,671,868 bushels of grain. Of all grains delivered to country elevators in Saskatchewan the company reports that 43.02

per cent was handled by the Pool Elevator System. The Directors' report for the year ending July 31, 1933, states: —

The deferred capital commitments from the previous year due to the Government of Saskatchewan and the Liquidator of the Saskatchewan Co-operative Elevator Company Limited have been liquidated entirely, as well as all capital and interest commitments falling due during the past year.

These commitments totalled \$2,085,065. Operating earnings of the co-operative during the year amounted to nearly three million dollars which after depreciation, interest and other charges were deducted left a net operating income of \$814,030.



Saskatchewan Pool Terminal No. 7, Port Arthur, Ontario. Capacity 6,900,000 bushels.

Live Stock.—Assets of the live stock co-operatives in the province amounted to \$447,473 of which \$362,712 are invested in plant and equipment. Paid-up share capital of \$365,670 and surplus and reserves of \$41,607 gave a total growers' equity in the business of \$407,277 or an average of \$22.05 per member compared with the Dominion average of \$17.67. The ratio assets exclusive of plant to general liabilities was 2.11 to 1 and on the same basis the companies had \$44,565 in working capital. Based on the year's record business transacted by the companies amounted to \$11.24 for each dollar invested in plant and equipment. A worth to debt ratio of 10 to 1 indicates that there is a very small proportion of outside capital in the business. These rough tests show a sound financial structure. A more readily available supply of working capital would place the companies in a stronger operating position.

Co-operative live stock marketing in the province is handled almost entirely by the Saskatchewan Co-operative Live Stock Producers Limited. The year ended May 31, 1934, completed seven years of business. In that time the co-operative has handled live stock to the value of over twenty million dollars.

Stock yards have been constructed at Regina and Saskatoon and an abattoir acquired at Saskatoon. Live stock handled during the year under review amounted to 167,247 head. In 1932 the set-up of the company was changed with the organization of a processing plant including stock yards as a subsidiary company incorporated as the Saskatchewan Co-operative Abattoirs Limited.

Facilities for handling live stock on a co-operative basis are provided also by the Southern Saskatchewan Co-operative Stock Yards Limited at Moose Jaw. Receipts for the year amounted to 4,252 carloads and in addition some 20,000 head were driven into the yards. The northern section of the province is served by the Northern Saskatchewan Co-operative Stock Yards Limited at Prince Albert. Through these yards 35,180 head of live stock were handled during the year ending April 30, 1934.



Stock Yards at Regina of Saskatchewan Co-operative Livestock Producers, Limited, with headquarters at Regina, Saskatchewan.

Poultry.—The Saskatchewan Poultry Pool, Limited, at Regina operated eight candling stations in the province during 1933. Members number 8,250 an increase of 903 since 1931. Assets totalled \$63,997. Paid-up capital, surplus and reserves amounted to \$25,985. During 1933 the co-operative marketed 218 carloads of eggs compared with 201 the previous year, 158,852 pounds of live poultry and 1,117,802 pounds of dressed poultry with a combined sales value of \$404,954.

Dairy Products.—The Saskatoon Dairy Co-operative Marketing Association Limited at Saskatoon is the marketing agency for 1822 producer members. It wholesales milk and cream to city distributors and from the surplus manufactures butter, cheese and skim milk powder. Sales value of products handled during the year ending December 31, 1933, amounted to \$269,512. Assets are valued at \$178,912. Paid-up share capital, surplus and reserves gave a total

net worth of \$124,211 or an average equity per member of \$6.81. A worth to debt ratio of 2.27 to 1 indicates a favourable position from this standpoint. The ratio business to plant value was comparatively low and would indicate that the plant and equipment are capable of accommodating a considerably greater volume. On the other hand a part of the plant is rented and must be taken into consideration in applying a test of this kind.

Purchasing.—Reports for 171 purchasing associations were received through the office of the Commissioner of Co-operation and Markets of the Provincial Department of Agriculture. Assets totalling \$1,130,407 are owned by 11,143 shareholders. Net worth consisting of \$495,762 in paid-up share capital and surplus and reserves of \$348,323 gave an average equity per member of \$75.75. The net worth position of the companies appears strong and places them in a reasonably independent position. This is indicated by the worth to debt ratio of 2.87 to 1 which means that the members have \$2.87 of owned capital offsetting each dollar of debt. General liabilities for the year under review amounted to 26 per cent of total assets and show a steadily improving relative position since 1931. Sales of supplies by the associations amounted to \$1,666,444 which together with farm products marketed to the value of \$49,214 made a total volume of business of \$1,715,658.

The Saskatchewan Co-operative Wholesale Society Limited at Saskatoon buys in car lot quantities for 36 shareholder associations. Sales in 1933 amounted to \$315,614. The commodities representing the largest sales were gasoline, lubricating oils and greases, binder twine, coal and dry goods.

MANITOBA

Returns received from the province of Manitoba in 1934 accounted for 46 co-operative associations with 206 branches active in 1933. Shareholders and members numbered 45,331. Of the 46 associations, 11 are classified as marketing co-operatives and 35 as purchasing. While the number of marketing associations is small, through branch affiliates, the scope of their activity is provincial wide. Membership in the marketing group is reported as 42,509 compared with 2,822 in the purchasing co-operatives and approximately the same relationship in volume of business exists between the two groups. Total assets for all groups amounted to \$3,753,170 with surplus and reserves of \$212,854. Sales of farm produce in 1933 amounted to \$8,902,024 and supplies handled had a sales value of \$518,486. Along with other receipts the total volume of business amounted to \$9,435,142 compared with \$7,175,645 reported in 1932. Statistics for 1933 are summarized in Table 7. Comparable statistics for 1932 are contained in Table 21 in the appendix of the report.

TABLE 7.—FARMERS' BUSINESS ORGANIZATIONS IN MANITOBA, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	9	7,677	14,820	370,812	199,183	199,148	158,840	12,824	665,953	88,419	754,656
Vegetables....	1	473	473	18,069	14,750	13,965	.....	4,104	4,736	952	14,943
Grain and seed.....	155	9,338	9,338	2,989,253	2,100,282	2,858,637	10,000	120,616	6,863,414	.....	6,863,414
Live stock.....	47	5,353	5,353	3,383	1,214	10,133	400	—7,150	884,377	.....	884,377
Poultry.....	5	19,668	10,000	151,977	10,270	103,859	19,668	28,450	470,448	.....	470,448
Total.....	217	42,509	39,984	3,533,494	2,325,699	3,185,742	188,908	158,844	8,888,928	89,371	8,987,838
Purchasing.....	35	2,822	4,745	219,676	73,155	65,867	99,799	54,010	13,096	429,115	447,304
Total for province...	252	45,331	44,729	3,753,170	2,398,854	3,251,609	288,707	212,854	8,902,024	518,486	9,435,142

Grain and Seed.—As in the other prairie provinces the grain group far outnumbers other commodity associations in extent of organization and volume of business. Membership reported for the year ending July 31, 1933, was 9,338, who have a total equity in their business of \$130,616 or an average equity per member of \$13.99, which is considerably below the Dominion average. Total assets amounted to \$2,989,253, of which plant and equipment accounted for \$2,100,282. The ratio of assets, exclusive of plant and equipment, to general liabilities was calculated to be 0.31 to 1, which compares rather unfavourably with the Dominion average of 1.10 to 1. An examination of financial statements of individual companies shows their current position to be satisfactory with current assets two to three times in excess of current liabilities. The amount of long-term indebtedness, however, remains large, although gradually being reduced out of net operating surplus. A worth to debt ratio of 0.06 to 1 indicates the extent of outside financing. Business transacted by the Manitoba grain group amounted to \$3.27 for each dollar invested in plant and equipment, which is above the Dominion average. Estimated volume of business for the grain co-operatives during the year under review amounted to \$6,863,414 compared with \$4,678,109 for the previous year.

Manitoba Pool Elevators, Limited, handled a total of 13,816,534 bushels of grain during the year ended July 31, 1933. The Directors' Report states:—

The percentage of our receipts of all deliveries in Manitoba, as at July 31, was 28.3 per cent compared to 25.5 per cent in 1931-32 and 27 per cent in 1930-31. The increase last year is an indication of the return of confidence of former members and patrons and is satisfactory particularly since Pool Elevators operate approximately 20 per cent of the existing elevators in the province.

The consolidated statement of all associations shows that after taking care of all expenses, the net operating surplus amounted to \$300,834.66. Of this roughly \$192,000 was paid as interest and instalment of principal to the province of Manitoba. During the year the operating policy was changed from the individual unit method to provide for operation as a line of elevators to the extent of paying operating expenses and interest on indebtedness to the government of the province.

Live Stock.—The Manitoba Co-operative Livestock Producers Limited has affiliated with it 47 local shipping associations with a reported membership of 5,353. The co-operative carries on organization and educational work throughout the province. Together with the Saskatchewan Co-operative Livestock Producers Limited this organization operates a selling agency at St. Boniface, to which reference is made in the interprovincial section of the report. The number of carloads of live stock originating in Manitoba and shipped through the central agency is reported as 1,064 in 1933 compared with 1,012 the previous year. In addition, 222 cars of stock were trucked in during 1933. During the year the co-operative is reported to have handled 19.9 per cent of the live stock shipped from Manitoba points to the Union Stock yards at St. Boniface.

Dairy Products.—Five co-operative dairy companies together with four branch establishments reported a membership of 7,677 members for the year 1933. Assets had a total value of \$370,812. Members' equity in the business made up of paid-up share capital together with surplus and reserves totalled \$171,664 or an average equity per member of \$22.36. The ratio of assets exclusive of plant and equipment to general liabilities for the companies combined was calculated to be 0.86 to 1. This situation is due to an accumulation of long-term indebtedness. A worth to debt ratio of 0.86 to 1 further emphasizes this position. An examination of individual balance sheets, however, showed the current position of the companies to be relatively good. The business

transacted by all companies combined amounted to \$3.79 for each dollar invested in plant and equipment. Total business for all companies in 1933 amounted to \$754,656 compared with \$707,754 in 1932.

The Manitoba Co-operative Dairies Limited, which now operates five manufacturing plants, is the largest dairy co-operative in the province. During 1933 its members numbered 6,233 and business amounted to approximately half a million dollars. The Workers and Farmers Co-operative Association Limited carries on a large fluid milk business in the city of Winnipeg. Other co-operative creameries contributing to the business reported for this group are operating plants at Arborg, Riverton and St. Pierre.

Poultry.—The Manitoba Co-operative Poultry Marketing Association Limited, Winnipeg, reports an increase in membership and business over the previous year. The annual report for the year ending January 31, 1934, states that although the marketing of eggs shows a deficit, the marketing of dressed poultry was eminently successful. A change in the by-laws during the year extended membership to all who market agricultural products through the association. The delivery of agricultural products for marketing is accepted as the equivalent of an application for membership. One share of capital stock is allotted to the person making such delivery, payment for which is deducted from settlement for the product. Total business for the past year amounted to approximately half a million dollars.

Vegetables.—The Manitoba Vegetable and Potato Growers Co-operative Association was organized in 1926 by market gardeners and farmers in the district surrounding the city of Winnipeg. The company has storage facilities and acts as a marketing agency for its patrons. In 1933 the co-operative handled approximately 4,000 tons of vegetables a considerable portion of which was shipped outside the province.

Purchasing.—Thirty-five farmers' co-operative retail associations furnished returns in 1934. Sales value of supplies which included oil, household and farm necessities purchased during the year 1933 amounted to \$429,115. Shareholders and members numbered 2,822 who have paid-up share capital amounting to \$99,799. Together with reserves and surplus of \$54,010 the shareholders equity in the business amounted to \$55 per member compared with \$86 for the Dominion. Working capital amounted to \$80,654 for the group and the ratio of assets less plant and equipment to general liabilities was calculated to be 2.21 to 1. Business transacted by the companies amounted to \$6.11 for each dollar invested in plant and equipment which is approximately 50 per cent below the Dominion average. The Manitoba Co-operative Wholesale, Winnipeg, is now well established as an important distributing agency to its 47 local co-operative trading associations.

ONTARIO

Returns for Ontario were received from 110 farmers' business organizations in 1934. These companies had 10 branches making a total of 120 places of business active in 1933. Members numbered 32,580 who had invested \$1,052,837 in share capital and have put aside in reserves and surplus approximately one-half million dollars. Of the 120 places of business, 72 are engaged in marketing farm products and 45 are classified as purchasing co-operatives. Total assets for all companies amounted to \$2,859,722. The business of the marketing associations during the year under review totalled \$9,685,676 compared with \$1,464,799 reported by the purchasing group. Of the total value of products marketed co-operatively in Ontario, nearly two-thirds is contributed by the United Farmers of Ontario which handles all of the main commodities listed

in the summary. Due to the difficulty in properly apportioning assets, liabilities, etc., under commodity headings, the business of the United Farmers Co-operative has been summarized in the miscellaneous section and must be taken into account to obtain a fair picture of the amount of dairy products, live stock and poultry marketed co-operatively in the province. Discussion of the United Farmers Co-operative is found at the end of this section of the report. Statistics for 1933 are summarized in Table 8. Comparable statistics for 1932 are contained in the appendix of the report, Table 22.

TABLE 8.—FARMERS' BUSINESS ORGANIZATIONS IN ONTARIO, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	15	1,501	6,321	298,771	193,800	117,033	133,429	48,309	891,639	1,469	893,388
Fruits and vegetables...	13	720	844	226,499	111,954	149,902	37,361	39,236	513,541	90,247	605,803
Grain and seed.....	5	1,159	757	115,584	42,135	37,848	47,100	30,636	225,204	77,054	302,447
Live stock.....	20	3,273	4,240	326,912	193,763	96,676	261,938	-31,702	819,933	195,209	1,022,095
Poultry.....	1	60	100	.....	.....	.....	.....	.....	154,945	.....	154,945
Honey.....	1	1,294	300	96,916	8,507	61,872	32,312	2,732	222,709	22,091	244,800
Tobacco.....	3	303	154	291,811	16,611	266,711	27,683	-2,583	28,550	.....	28,550
Miscellaneous*	14	19,277	18,168	823,822	373,980	474,834	361,954	-12,966	6,083,462	350,186	6,433,648
Total.....	72	27,587	30,884	2,180,315	940,750	1,204,876	901,777	73,662	8,939,983	736,256	9,685,676
Purchasing.....	45	4,707	8,408	654,720	228,991	182,259	146,457	326,004	266,392	1,190,392	1,464,799
Miscellaneous....	3	286	456	24,687	17,381	.....	4,603	20,084	.....	.....	4,608
Total for province...	120	32,580	39,748	2,859,722	1,187,122	1,387,135	1,052,837	419,750	9,206,375	1,926,648	11,155,083

*Includes United Farmers Co-operative with totals adjusted to avoid duplication in reporting business of locals. See introductory paragraph and final paragraph of the Ontario section of the Report.

Dairy Products.—Fifteen co-operative dairy companies reported their business operations during 1933. Members numbered 1,501 who have invested \$133,429 in capital stock. With reserves and surplus of \$48,309 added to this figure, the shareholders equity in the business amounted to \$181,738 or an average of \$121 compared with the Dominion average of \$81. The ratio of assets exclusive of plant to general liabilities was calculated to be 0.90 to 1 compared with the Dominion ratio of 1.42 to 1. An examination of individual financial statements shows certain companies to be in a strong financial position but when the working capital situation of the group is considered it cannot be regarded as satisfactory. Business transacted by the companies amounted to \$4.61 on the average for each dollar invested in plant and equipment. The comparable Dominion average was \$5.33. From available information the business per patron averaged \$141 compared with the Dominion figure of \$193.

One of the largest dairy co-operatives reporting in this group is the New Dundee Co-operative Creamery Limited at New Dundee. Business for this company in 1933 approximated one-half million dollars. The business of the Thunder Bay Co-operative Dairy Limited at Port Arthur was well maintained and the newly organized Hamilton Co-operative Creameries Limited reported business of approximately \$200,000 for the year under review.

Fruits and Vegetables.—Thirteen associations with 720 members reported for this group. Members own capital stock amounting to \$37,361 which together with surplus and reserves of \$39,236 gives a total shareholders' equity of \$76,597 or an average of \$106 per member compared with the Dominion average of \$174. The ratio of assets exclusive of plant to general liabilities was calcu-

lated to be 0.76 to 1. When the working capital position of the number of the companies is also taken into consideration the current position of the group can hardly be considered satisfactory. Business transacted by the companies amounted to \$5.41 for each dollar invested in plant and equipment compared with \$5.09 for the Dominion. From available information the business per patron averaged \$718.



Apples awaiting shipment in cold storage in the modern plant of the Norfolk Fruit Growers' Association, Simcoe, Ontario.

Live Stock.—Returns were received from 20 co-operative live stock marketing associations which reported a membership of 3,273. The equity per member averaged \$70 compared with \$18 for the Dominion. The ratio of assets exclusive of plant to general liabilities was calculated to be 1.38 to 1 and on the same basis working capital amounted to \$36,473. Although net operations for the group resulted in a loss for the year under review this is occasioned by comparatively heavy operating deficits for two or three individual companies. On the average the companies did \$5.27 of business for each dollar invested in plant and equipment. The corresponding Dominion figure was \$8.81. A worth to debt ratio of 2.38 to 1 and business per patron of \$241 stands up well with the Dominion average. Business transacted by the twenty companies amounted to over one million dollars during the year. Among the large contributors to business reported for this group are the Parkhill Farmers Co-operative Supply Company Limited, Parkhill, the First Co-operative Packers of Ontario Limited at Barrie and the Omemee Farmers Club at Omemee.

Grain and Seed.—Five associations with a membership of 1,159 reported operations for 1933. Paid-up capital and reserves amounted to \$77,736 with an average equity per member of \$67. The ratio of assets exclusive of plant and equipment to general liabilities was calculated to be 1.94 to 1 and on the same basis working capital amounted to \$35,601. For the group as a whole this is a satisfactory position which was further emphasized by a worth to debt

ratio of 2 to 1. The companies in the group averaged \$7.18 of business for each dollar invested in plant and equipment which was considerably above the Dominion average of \$2.73. Total business for the year 1933 amounted to \$302,447.

The Peel Seed Growers' Co-operative Limited at Brampton reported sales during the year of approximately \$92,000. The Oxford Farmers Co-operative Company Limited which handles a considerable quantity of beans marketed seed and grains valued at approximately \$90,000.

Honey.—The tenth annual meeting of the Ontario Honey Producers Co-operative Limited was held in Toronto January 4, 1934. At the meeting the Directors reported to the members that the company was free of debt with a surplus of cash in the bank and the large stocks of honey fully liquidated at a reasonable price. During the year 1933 the company marketed 2½ million pounds of honey for its patrons. An examination of the financial statement shows improvement in the financial position of the company as compared with previous years. In paid-up share capital and reserves the members have an equity averaging \$27 per member. The ratio of current assets to current liabilities is calculated to be 1.30 to 1 and working capital amounts to \$18,864. The worth to debt ratio exclusive of the producers' equity in pools stood at 3 to 1 which places the company in a favourable position with respect to outside financing. Total business in 1933 amounted to approximately one quarter million dollars. The company ended the year with a surplus, out of which dividends were paid on capital stock, refunds were made to patrons and a substantial amount carried to reserve.

Tobacco.—Three companies organized for the co-operative marketing of tobacco reported operating activities for 1933. The Southern Ontario Flue Cured Tobacco Growers Co-operative Association Limited at Tillsonburg with a membership of 278 reported sales of approximately \$15,500. Other tobacco co-operatives in the province which reported to the branch are the Norfolk Tobacco Growers Co-operative Company Limited at Tillsonburg and the Ontario Sales Co-operative Limited at Simcoe.

United Farmers Co-operative Company, Limited.—The United Farmers Co-operative Company, Limited, with headquarters at Toronto, was formed in 1914 to provide Ontario farmers with facilities for marketing farm products co-operatively and for buying farm supplies collectively. It is financed, operated and controlled by farmers. The Co-operative aims to serve the general farmer by establishing a department for each product or group of similar products handled and by conducting each department as a unit—all under the one name and under the same general management. The United Farmers Co-operative has had a long life of useful service in the interest of Ontario farmers and undoubtedly has had an important influence in improving the net return to the producer of farm products and in stabilizing the prices of things he buys. Like many other commercial enterprises, the company has had to draw on its reserves during this period of economic strain but it has been able to hold its position as a going concern without serious impairment to its volume of business.

Combined shareholders and members numbered about 20,000, who have \$361,709 directly invested in their company through the purchase of 70,060 shares of capital stock of no par value. Total assets of the company amounted to \$823,602, of which \$373,981 was invested in plant and equipment. Current assets exceeded current liabilities by about 20 per cent but to properly appraise the value of the ratio, it would be necessary to analyse the liquidity of the merchandise inventories and accounts receivable, which make up 90 per cent of the total current assets of the company. The working capital of the co-operative

amounted to \$75,267 or 9.14 per cent of total assets. The business transacted during the year amounted \$18.09 for each dollar invested in plant and equipment, which compared favourably with Dominion averages. The net worth position was not so favourable, as the balance sheet showed that the company was dependent on outside sources mainly through bank loans and mortgages for 58 per cent of its capital, the remaining 42 per cent being provided by its membership.

During the year 1933 the co-operative marketed over a quarter million head of live stock, over eight million pounds of butter, approximately one million dozen eggs, half a million pounds of poultry and furnished supplies for farmer patrons on a cost basis to the value of one-half million dollars. Total business for the year amounted to approximately seven million dollars.

QUEBEC

Returns were received from 128 associations in 1934 from the province of Quebec which reported a membership of 15,540. Members have invested \$630,608 in share capital and have built up a reserve and surplus amounting to \$446,110. Total assets for all companies amounted to over three million dollars. As supplies purchased were not itemized separately in the returns, all business is shown under sales of farm products, which totalled \$6,175,189 for the year. Of the total value of products marketed co-operatively in Quebec, approximately two-thirds is contributed by the Coopérative Fédérée de Québec which handles all of the main commodities listed in the summary. Due to the difficulty in properly apportioning assets, liabilities, etc., under commodity headings, the business of the Coopérative Fédérée has been summarized in the miscellaneous section and must be taken into account to obtain a fair picture of the amount of dairy products, live stock and poultry marketed co-operatively in the province. Discussion of the Coopérative Fédérée is found at the end of this section of the report. Statistics for 1933 are summarized in Table 9. Comparable statistics for 1932 are contained in Table 23, in the appendix of the report.

TABLE 9.—FARMERS' BUSINESS ORGANIZATIONS IN QUEBEC, 1933

—	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products and supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$
Marketing—										
Dairy products.....	18	1,382	1,382	417,804	332,147	289,662	81,139	47,003	607,221	607,221
Fruits and vege- tables.....	19	1,002	1,002	90,880	43,691	38,981	34,278	17,621	246,016	246,016
Grain and seed.....	13	600	600	64,296	35,605	20,325	35,318	8,653	148,935	148,935
Live stock.....	18	1,031	1,031	70,881	31,702	28,213	24,150	18,518	157,992	157,992
Poultry.....	17	608	608	38,324	21,050	13,938	12,629	11,757	94,533	94,533
Honey.....	1	312	312	5,599	.....	4	2,926	2,669	15,006	15,006
Maple sugar.....	1	1,982	1,982	300,372	224,485	178,388	56,844	65,140	287,260	287,260
Tobacco.....	2	664	664	376,850	104,093	75,472	78,363	223,015	230,667	230,667
Miscellaneous*.....	26	7,021	7,021	1,655,359	588,767	1,328,086	289,386	37,887	4,283,764	4,283,764
Total.....	115	14,602	14,602	3,020,365	1,381,540	1,973,069	615,033	432,263	6,071,394	6,071,394
Purchasing.....	13	938	938	40,403	17,534	10,981	15,575	13,847	103,795	103,795
Total for province	128	15,540	15,540	3,060,768	1,399,074	1,984,050	630,608	446,110	6,175,189	6,175,189

*Includes Coopérative Fédérée de Québec with totals adjusted to avoid duplication in reporting business of locals. See introductory paragraph and final paragraphs of the Quebec section of the Report.

Dairy Products.—Eighteen co-operative dairy companies reported their business operations for the year 1933. Members numbered 1,382 who have invested \$81,139 in capital stock. Together with reserves and surplus of

\$47,003 the shareholders' equity in the business amounted to \$128,142 or an average of \$93 per member compared with the Dominion average of \$81. The ratio assets exclusive of plant to general liabilities was 0.30 to 1 which cannot be regarded as satisfactory. Business transacted by the companies amounted to \$1.83 on the average for each dollar invested in plant and equipment. The comparable Dominion average was \$5.33. A further examination of the balance sheets showed that a large proportion of the companies were dependent on outside capital for their financing.

The Coopérative de Lait et Crème, Montreal, which was organized in 1929 has 130 members. The company has acquired a well equipped plant and is engaged entirely in the whole milk distributing business in the city of Montreal. During the year 1933 it handled over one million pounds of milk for its patrons. Sales for that year amounted to approximately \$334,000 compared with \$266,000 in 1932 and \$220,000 in 1931.

The Montreal Milk Producers Co-operative Agricultural Association was organized in 1918 as a bargaining and educational association to protect milk producers in the area surrounding the city of Montreal in butter-fat tests, freight rates and prices. The Directors' Report for 1933 states that the year has been one of the most active in the history of the Association. The outstanding event of the year was the enactment by the Quebec Legislature of the Dairy Products' Act and the appointment of a Dairy Commission. During the year a conference was held with the principal railway officials in regard to the rate charged for milk shipped to Montreal and reductions were secured. Considerable organization work was accomplished and the membership increased by 400 new members. The Association now has about 3,300 members and controls approximately 85 per cent of the fluid milk entering the city of Montreal. The financial statement showed the association to be in a sound position financially.

Fruits and Vegetables.—Nineteen co-operatives engaged in the packing and processing of fruits and vegetables with 1,002 members are included in this group. Members had a total equity of \$51,899 or an average equity per member of \$51.80. The combined statement showed that the companies were in a reasonably sound position financially with assets in excess of liabilities and working capital amounting to over \$8,000. The co-operatives averaged \$5.63 of business for each dollar invested in plant and equipment which is above the Dominion average of \$5.09. Sales for the year amounted to a total of \$246,016.

Grain and Seed.—Thirteen co-operatives with 600 members sold products to the value of \$148,935 in 1933. The equity of members amounted to \$43,971 or an average of \$73 per member. Assets exclusive of plant to general liabilities gave a ratio of 1.41 to 1 compared with 1.10 to 1 for the Dominion and on the same basis working capital amounted to \$8,366. The co-operatives did \$4.18 of business for each dollar invested in plant and equipment which is above the Dominion average of \$2.73. A worth to debt ratio of over 2 to 1 showed that the members owned their business and were reasonably independent of outside capital.

Live Stock and Poultry.—The 1,639 members in these commodity divisions market their products through 35 cooperatives. Business for the year 1933 amounted to over one-quarter million dollars. Combined assets totalled \$109,205. Total equity of members made up of share capital and reserves totalled \$67,054 or an average of \$41 per member. In tests of financial soundness the companies as a whole measured up reasonably well.



The Abattoir at Princeville, Quebec. One of the branches of the Coopérative Fédérée de Québec.

Honey and Maple Sugar.—The Quebec Honey Producers Co-operative Association with headquarters at Ste-Philomène was organized in 1925 on a provincial basis for the grading and sale of honey. Three-year contracts are entered into with members and returns are pooled. The business reported in 1933 was \$15,007 which was contributed by 312 members. The Maple Sugar and Syrup Producers Co-operative Association at Lévis was organized in 1925 for the preparation and sale of maple products. The association has five-year contracts with members. Proceeds of the product are pooled. In 1933 sales of maple products for 1,982 members amounted to \$287,260.

Tobacco.—Two co-operative tobacco associations reported a combined membership of 664. Total sales for the year amounted to \$230,667. Members of these associations have invested \$78,363 in share capital and have built up a substantial surplus and reserves of \$223,015. Average equity per member amounted to \$454. The ratio of assets exclusive of plant to general liabilities was 3.61 to 1 and on the same basis working capital amounted to \$197,285. The companies did \$2.22 worth of business for each dollar invested in plant and equipment. The net worth position of the companies was very good with over \$300,000 of members' capital offsetting \$75,472 of debt.

La Société Coopérative Agricole de la Vallée d'Yamaska was organized in 1911. This association has made steady progress in membership and volume of business. An examination of the financial statement shows this company to be in a sound financial position which reflects able management and a loyal membership. In 1933 the company reported 451 members and a volume of business of \$178,754. The balance sheet showed surplus and reserves of \$160,824. La Société Coopérative Agricole de Tabac du District de Joliette which was organized in 1929 reported 213 members in 1933 and business of \$51,914.

Co-opérative Fédérée de Québec.—The Co-opérative Fédérée de Québec was incorporated by a special act in 1922 which provided for the federation of three existing co-operative associations. This company with headquarters at Montreal handles all types of farm products and is engaged in a large supply business. The combining of orders for supplies from farmers through their locals has enabled the central organization to purchase in large quantities which has undoubtedly reduced the cost of goods. A recent report states that through the activities of the co-operative direct benefits have accrued to members and indirectly to farmers who have not become members, as supplies of all kinds have been reduced in price to meet the co-operative sales.

The locals affiliated with the central organization number 150 which have over 15,000 members. The co-operative maintains branches at Quebec City, Lévis and Princeville, where an abattoir as well as a supply warehouse is maintained. Seed cleaning, balanced ration mixing and feed preparation is done at Ste-Rosalie Junction. The Lennoxville plant as well as the Waterloo branch grind grain and conduct a supply business. Administration headquarters are situated at Montreal, the centre of the purchase of supplies and the export of agricultural products. In the city also the company maintains a live stock terminal, a butter and cheese office, an egg candling and poultry department and facilities for handling fish.

The co-operative markets all types of farm products for its members and handles a wide assortment of supplies. In 1933 these included 107,000 boxes of butter, 105,000 boxes of cheese, 723 tons and 118,000 bushels of grain and seed, 150 car loads of potatoes, 140 tons of fish, 30,000 head of live cattle and 775 tons of dressed beef, 339 tons of poultry and 6,700 cases of eggs. In addition, large quantities of canned goods, honey, maple products, blueberries and peas are marketed for the members. Total sales value of products handled in 1933 amounted to \$4,538,163.

Association des Fabricants de Conserves.—Canned tomatoes, corn, peas and beans are handled by the Association des Fabricants de Conserves for 18 member companies. The association of canning companies was formed in 1933 with headquarters at Montreal. An agreement for one year is entered into with members. Each local subscribes \$100 and is given four years to pay this up. The sales agency deducted 3 per cent commission on the sale price during the year under review. Out of this, brokerage and administration costs were all paid and a balance of over \$11,000 rebated to the growers. Sales of canned products during the year 1933 amounted to over \$750,000.

NEW BRUNSWICK

In 1934 returns were received from 22 co-operative associations in New Brunswick which reported active business in 1933. Members and shareholders combined numbered 3,974 and patrons are reported as 10,074. Total assets amounted to \$266,221 with surplus and reserves of \$125,993. Sales of farm products by all companies returned \$418,692 and the sales value of supplies amounted to \$338,839. All business including other receipts totalled \$757,531 compared with \$919,208 reported for 1932. Statistics for 1933 are summarized in Table 10. Comparable statistics for 1932 are contained in the appendix of the report, Table 24.

TABLE 10.—FARMERS' BUSINESS ORGANIZATIONS IN NEW BRUNSWICK, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	9	392	1,676	99,121	37,942	12,437	24,938	61,746	301,869	114	301,983
Fruits and vegetables...	1	30	30	622	.....	17	.....	605	7,563	1,000	8,563
Grain and seed.....	1	12	23	206	136	.....	.....	206	.....	.....	.....
Live stock.....	18	1,136	1,136	.....	.....	.....	.....	.....	11,515	.....	11,515
Poultry.....	55	1,500	200	20,709	8,106	20,484	.....	225	93,855	.....	93,855
Total.....	84	3,070	3,065	120,658	46,184	32,938	24,938	62,782	414,802	1,114	415,916
Purchasing.....	9	904	7,009	145,563	23,597	33,798	48,554	63,211	3,890	337,725	341,615
Total for province...	93	3,974	10,074	266,221	69,781	66,736	73,492	125,993	418,692	338,839	757,531

Dairy Products.—Nine co-operative dairy companies reported a membership of 392 and 1,676 patrons. Shareholders in the New Brunswick co-operatives have invested \$24,938 in capital stock which with reserves and surplus of \$61,746 means an average equity of \$221 which is considerably above the Dominion average of \$81. The ratio of assets exclusive of value of plant to general liabilities was calculated to be 4.92 to 1 compared with the Dominion ratio of 1.42 to 1. On the same basis working capital amounted to \$48,742, which is approximately 50 per cent of total assets. Business transacted by this group of companies averaged \$7.96 for each dollar invested in plant and equipment and the net worth to debt ratio stood at 6.97 to 1.

In this group the Sussex Cheese and Butter Company Limited is the largest dairy factory reporting. This company manufactured 853,242 pounds of butter and 36,798 gallons of ice cream in 1933. The Madawaska Creamery Limited at Albertine reported a production of 62,208 pounds of butter and the Farmers' Co-operative Dairy Company Limited at Fredericton produced 122,742 pounds of butter and over 9,000 gallons of ice cream.

Live Stock and Poultry.—Returns for eighteen co-operative shipping clubs were received through the office of the representative of the Dominion Live Stock Branch, Moncton. These clubs are affiliated with the Canadian Live Stock Co-operative (Maritimes) with headquarters at Moncton. A short discussion on the activities of this organization is given in the interprovincial section. The shipping clubs reported a membership of 1,136 which marketed live stock to the value of \$11,515.

The business of the Maritime Co-operative Egg and Poultry Exchange at Saint John is contributed by 55 egg circles in the province of New Brunswick and a number of patrons in Nova Scotia. Membership reported in 1933 was 1,500 and patrons numbered 200. Eggs handled in 1933 amounted to over 300,000 dozens and poultry over 100,000 pounds. The hatchery and canning plant continued operations during the year.

Purchasing.—Nine associations with 904 members and over 7,000 patrons contributed business of \$341,615 in sales value during 1933. The combined assets of the companies amounted to \$145,563. The co-operatives are strengthened with surplus and reserves of \$63,211. The company doing the largest business in this group is the N.B. Agricultural Societies United at East Centreville which sold over 5,000 tons of fertilizer during the year. The Grand Falls United Farmers' Co-operative Limited at Grand Falls is carrying on an active business with sales to patrons of approximately \$40,000 in 1933, and the People's Co-operative Limited at Riverside carries on a business of approximately the same size.

NOVA SCOTIA

Fifty associations in Nova Scotia with 31 branches reported a membership of 5,253 for 1933. Patrons numbered 8,079. Of the 50 associations, 37 are marketing co-operatives with 4,324 members and 13 are purchasing organizations with 929 members. Total assets for all groups amounted to \$1,217,543 with surplus and reserves of \$158,977. Member shareholders have subscribed and paid up \$363,911 in share capital. Total sales of farm products by all associations in the year amounted to \$1,198,366 and supplies handled had a sales value of \$586,110. Total business including other receipts amounted to \$1,825,563 compared with \$2,175,673 reported for 1932. Statistics for 1933 are summarized in Table 11. Comparable statistics for 1932 are contained in the appendix of the report, Table 25.

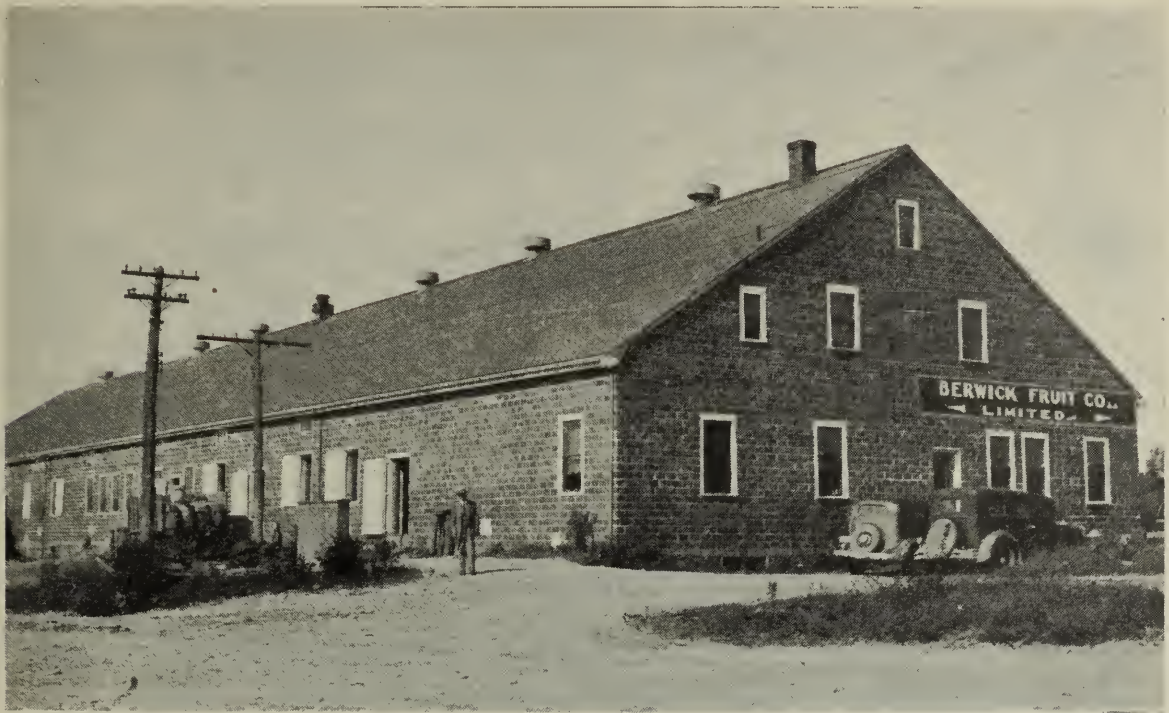
TABLE 11.—FARMERS' BUSINESS ORGANIZATIONS IN NOVA SCOTIA, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	6	1,043	2,644	218,984	139,302	66,293	129,667	23,024	291,685	8,447	304,587
Fruits and vegetables...	29	936	1,657	911,436	385,088	614,177	210,063	87,196	846,940	389,350	1,272,922
Live stock.....	32	2,245	2,245	.....	.....	.....	.....	.....	38,380	.....	38,380
Poultry.....	1	100	50	.....	.....	.....	.....	.....	1,000	.....	1,000
Total.....	68	4,324	6,596	1,130,420	524,390	680,470	339,730	110,220	1,178,005	397,797	1,616,889
Purchasing.....	13	929	1,483	87,123	10,700	14,185	24,181	48,757	20,361	188,313	208,674
Total for province...	81	5,253	8,079	1,217,543	535,090	694,655	363,911	158,977	1,198,366	586,110	1,825,563

Fruits and Vegetables.—Over half the co-operatives reporting from Nova Scotia are in the fruit and vegetable commodity group. Volume of business reported by the fruit co-operatives during the year 1933 totalled \$1,272,922, of which \$389,350 or 31 per cent is derived from the sale of supplies. Shareholders numbered 936 who owned capital stock amounting to \$210,063. Together with reserves and surplus of \$87,196 the shareholders equity in the business amounted to \$297,259 or an average of \$318 per member compared with the Dominion average of \$174. The ratio of assets, exclusive of value of plant to general liabilities was calculated to be 0·86 to 1. This indicated an unfavourable debt situation for the group as a whole and was further emphasized by a worth to debt ratio of 0·48 to 1. That is for every 48 cents of member owned capital in the co-operative fruit business in the province at the time the companies' balance sheets were prepared, there was one dollar of borrowed capital. The commodity has not financed the business, or in other words deductions per barrel of fruit or the margins of profit on supplies have not been large enough to systematically retire the principal sums borrowed. A study of the history of individual cases shows that much of the debt was incurred in past years through over-extension of credit in the sale of flour and feed and other farm supplies. A number of companies which drifted into heavy indebtedness are under new management since 1928 or 1930 and are showing gradual improvement, but there is still need for more definite and systematic debt reduction.

The United Fruit Companies of Nova Scotia Limited is the central selling agency for 40 affiliated local co-operative fruit warehouses. Sale of fruit and factory products in 1933 amounted to over \$1,300,000 and sales of supplies to slightly over \$320,000. The total number of barrels of apples handled

amounted to 696,504 of which 92 per cent were shipped to markets and 8 per cent turned into fruit products. During the year the United Fruit Companies handled approximately 25 per cent of the apples exported from the province. The company is engaged extensively in the manufacture of fruit products and spray material with plants at Port Williams and Aylesford. Of the affiliated locals the two largest companies are the Wolfville Fruit Company Limited, Wolfville, and the Port Williams Fruit Company, Port Williams which, in addition to handling fruit for their patrons, carry on a large retail store business.



Packing Plant and Warehouse of the Berwick Fruit Company Limited, Berwick, N.S.

The Empire Apple Exchange at Berwick operates as a central selling agency for seven co-operative packing houses. In 1933 the Exchange handled over 112,000 barrels of apples for its member shippers. One of the largest locals in the Exchange is the Co-operative Fruit Company Limited at Grafton which handled over 36,000 barrels of apples in 1933.

Dairy Products.—Six co-operative dairy companies reported their business activities to the branch in 1934. Total membership in the year 1933 was 1,043. Shareholders had an equity in the business of \$152,691 or an average of \$146 per member compared with the Dominion average of \$81. The ratio of assets exclusive of plant to general liabilities was calculated to be 1.20 to 1 compared with the Dominion ratio of 1.42 to 1. On the same basis working capital amounted to \$13,389. The net worth position of the companies was reasonably good with a worth to debt ratio of 2.30 to 1. The comparable Dominion average was 1.51 to 1. Only \$2.19 worth of business for each dollar invested in plant and equipment was averaged by these companies which is comparatively low. The Pictou County Dairy Company Limited at Stellarton reported sales of \$126,000 and the Scotsburn Creamery Company Limited at Scotsburn marketed \$72,000 worth of dairy products.

Live Stock.—Returns for the live stock shipping clubs which market through the Canadian Livestock Co-operative (Maritimes), Moncton, N.B. were received through the office of representatives of the Dominion Live Stock Branch, Truro. Reports were received covering 32 associations with a mem-

bership of 2,245. Shipments which consisted of over 10,000 lambs, 300 hogs and a smaller number of calves had a total sales value of \$38,380. The lambs marketed averaged 77 per cent tops and the hogs 51 per cent selects. The net return per head showed considerable improvement over 1932.

Purchasing.—Returns were received from 13 farmers' companies engaged in the co-operative purchase of supplies. Business conducted by these companies in 1933 amounted to \$208,674. This figure hardly provides a correct picture of the extent of co-operative buying in Nova Scotia as fruit and dairy companies reported purchase of supplies of nearly a half million dollars. The members' equity in the companies amounted to a total of \$72,938 or an average of \$79 per member. The ratio of assets exclusive of plant and equipment stood at 5.39 to 1 and on the same basis working capital amounted to \$62,238. The worth to debt ratio was calculated to be 5 to 1. These ratios are higher than the Dominion percentages and indicate a reasonably sound position for most companies. The companies combined did \$19.50 worth of business for each dollar invested in plant and equipment.

The British Canadian Co-operative Society Limited at Sydney Mines operates a retail store business which serves the industrial wage earning groups of Sydney, Glace Bay, Sydney Mines and vicinity. The central store at Sydney Mines and four branches carry on a business of approximately one million dollars annually. One department of the company is engaged in the retail distribution of milk and cream and the manufacture of dairy products. Due to the fact that a very small proportion of the 3,500 members are farmers, the business of the co-operative has not been included in summaries presented in this report on farmers' business organizations.

PRINCE EDWARD ISLAND

Reports on the activities of fourteen co-operative associations with 89 branches or shipping clubs were received from Prince Edward Island for 1933. Combined membership totalled 8,988. The assets of the companies reporting amounted to \$120,084 of which \$41,303 is invested in plant and equipment. The dairy products and poultry co-operatives have set aside a reasonably substantial reserve fund but due to losses in the fruit and vegetable group, the net result in the provincial total is shown as a deficit. Total business for all companies in 1933 amounted to \$1,283,504 compared with \$780,238 in 1932. Statistics for 1933 are summarized in Table 12. Comparable statistics for 1932 are contained in the appendix of the report, Table 26.

TABLE 12.—FARMERS' BUSINESS ORGANIZATIONS IN PRINCE EDWARD ISLAND, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	11	1,164	1,486	30,019	20,152	3,700	14,337	11,982	149,701	.....	149,701
Fruits and vegetables...	1	2,000	2,000	47,130	1,800	102,654	.....	-55,524	706,862	151,772	858,634
Live stock.....	25	2,500	2,500	317	43	244	.....	73	112,008	.....	112,008
Poultry.....	66	3,324	3,511	42,618	19,308	11,969	.....	30,649	161,228	1,933	163,161
Total for province.....	103	8,988	9,497	120,084	41,303	118,567	14,337	-12,820	1,129,799	153,705	1,283,504

Dairy Products.—Returns were received from 11 co-operative dairies with a membership of 1,164. Assets totalled \$30,019. In tests of financial soundness, the companies reporting stand up reasonably well. The ratio of assets ex-

clusive of plant to general liabilities was calculated to be 2.67 to 1 compared with the Dominion average of 1.42 to 1 and on the same basis working capital amounted to \$6,167. Business amounted to \$7.43 for each dollar invested in plant and equipment which is considerably above the comparable Dominion average of \$5.33. Of the co-operative dairy factories reporting, the Dunk River Dairying Company at Central Bedeque showed the largest output with a make of 195,481 pounds of butter and the Wiltshire Dairying Company at New Wiltshire was a close second with an output of 194,497 pounds. Among the cheese factories the Dundas Dairying Association stood highest with an output of 71,540 pounds of cheese during the year under review.

Fruits and Vegetables.—This group is represented by one organization the Prince Edward Island Potato Growers' Association Inc. Membership for 1933 was reported as approximately 2,000. During the year the Association marketed nearly 900,000 bushels of potatoes and turnips. Through the purchasing department, the company sold supplies to members valued at \$151,772. Due to the general economic situation and an unsettled market in the United States, the marketing year was not financially satisfactory for the Association which showed a loss on the year's operation. In spite of low prices the co-operative had increased its handling since 1931 and has maintained its membership.

Live Stock.—The Prince Edward Island Co-operative Livestock Marketing Board with headquarters at Charlottetown, was organized on a provincial basis in 1933 with approximately 2,500 patrons. The Board acted as sales agency for producers who forwarded their live stock to the central agency through 25 shipping clubs. There is no contract with members. The sales agency handles live stock on a commission charge. Approximately 15,000 head of live stock, mainly hogs and lambs, were handled during the period August 1, 1933, to June 30, 1934. Value of sales amounted to \$112,008 for the period.

Poultry.—The P.E.I. Co-operative Egg and Poultry Association has completed its twentieth season in the marketing of eggs and poultry for its farmer members in the province. According to the annual report the association increased its membership by 167 during 1933 which now stands at 3,324 members. Assets totalled \$42,618. The ratio of assets exclusive of plant and equipment was calculated to be 1.95 to 1 and on the same basis working capital amounted to \$11,341. A worth to debt ratio of 2.56 to 1 was higher than the Dominion average although business of \$8.45 for each dollar invested in plant was lower. Business per patron averaged \$46.50 compared with the Dominion average of \$79.66. During 1933 the co-operative handled 899,000 dozen of eggs, 54,000 pounds of poultry and sold poultry supplies to members amounting to \$1,933 in value.

INTERPROVINCIAL AND NATIONAL CO-OPERATIVE ORGANIZATION

United Dairymen Co-operative.—Established in 1920, the United Dairymen Co-operative has acted as the selling agency for 150 to 200 cheese factories in Ontario and Quebec for the past fourteen years. The co-operative was active in supporting the introduction of selling cheese on the basis of government grade and assisted in the extension of markets in the United Kingdom for the Canadian product. In 1934, due to difficulties in financing and lack of patronage the co-operative decided to re-organize. The new company, the United Dairymen Limited, was incorporated May 26, 1934 and, with the exception of its method

of financing, is carrying on a cheese export business on much the same plan as previously. In 1933, the United Dairymen Co-operative exported cheese to the value of \$921,828.

TABLE 13.—FARMERS' BUSINESS ORGANIZATIONS, INTERPROVINCIAL, 1933

—	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
				\$	\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	25	435	435	36,763	.....	36,263	500	.....	.....	.....	.....
Grain and seed.....	451	28,589	28,589	17,492,412	7,298,351	12,037,763	3,146,850	2,307,799	.....	.....	.....
Live stock.....	2	4,119	4,119	109,463	337	92,707	10,942	5,814	.....	.....	.....
Poultry.....	1	.....	.....	90,629	1,747	17,110	1,200	72,319	.....	.....	.....
Wool.....	18	2,124	6,500	297,584	79,278	45,310	115,110	137,164	.....	.....	.....
Total.....	497	35,267	39,643	18,026,851	7,379,713	12,229,153	3,274,602	2,523,096	16,872,567	140,362	17,025,787
Miscellaneous....	1	913	913	283,533	31,197	31,470	.....	252,063	.....	.....	.....
Total Inter-Provincial.	498	36,180	40,556	18,310,384	7,410,910	12,260,623	3,274,602	2,775,159	16,872,567	140,362	17,025,787

The United Grain Growers Limited.—The fiscal year ending July 31, 1933 completed twenty-seven years of operation for the company and its parent organization, the Grain Growers Grain Company Limited. The Directors reported smaller earnings than usual mainly due to general adverse economic and marketing conditions. While earnings were sufficient to cover bond and mortgage interest requirements in full and a substantial amount appropriated for depreciation, there were no net earnings available for dividends. Requirements for the annual dividend were drawn from undistributed profits of the company accumulated in former years and were paid to shareholders at the rate of four per cent.

According to the Directors' Report, the total quantity of grain handled by the company was larger than in the preceding year. The largest stock of grain that the company has carried over from one year to another was reported and this required the highest level of bank borrowings yet recorded at the end of a financial year. During the year, the total funded and mortgage debt was reduced by \$267,027.

The company operated 451 country elevators in 1933. The operation of the farm supplies department handling binder twine, coal and flour and other supplies was profitable and the insurance department continued its activities and showed reasonable net earnings. Total assets of the company amounted to \$17,492,412 of which \$7,298,351 are invested in plant and equipment. The total equity of members made up of paid-up capital stock of \$3,146,850 and surplus and reserves of \$2,307,799 amounted to \$5,454,649 or an average of \$191 per member.

Early in 1931 the company re-entered the business of exporting grain, after a suspension of activities in that department for several years. The New York office was re-established and subsequently another export office was opened in Vancouver. The New York office produced unsatisfactory results and has been closed. The Vancouver office has been retained at which point satisfactory business has developed.

The Canadian Livestock Co-operative Limited.—This organization which was established in 1929 brought together all the active co-operative live stock marketing bodies into a single unit. It acted as the central sales agency and through an order department surplus live stock were moved from the different

markets in Western Canada and distributed over deficient areas. A movement of stocker and feeder cattle of considerable volume from Western to Eastern Canada was developed and export outlets were explored and established.

In 1932, an agreement was entered into to export live cattle to the Co-operative Wholesale Society, England, and an agency was established in Vancouver, British Columbia, to sell fresh meats and live stock. During the early part of the shipping season of 1932, results were very satisfactory which encouraged increased shipments for which boat space was contracted to the end of the year. In the middle of the shipping season, Great Britain went off the gold standard which resulted in an immediate depreciation of the pound sterling in terms of Canadian currency. With boat space contracted one of two things had to be decided,—pay for empty space or supply cattle contracted. The cattle were supplied resulting in a substantial loss on export business. In Vancouver, losses were also experienced which had to be taken care of by the Canadian Livestock Co-operative. With the export outlet so disturbed and uncertain, it was decided by the Board of Directors that it would be sounder business to have the sales agencies in Eastern and Western Canada under separate charters and to retain the Canadian Livestock Co-operative Limited as a co-ordinating body rather than an active commercial body. This change was effected January 1, 1933. As a result of that decision, the Montreal Sales Agency was re-organized and is now operating as the Canadian Livestock Co-operative (Quebec) Limited, and the St. Boniface Sales Agency as the Canadian Livestock Co-operative (Western) Limited. These agencies are now operating as independent units serving the provinces contributing live stock to the central markets.

During the period under review, very little activity has been carried on by the Dominion-wide organization although the Dominion charter has been retained and could be used should a larger sphere of action be considered in the interests of the live stock producers of Canada.

The Canadian Livestock Co-operative (Western) Limited.—This association with its sales agency at St. Boniface, Manitoba, was incorporated under the Manitoba Co-operative Associations Act, the provincial live stock marketing associations of Saskatchewan and Manitoba having full control. The board consists of six directors, three from each province, who are selected annually from the boards of directors elected at the annual meeting of the provincial associations. Inter-provincial movement to the co-operative sales agency at St. Boniface consisted of 1,197 cars of live stock from Saskatchewan and 45 car loads from Alberta.

Canadian Livestock Co-operative (Maritimes).—In the Maritime Provinces, live stock population and marketings generally were lower in 1933 and the volume handled by the co-operative was correspondingly reduced. During the year, Prince Edward Island organized on a provincial basis which further affected volume of business. Although live stock handlings dropped nearly fifty per cent to 16,000 head from the previous year, the co-operative maintained its supply service to its patrons and the money value of flour, feeds, seeds and other farm supplies handled showed a small increase over the preceding year. To perform this service the live stock co-operative established connections with the Coopérative Fédérée de Québec through whom it purchased much of its supplies. Approximately 2,300 tons of flour and feeds and 30,000 pounds of seeds were handled during the year.

A resolution passed by the delegates at the annual meeting authorized the central agency to make deductions of one per cent on all business turn-over to be held as operating capital or commercial reserves which would be repaid in the sixth year following each year's deduction on the revolving fund principle.

The Canadian Poultry Pool Limited.—Organized under the Dominion Companies Act in 1929, the Canadian Poultry Pool Limited with headquarters at Winnipeg acts as the central sales agency for the co-operative poultry marketing associations of Manitoba, Saskatchewan and Alberta. Each affiliated association elects members to a board which directs the central organization.

A working organization built up through several years of experience has enabled the Pool to render important service to the poultry industry. In co-operation with the Dominion and Provincial Departments of Agriculture, the Poultry Pool has been active in educational work and practical assistance to improve the quality of poultry and eggs and the elimination of unnecessary expense and waste in handling. The Pool has been active in developing the export field and has handled a large proportion of the dressed poultry and eggs exported from Canada. The general policy of the organization has been to seek distribution of its product through the wholesale provision trade and retail distributors. The movement is co-ordinated with service stations and assembling plants under each of the provincial organizations. In this connection the services of the retail country merchants throughout the areas of production have been utilized in the assembling of eggs. The selling charge of the central sales agency amounted to one-half cent per pound or dozen of total poultry and eggs marketed. The quantity of the product handled for member organizations in 1933 totalled approximately four and one-half million dozens of eggs and over four million pounds of poultry.

The Canadian Co-operative Wool Growers Limited.—The report of the President and Management of the Canadian Co-operative Wool Growers Limited for the year ending February 28, 1934, draws to the attention of its members the higher returns received during the year for wool marketed by the company. While the quantity increased by 25 per cent during the year the value of sales more than doubled. In discussing the co-operative principles of the company, the report states:—

A moderate rate of interest is paid on share capital—every wool shipper is entitled to purchase shares, if he so desires, without any premium whatever—the number of shares allowed to any one grower is limited—each shareholder is limited to one vote—and then as set forth last year, the business of the company is not conducted for private gain, except as it applies to the individual growers of wool. The \$100,000 free capital works on behalf of the members, or putting it in another way, the earnings of this fund go towards reducing the handling costs on wool. The earnings of the organization on sundry lines go into the general revenue fund and are applied against the cost of operating the business.

The company's report showed total assets of \$297,584, eighteen places of business, 2,124 members and 6,500 patrons. Paid-up share capital of \$115,110 and surplus and reserves of \$137,164 gave a total equity of \$252,274 or an average equity per member of \$119. The ratio of assets exclusive of plant to general liabilities was calculated to be 4.82 to 1 and on the same basis working capital amounted to \$172,996. This favourable situation is supported by a worth to debt ratio of 5.57 to 1 indicative of a sound financial structure which is reasonably independent of outside financing. The company averaged \$10.28 of business for each dollar invested in plant and equipment, which is higher than most commodity groups, while the business contributed per patron averaged \$125. During the year the company's wool sales amounted to \$746,896 and supplies handled for patrons totalled \$55,409 in value. Out of the season's surplus the company paid \$25,735 in patronage refunds, \$6,907 interest on capital stock, transferred \$10,000 to general reserves and \$10,445 was carried into the succeeding year as surplus funds.

FARMERS' MUTUAL FIRE INSURANCE COMPANIES IN CANADA

Mutual fire insurance companies may be incorporated under Dominion or Provincial Statutes, and thus come under the supervision of various superintendents of insurance. The statistics in Table 14 may not be exactly comparable but they show something of the use made of this form of co-operation by farmers and rural communities. All have the common feature of the premium note which is given by the insured when his risk is underwritten. The insured may be required to pay a definite portion of this in cash in advance or may be assessed from time to time to provide cash to pay off losses incurred and management expenses.

The number of organizations classified as farmers' mutual fire insurance companies active in Canada in 1933 was 325. The net admitted assets amounted to \$5,246,822 and assets in the form of unassessed premium note residue totalled \$20,328,092. The net amount of insurance at risk in 1933 in farmers' mutual companies was \$989,468,495 or approximately one billion dollars. The losses paid in that year amounted to \$2,648,317.

TABLE 14.—FARMERS' MUTUAL FIRE INSURANCE COMPANIES IN CANADA, 1933

	Number of companies	Unas- sessed premium note residue	Net admitted assets	Total liabilities	Net amount insurance at risk	Net losses paid 1933
		\$	\$	\$	\$	\$
Prince Edward Island.....	1	.....	111,855 ¹	21,999	9,212,065	55,000
Nova Scotia.....	4	132,112	219,374	71,231	12,829,898	24,231
Quebec—						
County.....	6	543,543	16,832	36,773	13,150,600	38,289
Municipality.....	55	45,044	50,278	9,891	16,438,261	26,207
Parish.....	182	4,289,770	138,497	101,040	90,009,431	216,783
Ontario.....	68	12,995,785	2,070,258	1,353,519	545,522,076	1,506,306
Manitoba.....	1	7,565	2,224	.....	148,975	.....
Saskatchewan.....	4	303,556	397,390	187,271	37,478,439	100,786
Alberta.....	1	.....	1,617	.....	801,085	4,213
British Columbia.....	1	113,313	54,209	15,104	.....	14,759
Dominion.....	2 ²	1,897,404	2,184,288	1,282,581	263,877,665	661,743
Totals.....	325	20,328,092	5,246,822	3,079,409	989,468,495	2,648,317

¹Includes unassessed premium note residue.

²Conduct business in all provinces except Maritimes. Amount at risk and losses paid are for fire only; companies also provide for casualty, automobile, tornado, etc.

The following extracts are from an address on "Farm Mutual Insurance in Ontario," by R. Leighton Foster, K.C., Superintendent of Insurance for the Province of Ontario, delivered to the annual convention of the Mutual Fire Underwriters' Association of Ontario in Toronto, March 20, 1934:—

It is estimated that Ontario farmers carry fire insurance aggregating about \$625,000,000. Of this total it is estimated that \$530,000,000, or 85 per cent, is carried by the sixty-eight so-called Ontario farmers' mutual fire insurance companies. They are dotted throughout southern Ontario, almost county for county in numbers. The oldest of them is seventy-eight years old, the youngest twenty-four. These companies are purely mutual companies. They are officered and directed by their own farmer members exclusively. There are no stockholders. They are organized by the farmer, they are managed by the farmer, they have only one purpose to serve, viz., providing their farmer members with fire insurance protection at cost. To paraphrase Abraham Lincoln, they represent insurance of farm property by the farmer for the farmer. They constitute the oldest and probably the most successful co-operative undertaking established by the farmers of Ontario during the past half century.

. . . Every company is required to send an audited financial statement to every member a week in advance of its annual meeting. These statements show the true and

correct financial condition of each company. They show the assets and the liabilities of each company in strict accordance with the Insurance Act. Some companies have a surplus for a rainy day. All companies should have a surplus. Unfortunately all have not. The aggregate assets of the sixty-eight companies as at December 31, 1933, totalled \$2,069,346.27; their liabilities totalled \$1,353,519.07; so that their aggregate surplus was \$715,827.20 at that date. The substantial additional security represented by the premium note residue which may be assessed when necessary for losses and reserves is not included in these figures.

And how is this surplus used? Under the Act, a company which has a surplus in excess of 25 cents for every \$100 of the total amount at risk may, with the approval of the Superintendent, charge rates lower than the minimum fixed by statute. Some thirteen companies in the province have such a surplus, and are charging less than minimum rates. Thus in all cases the farmer pays the cost and nothing but the cost. If his company is well managed and fortunate he pays less than the minimum rate and no assessment; if his company is less well managed or unfortunate he probably pays more than the minimum rate and sometimes an assessment in addition. But in all cases he pays the cost as determined by the experience of his individual company, which is probably well or poorly managed depending upon how great a personal interest he and his fellow members take in the annual meeting and in the management of their company's affairs.

The farmers of Ontario have every reason to support their own insurance companies. They have made them what they are. The companies have stood the test in some cases of more than three-quarters of a century and in all cases of more than two decades. No company in southern Ontario has ever been wound up with loss to members or failure to pay its creditors one hundred cents on the dollar. So long as the Ontario farmer understands that he is the company, that he can make it or break it (depending upon his own personal action in association with his fellow members), that the cost must be paid, be it great or small, and that the only way to meet a large deficit is to make an assessment; so long as he devotes his energies to improving the management of the company, pointing out instances of over-insurance on his neighbour's farm suggesting how this or that loss might have been avoided—so long as he does these things he may look forward confidently to the future and know that in the field of fire insurance protection he has created something of which he may well be proud.

Mr. Foster's remarks are applicable with equal force to farmers' mutual insurance companies in other provinces of Canada.

CO-OPERATIVE PEOPLE'S BANKS

"Les Caisses Populaires," or People's Banks were organized under the Quebec Syndicates' Act and now operate under the Quebec Co-operative Syndicates Act. The first bank was founded at Notre-Dame de Lévis near Quebec, in 1900, by Alphonse Desjardins and in succeeding years, under the wise direction of the founder, the banks have developed into important institutions in the community life of the province. The essence of the system is based on stimulating the spirit of thrift and saving in a small territorial unit such as a municipality or parish where persons are known to one another. The following descriptive notes and summary in Table 15 are taken from the Statistical Year Book of Quebec in which may be found detailed information regarding individual banks.

TABLE 15.—PROGRESS OF CO-OPERATIVE PEOPLE'S BANKS IN QUEBEC, 1915-33

Year	Banks reporting	Members	Depositors	Borrowers	Loans granted	Value of loans granted	Profits realized
						\$	\$
1915.....	91	23,614	13,696	6,728	8,983	1,483,160	89,893
1920.....	113	31,752	26,238	9,213	15,390	4,341,544	311,323
1925.....	122	33,279	33,527	9,384	13,682	3,909,790	449,531
1930.....	179	45,767	44,940	14,278	18,857	3,724,537	645,096
1931.....	174	43,641	43,207	13,240	16,203	2,998,046	594,235
1932.....	168	40,933	40,201	12,363	13,283	2,157,886	531,765
1933.....	162	36,470	37,683	10,784	11,407	1,682,551	452,220

The transactions of these banks are those of a mutual company, owing to the fact that they generally loan only to their shareholders; these have the right

of making deposits over and above the amount of their shares. This dual privilege makes them a savings and credit institution. They are a popular source of credit available to agricultural and industrial classes. The shares are generally fixed at \$5 which may be paid in instalments. Both shares and deposits may be withdrawn on demand. The liability of each shareholder is limited to subscription which generally does not exceed \$2,000 per shareholder.

Shareholders and borrowers must reside within the area of the bank's field of operations; the by-laws may, nevertheless, allow shareholders who move away to continue members of the association without eligibility to office. The larger loans are made upon first mortgage and the smaller ones upon notes. A portion of the loan, capital and interest, must be repaid at fixed periods in such a way as to extinguish the debt within a determinate time.

These banks are managed by three committees: the Board of Management, composed of at least five members, but more often nine, has charge of the general direction of the Bank; the Committee of Credit is composed of at least three members, ordinarily of four; its duty consists in examining, approving or rejecting loans asked by shareholders; the Board of Supervision, composed of three members, inspects the books and documents, verifies the value of loans and securities required, etc. These services are gratuitous but the manager may be paid. Under the present law, the Board of Supervision must have the operations of the association audited once a year by an inspector of an organized federation. This audit is made at the expense of the syndicate if it is not already affiliated to a federation. If requested by a federation, a Board of management or supervision, by 25 members or by two-thirds of the members if there are less than 25, the Provincial Treasurer may order such audit to be made.

To encourage development of People's Banks, in 1932, the Government granted a yearly subsidy of \$20,000 to the Quebec Federation of district unions, which sees to the founding, maintenance and inspection of such bodies. The union devotes it to propaganda and the supervision of savings banks.

THE CO-OPERATIVE UNION OF CANADA

The Co-operative Union of Canada with headquarters at Brantford, Ontario, is a Dominion-wide organization which was established in 1909 at Hamilton, Ontario, with a view to federating co-operative bodies to propagate a knowledge of co-operative principles and to promote their practice. Although the objective of the Union is educational rather than commercial, it has been included in this survey of business organizations due to its close association with co-operative business. The Union is governed by a congress made up of delegates from affiliated organizations. Steady growth has been made from the time of establishment with forty-five societies reported in affiliation in 1934. The guiding influence of the Union has contributed to the success of its affiliates and has been a binding force for co-operation in Canada. The Union has acted in an advisory capacity in framing legislation for co-operatives and has used its influence effectively in safe-guarding the basic principles of the co-operative movement. Since October 1909, it has published a monthly, *The Canadian Co-operator*, from which the following statistics have been taken.

Of the forty-five affiliates, there are thirty-four retail societies handling general merchandise, three wholesale, six marketing, one educational and one transportation society. Combined membership reported for 1933 totalled 10,735. Sales amounted to \$3,477,423, a decrease of \$541,658 from the year previous. Nearly \$84,000 was credited to patrons as purchase dividends in 1933 and the societies combined showed a net surplus of \$413,626 at the close of the fiscal year. Practically all of the societies owned or controlled by farmers which are affiliated with the Union report their business to the Economics Branch and are included in the provincial summaries in the body of this report.

APPENDIX

TABLE 16.—FARMERS' BUSINESS ORGANIZATIONS IN CANADA, 1932. COMMODITY GROUPING

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
					\$	\$	\$	\$	\$	\$	\$	\$
Marketing—												
Dairy.....	76	105	28,018	42,116	3,776,927	1,740,236	1,723,249	1,595,226	458,452	8,345,886	160,071	8,528,327
Fruits and vegetables.....	100	112	8,640	9,595	3,362,954	1,478,931	1,708,101	879,064	775,789	5,344,035	1,142,164	6,563,508
Grain and seed.....	28	1,978	171,332	171,192	75,059,267	36,443,841	35,778,413	3,379,732	35,901,122	73,771,107	1,518,776	75,295,109
Live stock.....	66	288	44,225	55,322	683,351	326,230	255,442	241,480	186,429	4,393,333	176,739	4,584,948
Poultry.....	34	164	32,007	24,119	407,331	91,331	238,403	43,888	125,040	1,862,608	3,943	1,872,379
Honey.....	2	2	1,819	727	178,812	8,631	135,115	35,385	8,312	366,660	.....	366,824
Maple sugar.....	1	1	1,982	1,982	338,864	293,000	198,095	60,730	80,039	345,268	.....	349,268
Tobacco.....	2	2	538	538	387,233	257,375	94,284	78,287	214,662	303,537	.....	303,537
Wool.....	1	18	2,140	7,800	254,304	81,667	13,639	115,110	125,505	352,442	45,999	410,233
Miscellaneous.....	22	33	24,128	23,382	2,637,250	1,368,933	1,981,703	645,621	9,926	11,430,339	492,360	11,987,446
Total.....	332	2,703	314,829	336,773	87,086,293	42,090,175	42,126,494	7,074,523	37,885,276	106,515,215	3,540,052	110,261,579
Purchasing.....	330	330	24,923	42,956	2,848,476	421,226	867,976	1,099,063	881,437	284,419	5,239,063	5,534,784
Miscellaneous.....	24	24	2,617	2,596	68,492	9,569	11,123	50,430	6,939	4,552	.....	53,531
Total for Canada.....	686	3,057	342,369	382,325	90,003,261	42,520,970	43,005,593	8,224,016	38,773,652	106,804,186	8,779,115	115,849,894

TABLE 17.—FARMERS' BUSINESS ORGANIZATIONS IN CANADA, 1932. PROVINCIAL GROUPING

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
					\$	\$	\$	\$	\$	\$	\$	\$
British Columbia.....	74	86	11,751	13,525	3,926,648	1,268,090	1,332,024	1,743,294	851,330	6,172,759	1,233,371	7,454,546
Alberta.....	72	515	63,597	71,797	19,371,330	8,291,033	9,188,168	373,726	9,809,436	25,227,722	1,082,301	26,378,992
Saskatchewan.....	195	1,187	123,588	131,477	44,653,596	19,474,155	19,548,958	809,659	24,294,979	32,890,375	1,851,006	34,746,885
Manitoba.....	41	243	43,727	43,570	3,351,988	2,257,455	2,891,769	266,770	193,449	6,730,505	435,649	7,175,645
Ontario.....	69	80	26,023	27,859	-1,900,529	730,943	976,364	634,846	289,319	9,190,374	1,556,821	10,762,824
Quebec.....	134	134	15,808	15,808	3,128,245	2,065,411	2,135,551	610,289	382,405	6,066,151	.....	6,151,578
New Brunswick.....	24	95	5,188	15,371	343,047	123,173	206,965	92,458	43,624	624,762	293,591	919,208
Nova Scotia.....	56	100	5,758	9,750	1,324,512	553,181	825,906	356,348	142,258	1,459,519	695,644	2,175,673
Prince Edward Island.....	15	104	9,005	9,584	90,926	36,718	35,985	8,650	46,291	670,143	110,095	780,238
Inter-provincial.....	6	513	37,924	43,584	11,912,440	7,720,811	5,863,903	3,327,976	2,720,561	17,771,876	1,520,637	19,304,305
Total.....	686	3,057	342,369	382,325	90,003,261	42,520,970	43,005,593	8,224,016	38,773,652	106,804,186	8,779,115	115,849,894

TABLE 18.—FARMERS' BUSINESS ORGANIZATIONS IN BRITISH COLUMBIA, 1932

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets \$	Value of plant \$	General lia- bilities \$	Paid-up share capital \$	Surplus and reserves \$	Sales of farm products \$	Sales value of supplies \$	Total business including other receipts \$
Marketing—												
Dairy products.....	13	13	5,432	4,998	1,663,882	351,966	468,240	1,063,613	132,029	3,120,078	157,082	3,283,115
Fruits and vegetables.....	35	47	3,421	3,250	1,902,064	824,744	764,296	541,028	596,740	2,956,654	376,495	3,373,866
Grain and seed.....	1	1	61	61	7,362	3,574	4,951	.....	2,411	10,744	.....	10,744
Live stock.....	2	2	210	384	10,476	2,411	2,899	3,588	3,989	51,242	.....	51,242
Poultry.....	1	1	78	78	2,171	959	8,645	4,040	-10,514	18,058	.....	18,058
Miscellaneous.....	1	1	42	42	606	100	595	.....	11	3,968	.....	3,968
Total.....	53	65	9,244	8,813	3,586,561	1,183,754	1,249,626	1,612,269	724,666	6,160,744	533,577	6,740,993
Purchasing.....	19	19	1,985	4,190	336,940	83,743	82,319	130,503	124,118	12,015	699,794	713,553
Miscellaneous.....	2	2	522	522	3,147	593	79	522	2,546	.....	.....	.....
Total for province.....	74	86	11,751	13,525	3,926,648	1,268,090	1,332,024	1,743,294	851,330	6,172,759	1,233,371	7,454,546

TABLE 19.—FARMERS' BUSINESS ORGANIZATIONS IN ALBERTA, 1932.

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
					\$	\$	\$	\$	\$	\$	\$	\$
Marketing—												
Dairy products.....	6	7	7,484	9,975	663,753	426,312	427,475	91,945	144,333	1,599,577	.....	1,606,451
Grain and seed.....	3	445	44,184	44,057	17,896,529	7,650,141	8,448,108	18,149	9,430,272	22,031,883	58,534	22,090,417
Live stock.....	24	24	8,103	10,585	194,703	75,657	43,291	37,062	114,350	1,478,239	51,480	1,535,920
Poultry.....	2	2	105	32	9,839	2,562	15,901	2,831	-8,893	96,691	.....	96,691
Total.....	35	478	59,876	64,649	18,764,824	8,154,672	8,934,775	149,987	9,680,062	25,206,390	110,014	25,329,479
Purchasing.....	31	31	3,671	7,119	591,022	127,386	248,828	214,308	127,886	21,332	972,287	1,000,534
Miscellaneous.....	6	6	50	29	15,484	8,975	4,565	9,431	1,488	.....	.....	48,979
Total for province.....	72	515	63,597	71,797	19,371,330	8,291,033	9,188,168	373,726	9,809,436	25,227,722	1,082,301	26,378,992

TABLE 20.—FARMERS' BUSINESS ORGANIZATIONS IN SASKATCHEWAN, 1932

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
—					\$	\$	\$	\$	\$	\$	\$	\$
Marketing—												
Dairy products.....	2	2	1,992	2,222	207,764	113,448	93,883	7,050	106,831	236,816	.....	237,095
Grain and seed.....	2	894	85,496	85,496	42,900,835	19,163,863	19,018,287	85,876	23,796,672	30,800,279	.....	30,800,279
Live stock.....	2	95	17,341	25,000	263,039	193,644	66,774	169,363	26,902	1,397,457	.....	1,402,682
Poultry.....	1	8	7,457	7,347	77,588	3,200	51,344	4,186	22,058	418,683	.....	418,683
Total.....	7	999	112,176	120,065	43,449,226	19,474,155	19,230,288	266,475	23,952,463	32,853,235	.....	32,858,739
Purchasing.....	173	173	11,067	11,067	1,166,435	.....	312,191	514,440	339,804	37,140	1,851,006	1,888,146
Miscellaneous.....	15	15	345	345	37,935	.....	6,479	28,744	2,712	.....	.....	.....
Total for province.....	195	1,187	123,588	131,477	44,653,596	19,474,155	19,548,958	809,659	24,294,979	32,890,375	1,851,006	34,746,885

TABLE 21.—FARMERS' BUSINESS ORGANIZATIONS IN MANITOBA, 1932

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
—					\$	\$	\$	\$	\$	\$	\$	\$
Marketing—												
Dairy products.....	4	8	7,449	11,429	342,842	217,442	162,960	159,139	20,743	707,611	143	707,754
Fruits and vegetables.....	1	1	335	335	16,057	15,072	13,572	.....	2,485	1,097	.....	10,354
Grain and seed.....	1	151	10,114	10,114	2,673,952	1,943,250	2,566,021	10,000	97,931	4,678,109	.....	4,678,109
Live stock.....	2	46	5,353	5,353	3,079	841	12,342	120	-9,383	877,801	.....	877,801
Poultry.....	1	5	17,875	12,000	120,485	10,634	75,596	17,875	27,014	451,185	.....	451,185
Total.....	9	211	41,126	39,231	3,156,415	2,187,239	2,830,491	187,134	138,790	6,715,803	143	6,725,203
Purchasing.....	32	32	2,601	4,339	195,573	70,216	61,278	79,636	54,659	14,702	435,506	450,442
Total for province.....	41	243	43,727	43,570	3,351,988	2,257,455	2,891,769	266,770	193,449	6,730,505	435,649	7,175,645

TABLE 22.—FARMERS' BUSINESS ORGANIZATIONS IN ONTARIO, 1932

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
—					\$	\$	\$	\$	\$	\$	\$	\$
Marketing—												
Dairy products.....	3	3	1,038	1,100	89,700	61,202	35,804	33,289	20,607	260,660	.....	260,981
Fruits and vegetables.....	8	8	735	989	288,737	174,347	126,304	84,561	77,872	798,927	222,974	1,032,997
Grain and seed.....	5	5	673	657	68,349	30,104	8,973	33,050	26,326	136,094	66,165	204,119
Live stock.....	14	14	759	1,541	40,897	21,593	5,570	4,988	30,339	261,383	44,698	307,861
Honey.....	1	1	1,508	416	173,387	8,631	135,106	32,275	6,006	317,246	.....	317,246
Miscellaneous.....	1	12	19,031	18,285	917,210	344,562	570,932	361,709	-15,431	7,312,060	492,360	7,804,421
Total.....	32	43	23,744	22,988	1,578,280	640,439	882,689	549,872	145,719	9,086,370	826,197	9,927,625
Purchasing.....	37	37	2,279	4,871	322,249	90,504	93,675	84,974	143,600	104,004	730,624	835,199
Total for province.....	69	80	26,023	27,859	1,900,529	730,943	976,364	634,846	289,319	9,190,374	1,556,821	10,762,824

TABLE 23.—FARMERS' BUSINESS ORGANIZATIONS IN QUEBEC, 1932

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products and supplies	Total business including other receipts
					\$	\$	\$	\$	\$	\$	\$
Marketing—											
Dairy products.....	20	20	1,526	1,526	361,329	301,503	292,809	69,072	-552	547,753	550,302
Fruits and vegetables.....	20	20	1,024	1,024	84,879	48,171	50,835	28,707	5,337	208,426	211,016
Grain and seed.....	13	13	640	640	68,691	49,029	28,617	31,597	8,477	109,498	112,864
Live stock.....	17	17	959	959	57,986	31,747	27,495	16,253	14,238	152,944	154,614
Poultry.....	26	26	1,030	1,030	56,125	40,745	23,976	13,756	18,393	150,724	156,552
Honey.....	1	1	311	311	5,425	.....	9	3,110	2,306	49,414	49,578
Maple sugar.....	1	1	1,982	1,982	338,864	293,000	198,095	60,730	80,039	345,268	349,268
Tobacco.....	2	2	538	538	387,233	257,375	94,284	78,287	214,662	303,537	303,537
Miscellaneous.....	20	20	5,055	5,055	1,719,434	1,024,271	1,410,176	283,912	25,346	4,114,311	4,179,057
Total.....	120	120	13,065	13,065	3,079,966	2,045,841	2,126,296	585,424	368,246	5,981,875	6,066,788
Purchasing.....	13	13	1,043	1,043	36,353	19,569	9,255	13,132	13,966	79,724	80,238
Miscellaneous.....	1	1	1,700	1,700	11,926	1	.....	11,733	193	4,552	4,552
Total for province.....	134	134	15,808	15,808	3,128,245	2,065,411	2,135,551	610,289	382,405	6,066,151	6,151,578

TABLE 24.—FARMERS' BUSINESS ORGANIZATIONS IN NEW BRUNSWICK, 1932

	Number of associations	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
Marketing—					\$	\$	\$	\$	\$	\$	\$	\$
Dairy products.....	12	12	838	7,095	197,347	96,129	134,513	49,833	13,001	404,989	108	405,519
Fruits and vegetables.....	1	1	12	50	.....	.....	.....	.....	.....	5,350	.....	5,783
Grain and seed.....	1	1	12	15	193	152	.....	.....	193	.....	.....	.....
Live stock.....	1	18	1,150	1,150	.....	.....	.....	.....	.....	14,606	.....	14,606
Poultry.....	1	55	2,200	100	36,568	10,816	40,898	.....	-4,330	190,717	.....	190,717
Total.....	16	87	4,212	8,410	234,108	107,097	175,411	49,833	8,864	615,662	108	616,625
Purchasing.....	8	8	976	6,961	108,939	16,076	31,554	42,625	34,760	9,100	293,483	302,583
Total for province.....	24	95	5,188	15,371	343,047	123,173	206,965	92,458	43,624	624,762	293,591	919,208

TABLE 25.—FARMERS' BUSINESS ORGANIZATIONS IN NOVA SCOTIA, 1932

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
---					\$	\$	\$	\$	\$	\$	\$	\$
Marketing—												
Dairy products.....	4	4	779	1,872	183,104	124,652	57,836	112,135	13,133	246,199	2,721	254,890
Fruits and vegetables.....	34	34	1,113	1,947	1,050,443	414,797	739,194	224,768	86,481	1,164,892	436,560	1,614,668
Live stock.....	1	45	2,565	2,565	.....	.....	.....	.....	.....	42,026	.....	42,026
Total.....	39	83	4,457	6,384	1,233,547	539,449	797,030	336,903	99,614	1,453,117	439,281	1,911,584
Purchasing.....	17	17	1,301	3,366	90,965	13,732	28,876	19,445	42,644	6,402	256,363	264,089
Total for province.....	56	100	5,758	9,750	1,324,512	553,181	825,906	356,348	142,258	1,459,519	695,644	2,175,673

TABLE 26.—FARMERS' BUSINESS ORGANIZATIONS IN PRINCE EDWARD ISLAND, 1932

	Number of associa- tions	Number of places of business	Number of share- holders or members	Num- ber of patrons	Assets	Value of plant	General lia- bilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
					\$	\$	\$	\$	\$	\$	\$	\$
Marketing—												
Dairy products.....	11	11	1,045	1,464	21,960	14,400	4,983	8,650	8,327	155,401	17	155,418
Fruits and vegetables.....	1	1	2,000	2,000	20,774	1,800	13,900	.....	6,874	208,689	106,135	314,824
Grain and seed.....	1	1	100	100	.....	.....	.....	.....	.....	4,500	.....	4,500
Live stock.....	1	25	2,500	2,500	.....	.....	.....	.....	.....	98,445	.....	98,445
Poultry.....	1	66	3,360	3,520	48,192	20,518	17,102	.....	31,090	203,108	3,943	207,051
Total for province.....	15	104	9,005	9,584	90,926	36,718	35,985	8,650	46,291	670,143	110,095	780,238

TABLE 27.—FARMERS' BUSINESS ORGANIZATIONS, INTERPROVINCIAL, 1932

	Number of associations	Number of places of business	Number of shareholders or members	Number of patrons	Assets	Value of plant	General liabilities	Paid-up share capital	Surplus and reserves	Sales of farm products	Sales value of supplies	Total business including other receipts
Marketing—					\$	\$	\$	\$	\$	\$	\$	\$
Dairy products.....	1	25	435	435	45,246	33,182	44,746	500				
Grain and seed.....	1	467	30,052	30,052	11,443,356	7,603,728	5,703,456	3,201,060	2,538,840			
Live stock.....	2	2	5,285	5,285	113,171	337	97,071	10,106	5,994			
Poultry.....	1	1	12	12	56,363	1,897	4,941	1,200	50,222			
Wool.....	1	18	2,140	7,800	254,304	81,667	13,689	115,110	125,505			
Total Interprovincial....	6	513	37,924	43,584	11,912,440	7,720,811	5,863,903	3,327,976	2,720,561	17,771,876	1,520,637	19,304,305

SPECIMEN COPY OF THE ANNUAL RETURN

N.B.—Return one completed copy, keep duplicate for future reference

ANNUAL RETURN OF FARMERS' BUSINESS ORGANIZATIONS IN CANADA FOR
YEAR ENDING DECEMBER 31, 1934, OR FOR BUSINESS YEAR MOST
NEARLY CONFORMING TO CALENDAR YEAR

To: *Agricultural Economics Branch, Department of Agriculture, Ottawa, Canada.*

Form D 1 For fiscal year ending.....19....

- 1. Mail address.....Province.....
- 2. Exact name of enterprise.....
- 3. Secretary.....Address.....
- 4. Is Association incorporated?.....Under what Act.....
- 5. Year organized.....Re-organization, if any (year).....
- 6. Do you pool returns from farm products.....
- 7. Has Association contracts with members?.....Term of contract.....
- 8. Do you pay patronage dividends (a) when earnings permit?....(b) to non-members?....
- 9. Is rate of dividend on stock limited.....If so, what per cent?.....
- 10. Number of shareholders.....or members.....How many are farmers.....
- 11. Total number of patrons during past year.....
- 12. Number of employees, permanent.....part time.....
- 13. What is membership fee? \$......Amount paid during year \$.....
- 14. If financed by deductions or participation certificates:
Rate of deduction.....Amount raised during year \$.....
- 15. If operated on commission basis or service charge, give various rates.....
.....Total collected in year \$.....

<i>Farm Products Marketed</i>	<i>Volume in pounds, bushels, etc.</i>	<i>Value of Sales</i>
16. Dairy products.....	\$.....
17. Fruit and vegetables....	\$.....
18. Grain and seed.....	\$.....
19. Live stock.....	\$.....
20. Poultry products.....	\$.....
21. Other (name).....	\$.....

Total sales value of farm products marketed \$_____

- 22. Commodities Purchased for Sale
General merchandise (groceries, etc.), oil, building materials,
implements, gasoline, fertilizers, growers' supplies, etc.
Total sales value of commodities purchased for sale \$_____

Reported by.....Position.....Date.....

Please forward copy of Annual Report and Financial Statement.

N.B.—If your printed Balance Sheet and Operating Statement correspond to the following,
it is not necessary to complete the questions below.

BALANCE SHEET

OPERATING STATEMENT

as at.....19.....for year ending.....19.....

ASSETS

Current Assets

1. Cash on hand and in bank
2. Accounts and notes receivable
3. Merchandise inventory... ..
4. Other..... ..
5. Total current assets (sum 1, 2, 3 and 4)..... ..

Fixed Assets

6. Plant, less depreciation... ..
7. Other..... ..
8. Total fixed assets (sum 6 and 7)..... ..
9. Total Assets..... ..

LIABILITIES AND NET WORTH

10. Accounts payable..... ..
11. Bank loans..... ..
12. Accrued expenses..... ..
13. Other
14. Total current liabilities (sum 10, 11, 12 and 13).
15. Mortgages.
16. Other..... ..
17. Total fixed liabilities (sum 15 and 16)..... ..

NET WORTH

18. Capital Stock..... ..
19.
20. Reserve for contingencies.
21.
22. Surplus
23. Total net worth (sum 18, 19, 20, 21 and 22)..... ..
24. Total liabilities and net worth (sum 14, 17 and 23).

1. Total Business (sum 2, 5 and 8).
2. Sales of farm products..... ..
3. Paid to producers..... ..
4. Gross margin (diff. 2 and 3)
5. Sales of merchandise..... ..
6. Cost of merchandise (with inventory adjustment).... ..
7. Gross margin (diff. 5 and 6)
8. Other receipts..... ..
9. Total gross margin (sum 4, 7 and 8)..... ..

Expenses

10. Wages and salaries..... ..
11. Rental..... ..
12. Depreciation.
13. Supplies for plant..... ..
14. Insurance.
15. Taxes.
16. Advertising.
17. Interest on borrowed money
18. Plant maintenance..... ..
19. Other expenses..... ..
20. Total expenses..... ..
21. Net operating income (diff. 9 and 20)..... ..
22. Other income.
23. Net income for distribution (sum 21 and 22)..... ..
24. Dividends on capital..... ..
25. Patronage refund.
26. Carried to reserve..... ..
27. Total (sum 24, 25 and 26).. ..
28. Undivided income.

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