pound added to the price of the butter so we won't have to pay that income tax.

Mr. Imrie—Oh, you are talking about dividends. I am talking about the over-run in the number of pounds of butter over the number of pounds of butter fat. You are talking about the sinking fund that they have taken out.

I think the reason they have had so much that they could build a creamery out of it is that they have had too large a sinking fund. It means that they must pay less per pound for butter fat.

Mr. Parrish—I think in many places the tax men have had a misconception of the facts in calling the over-run profit instead of a legitimate gain.

CO-OPERATIVE MANUFACTURE AND SALE OF CHEESE.

J. O. Parrish, Plymouth.

In the strife for better things, two elements, wrong conditions and the patriot, are always to be found, and naturally, always opposing each other. Wrong conditions invariably inspire or produce the patriot. When wrong conditions invade a State or its leading industry, the patriot is, in this day, soon in evidence. As our county of Sheboygan is known to be the banner dairy county of Wisconsin, you will easily understand that when wrong and unjust conditions invaded the cheese industry of our county that the patriot was soon in evidence in great numbers and the strife for better things soon began.

In the year 1911 the cheese of the county was sold, or supposed to be sold on a call Board, which is a very fair way to sell cheese if honest methods prevail, but we were aware that all was not right and the patriot began to develop. By evident agreement between the buyers, the price to be paid on the Board was agreed upon before the Board met, with the result that competition was shut out and a price below the actual market price was paid. In May of 1911 by this process buyers outside the county were kept off the Board and the price of cheese dropped from three to five cents per pound, which meant approximately twenty-five to forty-five cents per hundred of milk, which brought the price of milk to about eighty-five cents per hundred. This market condition prevailed until the storage houses in our town were full, when the price slowly, very slowly, came back to normal until January 1st, when by the same abuse of power the price was arbitrarily raised, when the farmers had practically no milk to sell, and this storage cheese, the choicest of the year's make, was shipped out by the car and trainload at prices ranging from 16 to 22 cents per pound, the original cost, including storage, being about 11½ cents, a very pretty margin. The patriot began to think! The plan had worked so well in 1911 that it was again attempted in 1912, though less cautiously, the price was arbitrarily dropped about May 15th three cents per pound, at a time when the supply was far below the demand for our cheese.

The patriot arose!
How These Methods Were Combated

At this juncture, Ex-Senator Henry Krumrey, himself the owner and operator of a two hundred-acre farm, who had been investigating the Board methods, came forward and exposed the methods employed to rob the farmer of his hard-earned profits, and called on the farmers to put down this monopoly. That unconsciously, or otherwise, the cheese makers, who were also the salesmen and factory owners, were with the buyers, and this plan seemed at that time impractical. Finally, with the help of the men from the Legislative Reference Library and State University, a plan of organization was devised that seems effective.

Each local factory on joining is organized into an association, known as, for instance, our own factory is known as the Dye Road Cheese Producers' Association, each having a Board of five directors, who elect from among themselves a president, vice-president, secretary and treasurer, who hold their office for one year. Stock, one dollar per share. Capital stock to suit number of patrons. These local associations are joined in the Sheboygan Co. Cheese Producers' Federation, each local having

First Prize Three-year old Holstein Cow, Wisconsin State Fair, 1915, owned by Chas. Van der Schaaf, Sparta.
one vote in the parent organization, to be voted by such person as they may designate, usually their president, which costs them $10.00 per share. In this way we have an organized interested membership, a thing of great value in co-operation.

One thing the officers of the Federation have tried for harder than any other is to keep the membership interested, to which end we have occasional meetings with good speakers in attendance, and try always to impress the fact that it is their organization, and we have a loyal lot, I tell you. We were opposed by the enemy at every turn, but still kept on.

We were organized and ready for business Sept. 1, 1913, but found that there was not a foot of available warehouse room in town. The enemy had beaten us to it, and gave us the laugh.

The thing that made the work of the opposition hardest to meet was that they fought us secretly. They would not come out in the open, chiefly, I think, because representative buyers and makers had been taken before the State Board of Public Affairs and had there admitted practically all the charges made against them, and we had the goods on them. They, however, did us a great kindness—mean it as they might—for it put us on our mettle. We couldn’t quit there, so we formed what is known as the Federated Farmers’ Warehouse Co., capital stock, $25,000.00, shares $10.00 per share, making it possible for every man to own at least one share, and no man could own more than ten shares. We sent the stock lists to the presidents of the locals for circulation, and by this means sold over half the stock in two weeks to interested farmers in and out of the Federation. Capital stock raised to $35,000.00 at annual meeting, one man may own 25 shares. A concrete example of what organization can ac-

complish. We did not have to pay a stock promotion company 25 per cent and one-half the premium; we did the work ourselves.

It seemed a kind providence was with us, for when we were truly ready for a forward move the way was provided. We met the enemy again in securing a building site, but the same kind providence provided again and work on the new Federation Warehouse and Cold Storage began about November 1, 1913, and again the kind providence, the weather was fine until February 1st, and the building was turned over to us before March 1st, and no man can explain to you, ladies and gentlemen, just all that went into that building besides the material of which it is constructed. What earnest effort, what persistent boosting, what careful thought, the fruit of sleepless nights, and soul-wearing days on the part of Mr. Krumrey and the men who stood with him and are still standing at his right and left and behind him in this great battle for better conditions.

But we were only ready to begin! At a meeting of representatives of 44 factories, a unanimous vote was taken to begin shipping cheese to the warehouse April 1st. They began shipping, and in spite of all opposition we began selling. We found difficulties on every hand, but these were in time all overcome by favoring conditions, and the work of our efficient and honest manager. We make a charge of one-fourth of a cent per pound for handling and paraffining. This pays all charges against the cheese, including freight on cheese, which cannot be hauled to the warehouse, and by careful management we find that cheese can be handled cooperatively for less than one-half what it costs the regular dealer, and by our methods of operation have saved money for not only our Federation farmers,
but have put money in the pockets of those who do not yet belong, for we have put the fellows outside the Federation on their mettle to beat us and they have gone some.

Some of the Results Accomplished

But what has this accomplished for betterment?

1. The work of standardizing our product is under way.

2. Cheese makers are finding that we are giving a square deal in return for a square deal.

3. We have established a trade, and are recognized as being on the map in the cheese business.

4. By fair methods we have made arbitrary manipulation of the market much harder to accomplish, for, owing to the presence of the Federation in the market, there was not the usual drop in price in May and June of last year.

During the flurry on account of the European war, the price though low did not approach what I feel sure it would have done had the old conditions obtained on the Board, so all farmers hauling milk to the cheese factories were benefited by our work.

Not much of our cheese is manufactured co-operatively, as yet. I think only six of our factories are co-operative, but they are likely to have company, as the results obtained by them are very satisfactory.

Cheese is shipped to the warehouse, which has a cold storage capacity of 40 cars of cheese and warehouse room for 35 cars, once or twice a week, as to the weather, is weighed, paraffined and placed in cooler until sold, or, as is frequently the case, immediately re-shipped, for we cater to the whole market.

The first nine months, easily the hardest time of our probable existence, showed very satisfactory results. Boxes cheese sold, 156,631; weight, 6,125,480 pounds; receiving, $887,501.69; our earning at one-fourth cents, $15,290.71; paid to patrons, $850,534.58; also a fund of $4,653.25 had accumulated from small odd sales that brought slightly higher prices and by action of the Board of direction, the over-run has been set aside. This was by unanimous consent left as an emergency fund at the annual meeting.

Our plan contemplates the return of all moneys to the local treasurer as soon as money for sales is received and their bill is made out. In spite of this, we found that our weekly cash balance for May was $25,000.00, and we began to realize to what extent we were in business. On this cash balance we received $316.38 in six months as interest from the bank.

Now, I have not recited these facts to show iniquity on the part of the dealers, or to show any special sagacity on the part of our Sheboygan county farmers, but had I time I could give you a pretty good word picture of the results that obtain when men are trusted overmuch, and I have tried to tell you what has been done under good leadership by an average lot of farmers in our county.

We do not feel that we have as yet attained, but we have accomplished this much, and one thing more that I have left unmentioned, we have led our farmers to have more confidence in themselves and shown them that they can attend to their own marketing, or to some extent control it, so that the profit shall not all rest with the man who has least to do with its production or final disposal, and we are still on the way. This is not perhaps ideal co-operation from all view points, but simply a means used co-operatively to correct an evil which was very plainly the outgrowth of
an overtrustful attitude on the part of the farmers themselves. Theirs was the fault and it was theirs to apply the remedy. When ideal co-operation attains, I believe it will be when the farmer has risen as an average to a higher level as a business man, but they are coming, my friends, the voice of Wisdom is being lifted announcing the benefits that attend eating at her board. The benefits are seen on every hand and her banquets are attended as never before, and we feel in Sheboygan county that we have made a contribution toward that desirable end. But something must come from the business man also, he must come to know more reasonably that his prosperity hinges upon the prosperity of the farmer and, ceasing attempts to farm him, join with him that ideal conditions may prevail.

DISCUSSION

Mr. Hanchett—What is the attitude of your local business men toward the working out of this proposition?

Mr. Parrish—They were not helpful; that is about as much as I care to say about it.

Mr. Hanchett—Very often that is the attitude of the local business man toward any move on the part of the farmers.

Mr. Parrish—Yes, you may call it hostile.

Mr. Hanchett—They are afraid if the farmer gets into business on business lines they are going to lose something. I know it was that way in our movement in Sparta in forming the Fruit Growers’ Association. The business men got into the habit of whispering aspersions against the Association. We had to go to them and give them to understand that we were committed to it and when they thoroughly understood that, there was a right-about-face of every grocer in town the next morning.

Mr. Parrish—We haven’t threatened our business men. We have shown them. One cheese maker made false statements, got abusive and had to be sued. He came in and paid his fine.

Mr. Hanchett—Every business man ought to realize that his business depends upon the prosperity of the farming community. In going up and down the State in this Institute work, we have found a marked difference in this matter of co-operation between the local business man and the farmers in different places and where we have found the business man and the farmer working hand in hand, we have always found a prosperous community.

Mr. Parrish—that is what I consider ideal co-operation; trade and spade cannot quarrel profitably.

CO-OPERATIVE MARKETING OF LIVE STOCK.

E. W. Campbell, Ellsworth.

For the last twenty-five years or more, the State of Wisconsin, through its College of Agriculture, Farmers’ Institutes and other agencies, has done much to increase the production of hay, grains, milk and its by-products, beef, pork, mutton, etc., and has met with remarkable success along these lines;