

THE UNITED FARMER



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THE UNITED FARMER

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United Farmers Farm Supply Centres:

Calgary 4720 - 1st Street S.E.

Edmonton .. 12243 Mount Lawn Road

Red Deer 5440 - 45th Street

Lethbridge 3131 - 2nd Avenue N.

Grimshaw - Camrose - Hanna - Stettler

Westlock - Provost - Vulcan

Vermilion - Grande Prairie

COVER PICTURE



At the Press Conference

Mr. Tony Mayer, Manager of CJDV, Drumheller; Mr. George Sayle, President of United Farmers; Mr. John Schmidt, Agricultural Editor, Calgary Herald.



A HAPPENING AT THE CALGARY INN

Resumes - Summaries - Conspectums - Outlines - Abridgements - Abbreviations - Precs - Compendiums - Call them what you will. The excerpts reprinted from some of the reports heard at the Annual Meeting are of necessity brief. We simply hope they will further familiarize you with United Farmers, its people, and its happenings.

The United Farmer is sent to 1500 people located throughout Alberta. Among these are directors, delegates, petroleum agents, advisory committee members, and staff. Each person who receives The United Farmer plays a definite part in the achievements of United Farmers.

Many people and factors contribute to the success of our Organization - an alert and knowledgeable management - capable guidance by the Board of Directors, practical counsel and advice from our delegates - efficient and conscientious employees.

The November issue features the Annual Meeting which was held at the Calgary Inn on November 12 - 15th, and some of the data and dialogue from it. At the meeting, every phase of United Farmers' operations was factually and openly discussed - what our Organization accomplished in 1967 - 68 and our program for the coming year.

We hope that our readers will, by reading this issue, take pride that to the total success of United Farmers each made his individual contribution - and each one was part of this outstandingly successful year.

DELEGATES -

People Who Serve Their Industry



Lawrence Henderson, United Farmers' Delegate from subdistrict number eight of Lacombe, Alberta, who is prominent and very active in farm organizations was asked what preparations he must make in order to attend the Annual Meeting. He wrote in to say, "Two very important points must prevail with a delegate:

1. The family and farm must come first in responsibility to anyone who has accepted the position of delegate to any organization.

2. His responsibility to the Organization lies in his attending local meetings, the annual meeting, and being familiar with district problems.

Delegates who are the elected representatives of the members of United Farmers share many bonds. They are farmers – they are today's leaders in agriculture – people who are interested in practical ways and means to serve their industry.

At the Annual Meeting, delegates from all the subdistricts in Alberta gather to present their views on policy and become more familiar and more informed about United Farmers. It is their responsibility to express the ideas, opinions, and suggestions of the members in their subdistricts and report the results of the Annual Meeting to these members.

With these two points in mind, the elected delegate must prepare the business at home so that as little extra work as possible will be left for the family, or those carrying on the business at home.

Being a dairy farmer with cattle all in the barn or in the corrals around the barn, daily cleaning and feeding are routine work. Feed is brought in close at hand for three weeks at a time. So, being away for four days doesn't really leave any added work. We keep additional help year round and with my family's help things progress smoothly. There is no running around the district looking

for a neighbour or relative to come and help out and having to make the effort or orient the newcomer to all the intricate details of calving dates, milking procedures, etc. I believe that behind every farm organization there are a good many responsible directors, delegates, and staff members, but the family behind the scenes at home looking after the farm business, carry a tremendous load at certain times of the year.

With a little luck the delegate can now attend the Annual Meeting with a free mind – to listen to and expound upon the merits of farmer owned co-operatives."

FARM MANAGEMENT GAMES

An interesting sidelight to the Annual Meeting was the operation of an exciting and informative training exercise called "Farm Management Games". Through the use of United Farmers' computer facilities, teams of delegates were able to simulate the management of a mixed farm through several years of operations. As in real life, the objective was to earn the highest possible net farm income.



Dr. Bill Preshing of the Banff School of Management explained some of the details of the Farm Management Game to the delegates.

The Farm Management Game and similar programs for other types of businesses are considered by educators to be one of the most advanced methods of concentrated training available. The results of a decision on alternative methods of operating can be obtained in minutes. The rewards for good farm management and the penalties for poor operating practises are clearly and graphically reflected in the operating results that are obtained. In actuality, it would certainly be expedient to know what would be the most profitable crop to grow — when would be the most advantageous time to go into a cattle or hog feeding operation. That day may be closer than we realize!!!

UNITED FARMERS WELCOMES THE FOLLOWING DELEGATES WHO ATTENDED THEIR FIRST ANNUAL MEETING.



Flagstaff Area
H. Glenn Lundy,
Forestburg.



Smoky River Area
Raymond Rey,
Falher.



Vermilion River Area
Karl Marklund,
Vermilion.



Camrose North Area
Leslie Webster,
Hay Lakes.



Affiliated Co-operatives
Jack Riddle,
Carstairs.



Affiliated Co-operatives
Romeo Belanger,
Edgerton.



Affiliated Co-operatives
Robert Slack,
High River.



Newell Area
Peter Voroney,
Tilley.

FROM THE ADDRESS OF THE PRESIDENT

Mr. Sayle, in his address to the Annual Meeting spoke about his concern with the lack of wheat sales. He pointed out that, "We must produce for available markets — not for markets that should exist or might exist in the next century."

Another pertinent phase of agriculture that Mr. Sayle touched on was of much interest to the gathered delegation. He said, "In producing and marketing livestock there are three broad areas that deserve study. These are: 1. keeping production in line with market needs 2. trade policy 3. efficiency in production and marketing."

"A good case can be made for leaving the necessary increases in production up to farmers. There is no evidence that they won't produce all that is needed."

"The optimistic projection for the number of cattle required in 1975 or 1980 leaves the impression that there is plenty of room for expansion. I suppose that these projections have validity but we don't need the production required in 1975 in 1969. I venture to suggest that when 1975 comes along there will be plenty of production."

"Our whole marketing structure for these products needs a hard look. A good market is where buyer and seller meet on an equal basis and where there are many buyers and many sellers. Furthermore the handling of the goods involved should be done as cheaply as possible. By no stretch of the imagination do our hog and cattle markets meet these specifications."



"It has been an outstanding year for United Farmers, John." Mr. George Sayle detailing some of the 1967-68 fiscal year for John Schmidt, Agricultural Editor of the Calgary Herald.

"It seems to me that the entire trade in farm products between the United States and Canada needs to be reviewed and some ground rules established that producers can live with. This may involve making some rough decisions as to what policy results in the greatest good for the greatest number but nothing but uncertainty, economic loss, and hardship can result from letting these matters drift."

"If you do not increase efficiency, you go broke. The reasons are simple. You must expect increased costs. These are either absorbed by increased efficiency or increased prices. If prices increased substantially the consumer can use lower cost imports, substitutes or synthetics. Furthermore the producers lose any chance of invading foreign markets and are much more susceptible to imports from abroad."

"What I want to do is make a plea for research — research directed to solve some of the economic problems faced by farmers."

"Our own Organization, United Farmers is doing some good work in developing "systems" in livestock feeding. What we want to develop is the cheapest way to set up one man operations to produce and process feed, look after, feed and market the livestock. We want to get rid of bottlenecks, particularly the labor bottlenecks, in putting up feed and getting it to livestock so that looking after an economic livestock enterprise can become a family farm operation. So far we have only made a beginning, but as we gain experience, train people, and pinpoint the problems, I hope we will have the resources to do more."

"To summarize, with all our products, including wheat and livestock, we must give more attention to:

1. Keeping production more in line with markets.
2. Improving our marketing methods.
3. Doing more research in marketing and production methods.
4. Exploring aggressively the possibilities and advantages of international agreements.

"1969 could be a year of decision for Canadian farmers. The report of the task force on agricultural policy will become available. A National Grains Council will begin to function. It is expected that a national meeting on agricultural policy will be called by the government. All of us must face and take part in the decision making process in our farm organizations."

I am confident that Canada is capable of providing an environment that will permit our farmers to make greater economic progress in the 70's than was possible in the 60's."

DIALOGUE AND DATA AT THE ANNUAL MEETING



Delegates Bill Eaglesham, Fairview; Eugene Girard, Girouxville; and Raymond Rey, Falher. In the immediate background Delegates Bill Runte, Brightview; and Earl Grimson, Red Deer.



Left to Right: Delegates David Fedun, Andrew; Karl Marklund, Vermilion; Marshall Bingeman, Esther; Paul Nowak, Goodridge; Archie Hogg, High River, Director Phil Duby, Rainier.



Left to Right: Delegate Bill Bocoock, St. Albert; Gordon Chisholm of the Petroleum Division; Delegate Leo Ellert, Milk River.



Left to Right: Jim Shindler of the Farm Supply Division; Delegate Bill Fedoretz, Smoky Lake; Tim Volk, Management Controls; Delegate Peter Voroney, Tilley.



Left to Right: Delegate Bill Fletcher, Purple Springs; First Vice-President Andy Silver, Huxley; Director Dan Manderson, Ryley.

THE GENERAL MANAGER REPORTS

RECORD YEAR – “This has been a record year for United Farmers with record sales and record earnings. The results were achieved in spite of the fact that many areas in the province experienced very dry weather in the growing season and crop prospects and the export market outlook have been anything but favorable.

EXPENSES – “While expenses increased \$227,000 or 5.3%, they are down .15% as a percentage of sales and this is a more realistic indicator.

“Productivity per employee increased when measured against both sales and earnings. This reflects the attention our supervisory people continuously devote to motivating our employees to greater effort and of course is a tribute to all of our employees.”

NET EARNINGS – “Net earnings before farm supply rebates and provisions for income taxes amounted to \$2,409,000 – an all time high. These record earnings enabled us to recommend a dividend of 12% on petroleum purchases amounting to \$1,818,000, and a 3.2% cash rebate on purchases of farm supplies amounting to \$317,000. In addition, under the terms of the cash payout plan, 25% of the current dividend allocation to members will be paid in cash together with a cash payment of 18% of the previous patronage loans.

“The total amount of cash paid out this year, including payments to estates and farm supply rebates, will amount to \$1,744,000. In the last five years – cash payments alone amounted to \$6,706,000. This is concrete evidence of the effectiveness of Alberta farmers and their own Organization in reducing the cost of inputs.”

“More and more Alberta farmers have turned to their own Organization with the assurance that they would receive quality and the lowest possible price on their inputs.”

PETROLEUM DIVISION – “Petroleum sales increased by \$936,000 or 6.1% to \$16,369,000. This increase was achieved despite reduced activity last fall, lower sales of heating oil because of the mild winter, and continued aggressive competition from all other marketers. Industry gallonage figures for the purple market showed a decrease of 2.5% while we had an increase of .8%, so we’re still ahead of the industry experience.”



At United Farmers’ Press Conference – On the extreme right, Mr. Bill McCartney, General Manager of United Farmers being interviewed by Mr. Jim Johnstone, Assistant News Director of Radio Station CKXL, Calgary, and Mr. Jack Wood, representative from the Western Producer; in the background Dr. Arnold Platt, Executive Secretary of United Farmers.



Mr. Bill McCartney, General Manager of United Farmers, being interviewed by George Elder, Sales Department, and John McGuinness, Production Staff of Radio Station CFAC.

FARM SUPPLY DIVISION – “Sales in the Farm Supply Division reached a new high at \$10,280,000 up 6.6% from the previous year. New members and increased member support made a good year possible.

Competition is sharply intensifying in the farm supply field as more and more companies enter the market-place. None of them, however – and I do mean none of them – offer anything like the complete range of products and services that we do. Couple that fact with the consistent record of savings we have, and we are not fearful about the future.”

SUMMARY – “Our Organization has never been in a stronger financial position than it is in at the present time. Our assets are in excess of \$11,200,000 and 79½% of those assets are financed by the members. This is an enviable position that every co-operative aims at but very few achieve. Our sales and earnings, our dividend rate, the amount of cash returned to members – all are at record levels.”

Sales – highest in history, both in gallons and in dollars.
Associations – revision in the program for local co-operative associations.
Record Month – established in May, 1968, when 9,169,144 gallons of light products were marketed.
Expenses – were reduced slightly when calculated on a cost per gallon basis.
Distribution – product now marketed through 145 outlets, excluding Federated. United Farmers opened 3 new agencies during the fiscal year.
New Products – introduced two new lubricating oils, namely Maple Leaf Extra HD and Maple Leaf Premium.
Earnings – a new record established, resulting in a 12% dividend rate and a record allocation made to members.
Accounts Receivable – highest ever recorded, a disturbing trend to longer credit terms – a matter of great concern.
Natural Gas – considerable time spent last winter in a number of areas working with local farmers who are interested in building a rural natural gas co-operative distribution system.



*Lawrence Proudfoot
 Manager, Petroleum Division
 United Farmers*

FROM MR. PROUDFOOT'S REPORT

EARNINGS – “One of the main objectives of United Farmers is to reduce farmers’ costs. We are pleased to report our earnings are the highest in our history. As a result the patronage dividend rate of 12% on petroleum purchases will provide \$1,818,000 for distribution to our members. This is the highest dividend rate and allocation of earnings ever recorded by United Farmers.”

“United Farmers was the only oil company to protest this increase in taxes to the government.”

TANK WAGON PRICES – “The fuel oil tax recently imposed by the provincial government has increased the price of a majority of petroleum products, 3¢ per gallon. The effect of this new tax is considerable. For example, in the current 1969 fiscal year, if our budgeted sales are realized, our members will pay approximately \$3,372,000 in Fuel Oil Tax for the 12 month period ending

July 31, 1969. However, if the Fuel Oil Tax rates had not increased, the tax would have amounted to \$1,752,000. Thus our members will pay approximately \$1,620,000 more in Fuel Oil Taxes, an increase of 92%. United Farmers was the only oil company that protested this increase in taxes to the Government.

ACCOUNTS RECEIVABLE – “We are most cognizant of the fact that conditions in the farming industry are of paramount importance to our Organization. Most of our business is done with farmers so it goes without question that the difficulties now affecting agriculture are reflected in our business.

Our Petroleum Agents have been under great pressure, on the one hand, to accommodate their customers’ requests for longer credit accommodation – and on the other hand to abide by our counsel and

keep their Accounts Receivable in a current condition.”

FUTURE – “We are keenly aware of the fact that competition in the marketing of petroleum products is vigorous and continuous. There is no place for complacency or acceptance of things as they are. We presently are engaged in studies that could change our marketing program for 1969.

Our Petroleum Agent is a key man in the success of our Company. He is the man most frequently in contact with our members – it is essential that his service be courteous and efficient and be combined with good management procedures. We are confident he will perform these requisites well. However, his success and that of United Farmers is not only dependent on his efforts alone, but require a blend of energies and abilities of all of us, Delegates, Management, and staff.”

FARM SUPPLY DIVISION 1968

SALES INCREASE 6.6%
 CASH REBATE DECLARED 3.2%
 13TH FARM SUPPLY CENTRE OPENED IN VULCAN
 FARM SYSTEMS DEPARTMENT GROWTH



*Ward Smith
 Manager, Farm Supply Division,
 United Farmers*

FROM MR. SMITH'S REPORT

INFORMED SERVICES – “With the rapid advancement of technology in agriculture, it becomes imperative that even greater emphasis is placed on an area I call “Informed Selling”. More and more companies are finding it necessary to set aside the need for informed sales personnel in favor of reducing costs by employing less capable people or by a wider use of temporary help. This may be acceptable in the prepackaged, pre-sold urban market but it is not acceptable in the field of farm production. Considerable attention is given to the selection and training of our staff. In addition to product training sessions each salesman must complete a special sales course. The purpose of this course is not to teach him to give prospective customers a snow job but to teach him to make better use of his time and provide our members with more complete information and services on the products they require.”

FARM SYSTEMS – “Farm Systems are not just planning, buildings or equipment. They are the total of these, combined together in such a way that they become a viable unit capable of growing and producing a profit. This, in a nutshell, describes what the United Farmers’ Farm Supply Division is doing in the field of farm automation.

“Years of research have resulted in top lines of equipment and the latest designs in farm construction. Skilled personnel have been trained to consult with each member on an individual basis so that his particular needs are recognized and can be satisfied.

“United Farmers, by virtue of its objectives set out by the farmers of Alberta, is interested solely in the field of agriculture, and agricultural production. It is not a sideline but a full time job. United Farmers is not a competitor but a partner in agriculture.”

The following list shows the locations of United Farmers’ thirteen farm supply centres – the year in which they opened – their standings in relationship to sales volume during 1967 - 68.

POSITION	CENTRE	DATE OPENED
1	Edmonton	January, 1957
2	Calgary	February, 1953
3	Lethbridge	August, 1962
4	Red Deer	August, 1961
5	Westlock	May, 1966
6	Grande Prairie	September, 1960
7	Camrose	October, 1964
9	Vermilion	June, 1964
10	Hanna	May, 1965
11	Provost	June, 1967
12	Stettler	August, 1965
13	Vulcan	April, 1968

PERSONNEL HIGHLIGHTS

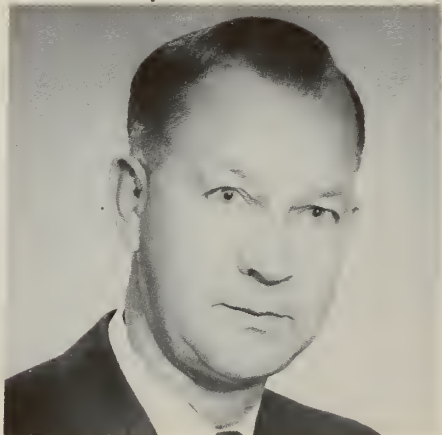
Average increase of 4% in staff over previous years.

Staff turnover 2% less than a year ago.

50 employees undertook study courses.

50 employees received service awards.

1 employee with 37 years service retired.



*Arne Olson
Personnel Manager
United Farmers*

"Every effort is made to place employees in jobs they are best suited for and in which they can make the best contribution to the progress of our Company. Highly skilled people naturally give greater productivity and this in turn, helps reduce operating costs."

IN-COMPANY TRAINING – "Our training program has been enlarged in scope and the number of courses have increased. More emphasis is being put on "In-Company Training" with a formal step-by-step training program. This type of training consists of programmed instruction texts. Each employee studies independently of others, proceeds at his own rate of speed, and corrects his work as he goes along."

SALARY SURVEYS – "Along with the need for skilled employees is a corresponding increase in pay levels for such skills. Salary surveys are conducted throughout the year to ensure that our salary levels are competitive, equitable, and objective."

PENSION – "Our Employee Pension Plan was up-graded to provide adequate benefits on retirement. The cost of up-grading the plan is absorbed by the Company. Employees' contributions to the Pension Plan will remain unchanged."

OPERATIONAL VIEW – FARM SUPPLY DIVISION – "As long as our centres are practical, large enough, and well maintained, they do not have to be extremely elaborate."

EXCERPTS

FROM

JIM

SHINDLER'S

REPORT



*Jim Shindler
Operations Manager
Farm Supply Division*

FARM SUPPLY CENTRE FACILITIES – "Our Farm Supply Centres have progressed from expensive truck level warehouses to ground level and much less costly units. As long as our centres are practical, large enough, and well maintained, they do not have to be extremely elaborate. Members are not interested in a lot of dollars tied up in fancy facilities. A paint-up program completed this year now standardizes our color scheme at all Farm Supply Centres and looks very impressive. New tractor type fork trucks are being used and they are less costly, easier to maintain, and can serve a dual purpose when used for snow removal in the winter time. Display space is being increased at most of our centres and more bulk displays are being used. This will speed up customer service on small items. Some remodeling and expansion is under way at Lethbridge, Camrose, Red Deer, Calgary, and Edmonton.

CUSTOMER SERVICE – "Some additional services provided recently are a plumbing and heating estimating service, more expansion in our building and automation department, setting up of most of our machinery and grain bins, and delivery of set up grain bins to the farms. In addition, a Rental Service was tried at a couple of branches last year. Equipment such as cattle chutes, post drivers, fertilizer spreaders, and cattle scales were rented to our members. This could develop into a full fledged service."

**FROM THE NATURAL GAS REPORT GIVEN BY
BILL MARGACH**



*Bill Margach
Operations Manager
Petroleum Division
United Farmers*

POLICY – “Following our Annual Meeting in November, 1967, United Farmers formulated a Natural Gas Program that would provide guidance in organizing natural gas co-ops for the purpose of servicing natural gas to each and every farm unit within the province where it was humanly and economically possible.”

ORGANIZING – “United Farmers assisted in making presentations to government officials in an effort to establish a Natural Gas Policy for the province. This was in conjunction with the Farmers’ Union of Alberta.”

ACTION – “Requests were received from some fifty areas of which 16 of them were visited. Of these, five progressed to within a degree of making a system an actuality. Financing had to be considered the prime reason no systems were given the go ahead.

RESULTS – “Although our systems were not finished, a few local areas had the service made available by utility companies and engineering firms in connection with a system supplying a town or village. This could be attributed in a way to the interest generated through United Farmers.”

APPRECIATION – “The support and leadership by the local natural gas co-ops and other groups given to United Farmers was appreciated. Without this our program would not have progressed to the point it did.”

**MORE PICTURES
FROM THE MEETING**




*Left to Right:
Delegates Walter Risdon, Strathmore; Bill Runte, Brightview; Ray Hart, Claresholm; Albert Friend, Rosalind; Metro Lukenchuk, Vegreville; 2nd Vice-President, Elmer Johnson, Chauvin.*



*Left to Right:
Earl Grimson, Red Deer; Treasurer Ralph Ward; Delegates Herb Kruger, Stettler; George Fawcett, Consort; Ted Quaschnick, Hanna; Bill Eaglesham, Fairview.*



*Left to Right:
Delegate Karl Marklund, Vermilion; General Manager Bill McCartney, Chris Loree, Junior FUA representative; in the background, Vic Willoughby – Production Manager, Farm Supply Division.*



COMING EVENTS

November 25 – December 6
- Alberta Wheat Pool
Annual Meeting. Calgary

December 2 - 7
- Car Bonspiel
Edmonton

December 9 - 13
- Farmers Union of Alberta
Convention Edmonton

December 26 - 28
- Annual Youth Conference
On Alcohol & Drug Problems
Banff