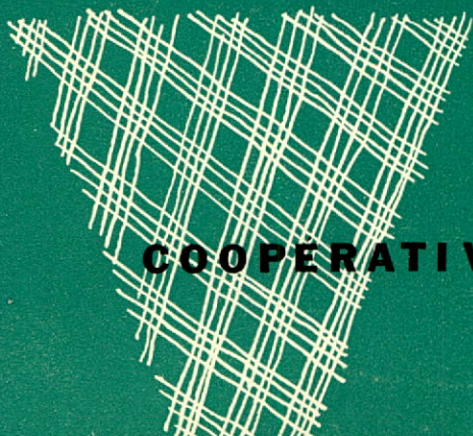


5

*Fédérées*

ANNUAL REPORT

1951



COOPÉRATIVE FÉDÉRÉE DE QUÉBEC

Fédérés

Gentlemen . . .

I HAVE THE HONOUR OF PRESENTING THE 30th ANNUAL REPORT of the Coopérative Fédérée de Québec.

This Report contains the Financial Statement of our Federation on December 31st 1951. Charts and data have been added to explain certain aspects of its operations and to show the steady growth and solid expansion of the Fédérée since 1930.

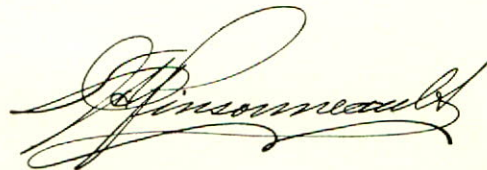
Of the outstanding facts of the past year, may I mention at least a few. Our transactions have reached a record figure. We have moved our Head-Office into its new offices. At the Rimouski Branch, we have built, renovated and reorganized. We have participated at Rome, Italy, in the International Catholic Congress on Problems of Rural Life. And, your Executive has made the first complete tour of the fifteen districts in the Province.

The meetings held with the administrators of local co-operatives gave us a new opportunity of getting first hand information on the diversity and importance of the numerous problems facing the local co-op in serving agriculture effectively and in sharing in its improvement.

The facts reveal that we have had some success in 1951. Mainly, it is the result of a close co-operation between members, directors and employees. To each and everyone, I offer my thanks. And, I invite you to carry on with this mutual effort, for we are yet far from the final goal.

However, in a world where different interests clash and create new problems with startling rapidity, it is comforting to note that the co-operative movement is leading us steadily, if not rapidly, towards a more just, better adapted and more peaceful world economy.

Gentlemen, you shall be called upon to voice your opinion on very important matters. No doubt that in every instance, you will do your utmost to take the decisions best suited to the progress of our movement and of agriculture in general.



Chairman of the Board of Directors.

m o r e t h a n e v e r . . .

Fédération

In 1951, the volume of business transacted by the Coopérative Fédérée has increased and transactions were more profitable. We have reasons to be satisfied. This progress depends on several factors, some of which are under our control and others are beyond our reach.

Our success rests on a reawakening of co-operative convictions amongst our members. The meetings held by the Executive throughout the Province during last year have certainly accelerated this evolution. The board of directors and members of local co-operatives have a better understanding of the primary importance of developing in their districts, enterprises belonging to them and entirely at their service. Certain administrative improvements have been introduced in the Central Co-operative and in several local co-operatives; the addition of new activities should also be mentioned. These are factors which we can control.

On the other hand, we should mention, amongst the factors which we cannot control, the increased demand for agricultural products on the national and world markets. In Canada, an increased population, an extraordinary industrial and mining development accompanied by considerable investments and expenditures have stimulated consumption while stabilizing and fostering purchasing power in the public at large. The realization of American and Canadian defence programs has had a similar influence. The scarcity of certain raw materials might reduce the quantities of some goods intended for civilian use. The lifting of credit restrictions imposed

some time ago on consumer goods will not tend to decrease the demand for these articles. Let us hope that we are not heading for a reduction of the monies spent for food.

Since our dollar is at par with the American dollar, our export sales have become more difficult and less profitable, and agricultural products of U.S. origin are more easily finding their way to our markets; the level of American prices might become the level of Canadian prices.

In 1951, the yields of field crops in Quebec, with the exception of potatoes, were larger than the average for 1946-50. In general, pastures were excellent. Cattle and calves increased 2% compared to 1950, hogs 36%, poultry 3%. Lambs decreased 24% and the horse population continued to shrink.

But compared to the 1946-50 period, cattle has decreased 6%, calves have increased 2.6%, and lambs have decreased 32.2%, while hogs were 35.4% higher. Butter production increased 6% and cheese production decreased 23% in 1951, as compared to 1950. Milk was used for other purposes: fluid, condensed, evaporated and powdered milks. In Quebec, farming is based on milk production. Our soil, climate, markets practically compel us to rely on the dairy industry and its normal companion, hog production.

Prices of dairy products have remained below the level of other food products. The average consumer's purchasing power has increased in such a way that in 1951, only

Fédération

## w o r k   t h r o u g h   y o u r   c o - o p s

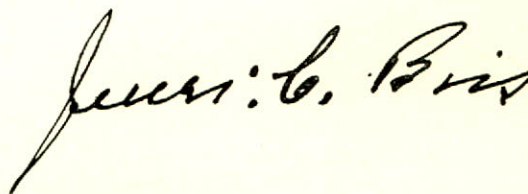
10 minutes of work were necessary to buy a quart of milk, as against 15½ minutes in 1939. The labor cost on dairy farms has increased by 181% and the price of feeds by 82% on the average. Milk and its products are essential foods. In 1951, each Canadian could count on 1,174 lbs of milk as against 1.438 lbs in 1941.

The province of Quebec has become the second largest hog producer in Canada. In 1951, 1,053,700 hogs were marketed as against 778,300 for the average of the 1946-50 period. Let me point out a difficulty which, if removed, would contribute considerably to stabilize prices and, in the end, increase the average return to the producer. Hog production in Canada and in each province reaches a low level in May, June and July, and starts climbing up again in August to reach a peak in October-November. Such an irregularity in supply is expensive for packing houses. Production should be spread

over the twelve months of the year. In my opinion, the difficulties to be encountered in achieving this result can be solved.

From these remarks, it can be concluded, Gentlemen, that more than ever is it necessary to work through your co-operatives. They offer the formula which will save our agriculture. The work to be done is still considerable. We must face our problems as they come to us and not as we would like them to present themselves.

The Coopérative Fédérée de Québec has continued its support and collaboration to other organizations such as: The Canadian Federation of Agriculture, Dairy Farmers of Canada, Interprovincial Co-operatives Ltd., the Conseil de la Coopération du Québec, the Conseil canadien de la Coopération, the Union catholique des Cultivateurs, Quebec Farm Forums, etc. It is impossible for us to believe in isolation, because our progress is based upon close association.



Chairman of the Executive  
and General Manager.



# COOPÉRATIVE FÉD

## ASSETS

financial position as

### CURRENT ASSETS :

Cash on hand	\$ 42,711	
Accounts and notes receivable, after deduction of doubtful accounts (\$258,472)	4,187,487	
Prepayments on consignments	72,571	
Prepayments on merchandise in transit	418,509	
Merchandise and products in stock	2,931,153	
Operating supplies in stock	<u>179,169</u>	
		\$ 7,831,600

### FIXED ASSETS :

Land, buildings, machinery, equipment, rolling stock, etc.; initial cost	3,394,671	
Less : Amortization allocated to operations of 1951 and previous years	<u>1,193,960</u>	
Balance allocable to future operations		2,200,711

### INVESTMENTS :

Shares and notes, at cost Interprovincial Co-operatives Limited United Co-operatives of Ontario National Co-operatives Incorporated, etc.	122,114	
Mortgage loans and deposits	<u>73,078</u>	
		195,192

### DEFERRED EXPENSES :

Stationery, taxes, storage, etc.; cost allocable to future operations	129,706	
Discount on bonds payable; balance allocable to future operations	<u>56,885</u>	
		<u>186,591</u>
		<u>\$10,414,094</u>

In our opinion, subject to the remarks in our report of this day, the above balance sheet is in accordance with the books of accounts and is drawn out so as to show properly the financial position of the Coopérative Fédérée de Québec and its subsidiary companies (Canadian Co-operative Livestock Company of Québec Limited and Dominion Elevator Company Limited) as at December 31st 1951.

Montreal, February 16th 1952.

PELLETIER, GRAVEL, DESLIERRES  
Chartered Accountants,  
Auditors.

# É R É E D E Q U É B E C

at December 31st 1951

## LIABILITIES

### CURRENT LIABILITIES :

Bank credits on merchandise	\$2,513,449
Other bank credits	912,461
Accounts payable	1,460,682
Accrued interest payable	23,194
Other current liabilities	<u>14,820</u>

\$4,924,606

### LONG TERM DEBT :

Bonds, first mortgage, 3% to 4½%, maturing from 1952 to 1966	2,179,000
Mortgage on land, 4%, 1954	16,000
Notes, 3½% and 4%, maturing from 1952 to 1956	454,418
Patronage refunds, 3% and 4%, maturing from 1952 to 1961	<u>864,913</u>

3,514,331

\$ 8,438,937

### CAPITAL AND SURPLUS

#### CAPITAL STOCK :

Common shares paid up	\$ 307,815
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#### SURPLUS :

General reserve	\$ 200,000
Reserve for education and proposed employees' pension plan	30,000
Unallocated surplus	968,804
Net earnings for 1951 (before patronage refunds and income tax)	<u>468,538</u>

1,667,342

1,975,157

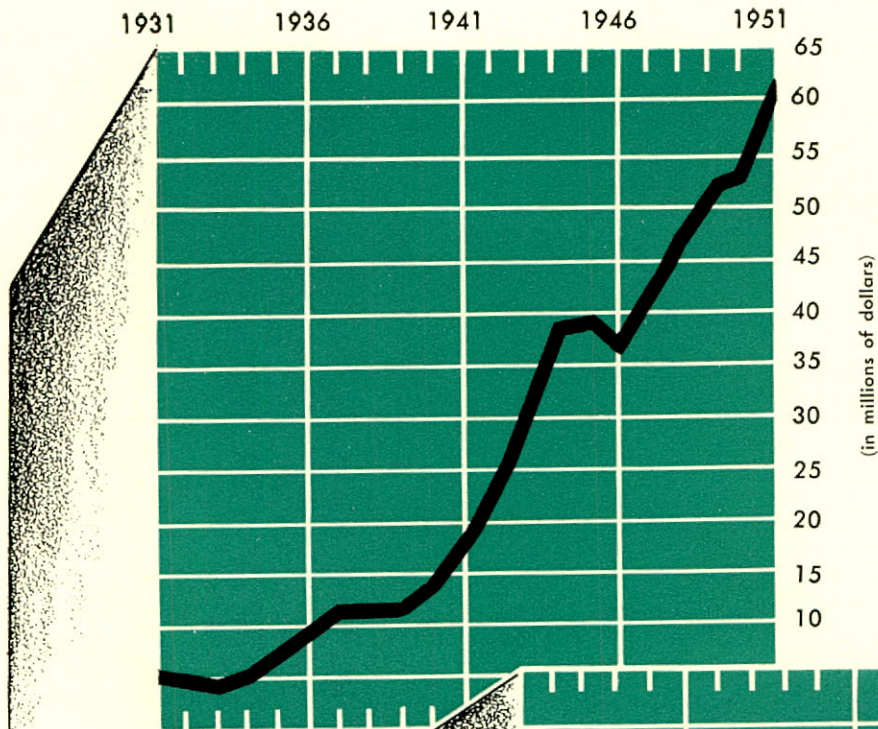
\$10,414,094

surplus as at December 31st 1951

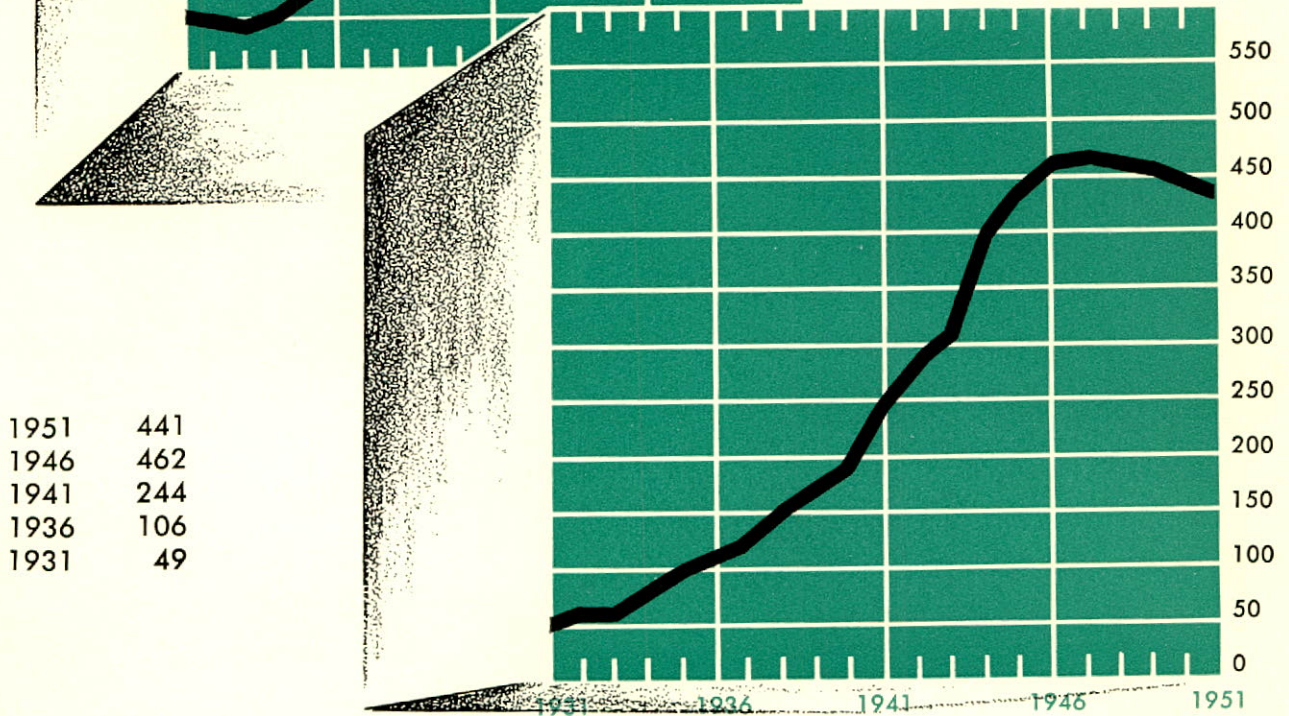
General reserve		\$ 200,000
Reserve for education and proposed employees' pension plan		30,000
<b>Unallocated surplus :</b>		
Balance as at December 31st 1950		\$1,119,961
Deduct :		
Patronage refunds on operations of 1950	\$180,637	
Adjustment to income tax for taxation year 1950	<u>4,552</u>	
		<u>185,239</u>
		934,722
Add :		
Adjustment to income tax for taxation years prior to 1950	3,266	
Gain on disposal of fixed assets	6,261	
Federal grant on construction of a cold storage	<u>24,555</u>	
		<u>34,082</u>
		968,804
<b>Net earnings for 1951</b>		<u>468,538</u>
(before patronage refunds and income tax)		<u>\$1,667,342</u>



# sales



1951	\$60,400,000
1946	37,000,000
1941	17,750,000
1936	9,500,000
1931	5,450,000



1951	441
1946	462
1941	244
1936	106
1931	49

# member co-operatives

# NET EARNINGS AND PATRONAGE REFUNDS

Financial Year	Net Earnings Before Patronage Refunds and Income Tax	Patronage Refunds to Member Co-ops
1951	\$468,538	\$ (*)
1950	230,612	180,607
1949	242,008	204,306
1948	88,227	46,761
1947	495,030	393,743
1946	271,198	205,830
1945	348,667	287,309
1944	369,766	282,342
1943	373,437	272,121
1942	115,293	97,841
1941	121,416	78,913
1940	115,787	60,403
1939	129,806	48,010
1938	89,540	33,608
1937	111,478	26,894

(\*) Patronage refunds for 1951 will be determined on the eve of the annual meeting in February 1952.

# EVOLUTION OF THE FINANCIAL POSITION

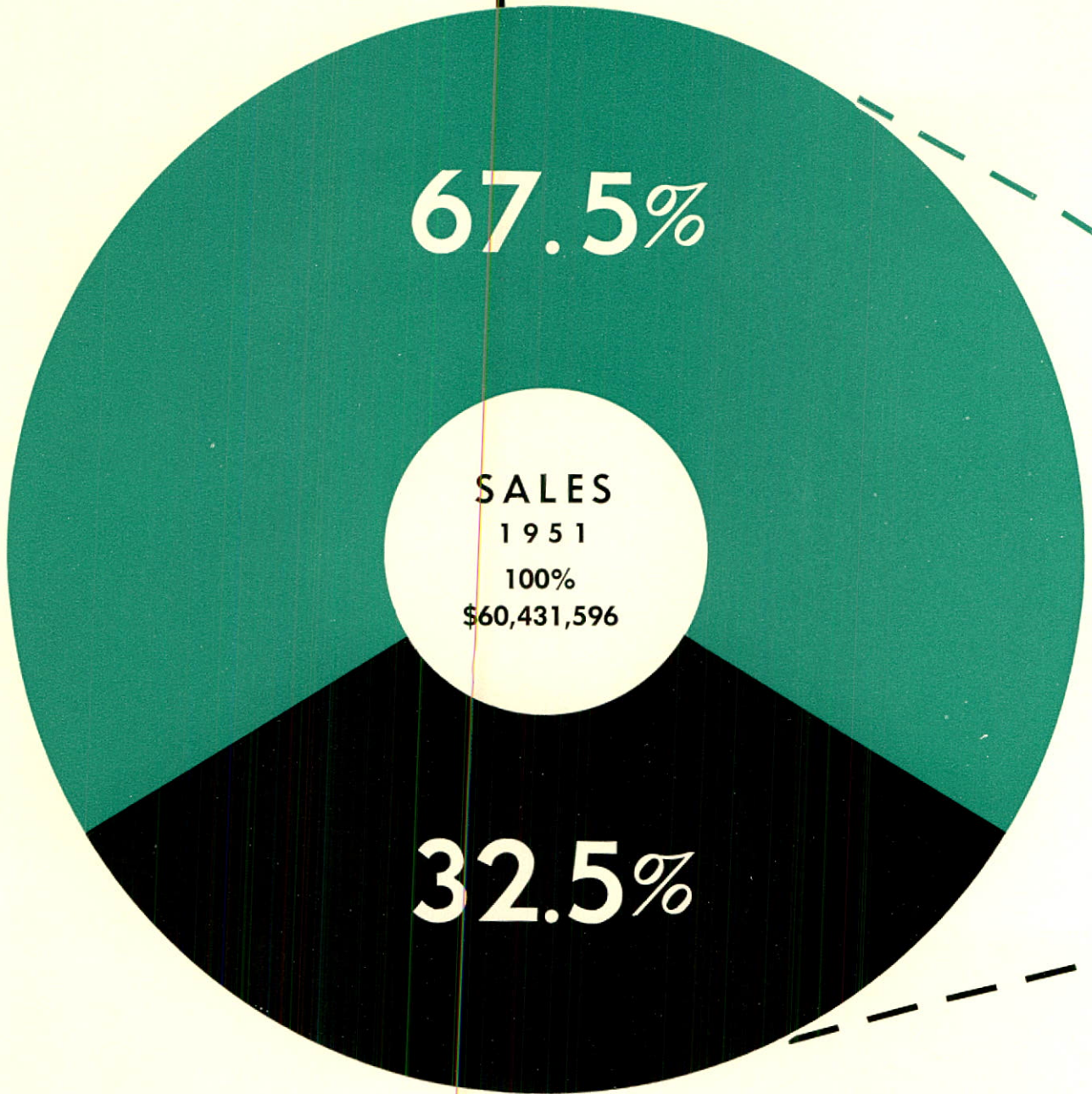
At December 31	Working Capital *	Fixed Assets Cost	Amortization	Investments and Deferred Expenses
1951	\$2,906,994	\$3,394,671	\$1,193,960	\$381,783
1950	2,779,442	2,988,051	1,017,569	352,198
1949	2,577,100	2,664,859	862,198	357,124
1948	2,352,776	2,555,671	704,915	370,156
1947	1,804,730	2,200,251	599,392	220,165
1946	1,345,532	2,026,533	510,185	157,161
1945	1,359,539	1,687,284	429,975	199,642

At December 31	L o n g T e r m D e b t To Non- Members **	To Members (Patronage Refunds)	Capital Stock	Surplus
1951	\$2,649,418	\$864,913	\$307,815	\$1,667,342
1950	2,777,318	697,980	276,863	1,349,961
1949	2,640,168	505,819	258,962	1,331,936
1948	2,759,494	503,845	248,053	1,062,296
1947	1,687,044	288,069	223,927	1,426,714
1946	1,499,489	210,594	202,409	1,106,549
1945	1,384,945	128,310	183,859	1,119,376

\* Excess of current assets over current liabilities.

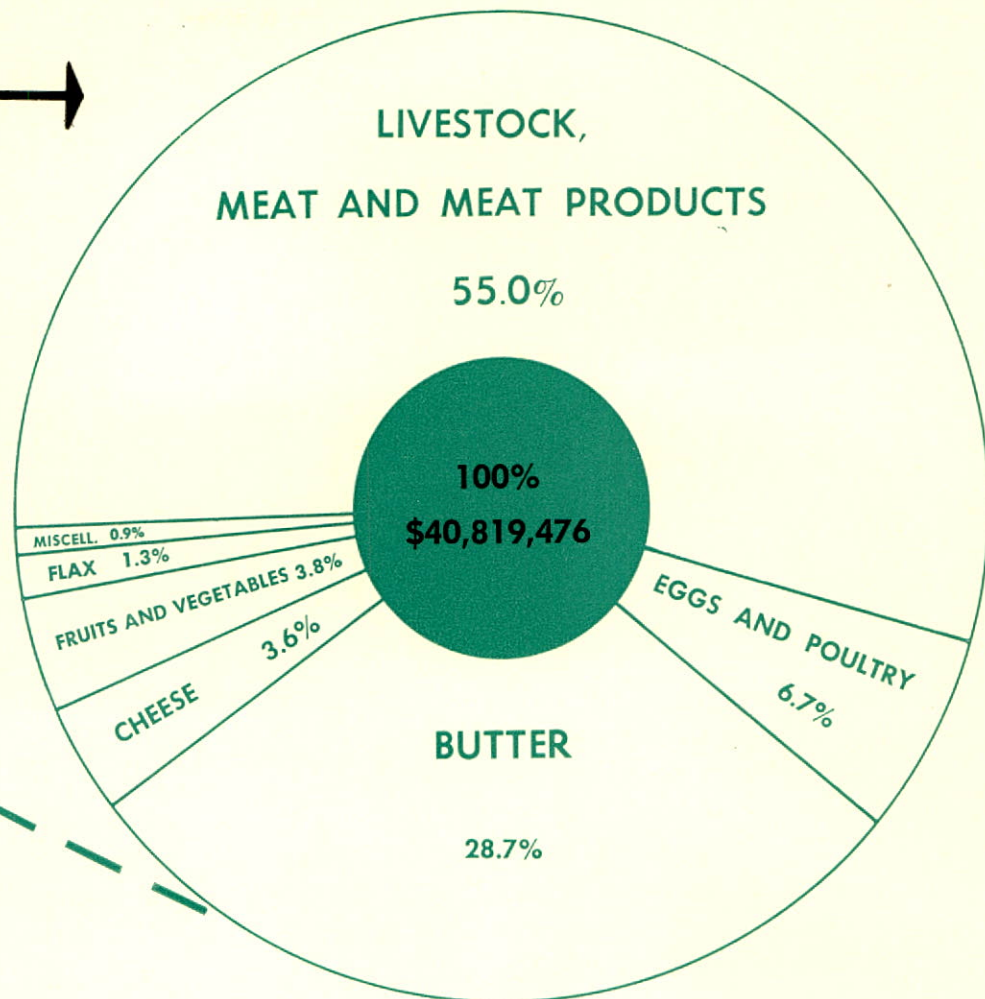
\*\* Bonds, mortgage and notes.

F A R M P R O D

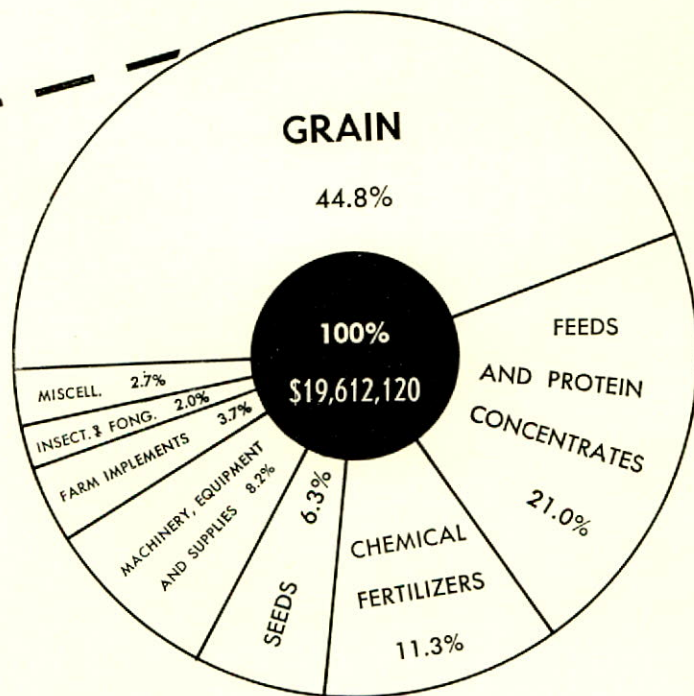


F A R M S U P

U C T S



P L I E S



# FROM A TRADITION...

Co-operation is related to certain ancient forms of mutual aid and collaboration.

In the past and even to-day, neighbours get together to clear land, build or rebuild, sow, harvest, etc.

It is the spirit of the "bee" brought to this land by our ancestors. Fathered by necessity and fostered by human fraternity, it became part of our habits and a firmly established tradition in our way of life. There lies the origin of agricultural co-operation in the Province of Quebec.

At the close of the nineteenth century, Business, Industry and Finance are already thriving under the influence of the tremendous developments in machinery, transportation and trading.

Our agriculture also had to direct its efforts toward commercial production. Therefrom, farmers are subjects to the economic laws of production and marketing and must organize not

to become isolated and to take full advantage of an unavoidable evolution.

The beginning of the present century is a period of isolated co-operative efforts. New ideas and imported formulas are tried but not always well adapted to our conditions. We are seeking the answer to problems brought forward by new trends in agriculture. This period brings in a valuable experience but less tangible results.

Depression comes along. The need is urgent. Necessity to discipline voluntary efforts, to develop personal and collective responsibility and to have more foresight is certainly more and better felt.

Better informed, better educated and helped by an improved legislation, farmers endeavour to organize co-operative associations. Built on stronger foundations, these co-ops are fully owned and controlled by farmers and have remained so ever since.

The thirties mark the birth and growth of agricultural co-operation in the Province of Quebec. A tradition has become a permanent institution.

Thus, agricultural co-operatives and their Federation, "La Coopérative Fédérée de Québec", whose progress have been constant in the last twenty-five years, carry on with this tradition based on mutual aid and fraternity needed to keep any institution alive in a democracy.

# 1951

## *board of directors*

J.-A. PINSONNEAULT, President

ADÉLARD BELLEMARE, Vice-President

L.-THÉOPHILE BERNIER  
ALEXIS CHAMBERLAND  
GEO.-E. DALLAIRE  
OMER DESLAURIERS  
MASTAI DUMONTIER  
GÉRARD GAUTHIER  
ALBERT GINGRAS  
ARMAND GIRARDIN

JOSEPH LALIBERTÉ  
GÉDÉON LAROCHE  
LÉOPOLD LEFEBVRE  
J.-BTE LEMOINE  
ARMAND OSTIGUY  
ÉVARISTE QUESNEL  
MICHEL ROY  
PIERRE TURGEON

### GENERAL MANAGER

HENRI-C. BOIS, B.A., B.S.A., LL.D.

### SECRETARY

ROMÉO MARTIN, B.A., B.S.A.

### TREASURER

RAYNALD FERRON, B.S.A.

## *executive committee*

HENRI-C. BOIS, President

J.-A. PINSONNEAULT  
ADÉLARD BELLEMARE

ARMAND OSTIGUY  
OMER DESLAURIERS

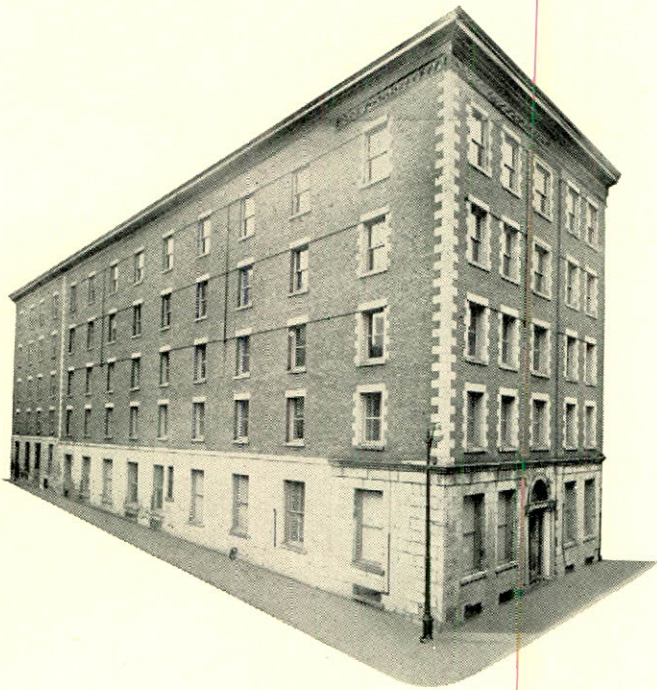
### SECRETARY

ROMÉO MARTIN

•

Only farmers, directors of member co-ops, are eligible to act as directors.

# COOPÉRATIVE FÉDÉRÉE DE QUÉBEC



HEAD OFFICE

105 ST. PAUL STREET EAST

MONTREAL