

Fédérés

Report

From
JANUARY 1st
to
OCTOBER 31st

1953

COOPÉRATIVE FÉDÉRÉE DE QUÉBEC

1953

board of directors

J.-A. PINSONNEAULT, President

ADÉLARD BELLEMARE, Vice-President

ROLAND BELCOURT
J.-EUGÈNE BELZILE
L.-THÉOPHILE BERNIER
ALEXIS CHAMBERLAND
OMER DESLAURIERS
GÉRARD GAUTHIER
ALBERT GINGRAS
J.-ALBERT GRONDIN

JOSEPH LALIBERTÉ
GÉDÉON LAROCHE
LOUIS LAROCHELLE
P.-E. MALTAIS
DAMIEN MARTIN
JOSEPH MASSON
ARMAND OSTIGUY
ÉVARISTE QUESNEL

GENERAL MANAGER
HENRI-C. BOIS

SECRETARY
ROMÉO MARTIN

TREASURER
RAYNALD FERRON

executive committee

HENRI-C. BOIS, President

J.-A. PINSONNEAULT
ADÉLARD BELLEMARE

OMER DESLAURIERS
ARMAND OSTIGUY

SECRETARY
ROMÉO MARTIN

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

Gentlemen,

I HAVE THE HONOR TO PRESENT THE THIRTY-SECOND ANNUAL REPORT OF La Coopérative Fédérée de Québec.

Following the last amendments to the Act governing our Society, it was decided that, starting from 1953, the financial year of the Fédérée would terminate on the 31st of October of each year. Thus the present report covers only ten months of operation.

In 1953, the total value of agricultural production has again decreased. Our operations reflect the marked recession in hog production.

The financial structure and the services of our Society have kept on improving. Our common stock now exceeds the half a million dollar limit authorized before the amendments of 1952, and new cold storage facilities will soon be completed in our building, on St. Paul Street East, in Montreal.

Our Society realizes fully the importance of the problems actually facing Agriculture, and it endeavours, with the other co-operative organizations, the associations, institutions and groups, in Quebec and in Canada, to find a solution in the interest of everyone concerned.

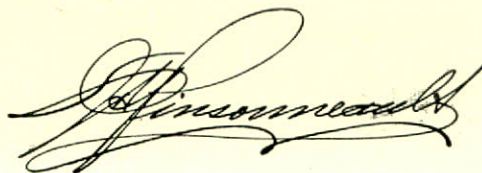
The new agreement, arrived at last February between the U.C.C. and the Fédérée, has enabled both groups to undertake together the study of what we could call our main agricultural policies.

At the request of your Board of Directors, your Executive Committee again made the Tour of the Province in 1953. Together, we have studied the economic, professional and social advantages offered by our co-operatives. More than ever, we are convinced that their activity is valuable and their development desirable.

To play our part fully, we have the moral obligation to intensify our efforts. May God continue to help us.

To our members — the affiliated co-operatives —, to the directors and employees of the local co-operatives and the Central, and to all who help our efforts, I offer my sincere thanks for their efficient co-operation.

It is my sincere hope that in 1954 our Society shall remain on the path to real progress.



Chairman of the Board of Directors.

WORK WITHOUT RESPITE...

INCREASE THE PACE!

In the course of meetings of commercial, industrial, agricultural or other associations, it often happens that we try to forecast what the coming year will be.

Our 1953 report covers only ten months. Therefore, comparisons with previous years become more difficult, because although the months follow one another, they do not bring in the same returns nor are the expenses incurred proportional. If we wanted to study the returns and expenses of 1953 as compared to those of 1952, we would not draw satisfactory conclusions.

Everything considered, the year was good, in spite of increased expenses that our Society had to meet and among those we find noticeable increases in the rate of wages and salaries. The balance sheet shows an ever-improving situation. So, I would merely like to bring to your attention, not prophecies, but certain fundamental facts that we must never forget.

These facts are: the steady increase in the population, the constant purchasing power of our consumers, and the need to forecast what our Southern neighbors will do.

In his speech of January 11, the President of the United States declared that his Government would take all necessary measures to protect the American farmer against a too rapid devaluation of agricultural products. According to the newspapers, the President even mentioned the use of eight billion and a half dollars to stabilize the agricultural economy of his country.

A proportional amount, invested at this time in the Canadian agricultural economy, would help its stability and would assure farmers of an income large enough to maintain their purchasing power of consumers goods. Furthermore, by professional necessity, our farming population is buyer of a great number of industrial products, and the farm purchasing power constitutes a strong stimulant to our industrial activity. Those are things that we often forget.

Taking into account the numerous factors whose importance it is often very difficult to set and which do not occur only within the boundaries of our country, we feel that 1954 shall be a year of average returns. This would mean that our progressive farmers shall be able to hold their position and, unless some unforeseen emergency arises, we cannot anticipate the prices of three years ago.

Therefore, it is advisable to remind the farmers of the necessity of applying on their farm the best methods of production. In our province, these methods should aim towards the highest possible yields from animals, soils and plants.

Whether it be dairy industry, hog production, eggs, poultry meat, etc., the man who shall remain on his farm will be the producer who has constantly endeavoured to reduce his cost of operation, while getting more milk, hogs, eggs, for a given amount of grain or feed.

Regarding soils, it must be reminded — and co-operatives can do so efficiently — that the best methods of drainage, even of

irrigation in certain districts, and also of fertilizing should be applied. When we study the ordinary practice of our farmers regarding the fertilizing of the soils, and compare it with that commonly used in certain other provinces, we are inclined to ask ourselves if the amounts of fertilizer applied per acre are sufficient to give the best results.

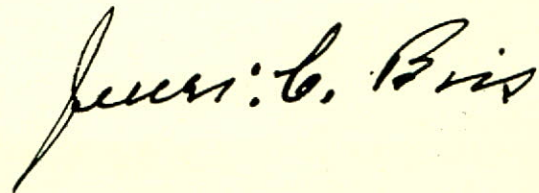
As for plants, it must also be admitted that the choice of species and varieties is not always what it should be, and we can wonder at the same time if due consideration is given to the most important factor in economic production: quality.

All the aforementioned, undoubtedly, can be corrected and improved, but it seems that the time has come to speed up this move and to request all who represent local groups to bring the greatest possible number of their fellow-citizens to work without rest to the improvement of their farm, applying their labour, capital and intelligence in the maximum use of the means of production offered to them.

To bring this to a successful conclusion and not to lose, in the last stage of production, the profit of the hours of labour given in the barn or in the fields, farmers must more and more make use of joint action. Their co-operatives have been organized towards this end, considerable capital has been invested and from year to year, they must aim to increase their field of operation.

The possible forms of activity are numerous. I cannot tell here what must be done in each particular situation, but each co-operative must, in its own midst, be dynamic and engage its resources only after a thorough study of the problems they have to solve.

In acting this way, the farmers will direct their activity in the most fruitful way and, if they understand their real interest, they shall rapidly discover that their progress will be made easier in the extent that they will have remained loyal to the basic principles of the co-operative movement.



Chairman of the Executive
and General Manager

COOPÉRATIVE FÉD

FINANCIAL POSITION AS

ASSETS

Current assets :

Cash on hand and in bank	\$ 282,256	
Accounts and notes receivable (after deduction of doubtful accounts : \$212,764)	2,888,110	
Prepayments on merchandise in transit	77,759	
Merchandise and products	3,185,214	
Operating supplies	226,283	
		\$ 6,659,622

Fixed assets :

Land, buildings, machinery, equipment, rolling stock, etc.; initial cost	3,692,559	
Less : Amortization allocated to operations of 1953 and previous years	1,479,915	
Balance allocable to future operations		2,212,644

Investments :

Shares and notes, at cost Interprovincial Co-operatives Limited United Co-operatives of Ontario National Co-operatives Incorporated	134,078	
Mortgage loans and deposits	53,938	188,016

Deferred expenses :

Insurance, containers, stationery, taxes, etc.; cost allocable to future operations	104,542	
Discount on bonds payable; balance allocable to future operations	50,245	
		154,787
		\$ 9,215,069

É R É E D E Q U É B E C

AT OCTOBER 31st 1953

LIABILITIES

Current liabilities :

Bank credits on merchandise and products	\$ 1,879,014	
Other bank credits	300,000	
Accounts payable	805,605	
Accrued interest payable	58,968	
Other current liabilities	14,189	
	<hr/>	\$ 3,057,776

Long term debt :

Bonds, first mortgage		
3% to 4%, maturing from 1954 to 1966	1,923,800	
Mortgage on land, 4%, 1953 and 1954	8,000	
Notes, 3½% to 4½%, maturing from 1953 to 1961	708,633	
Patronage refunds,		
3½% to 4½%, maturing from 1954 to 1963	1,214,689	
	<hr/>	3,855,122
		6,912,898

CAPITAL AND SURPLUS

Capital stock :

Paid up :		
Common shares — \$10	\$ 25,240	
Common shares — class B	131,138	
Common shares — affiliation	413,849	
	<hr/>	570,227

Surplus :

Reserves	\$ 1,409,460	
Net earnings from January 1st to October 31st 1953		
(before patronage refunds and income tax)	322,484	
	<hr/>	1,731,944
		2,302,171
		<hr/> <hr/>
		\$ 9,215,069

SURPLUS AS AT OCTOBER 31st 1953

Reserves :

Balance as at January 1st 1953 :			
General reserve	\$ 1,696,254		
Reserve for proposed pension plan	30,000		
		\$ 1,726,254	
Deduct :			
Patronage refunds on operations of 1952 ...	393,808		
Income tax for 1952	57,232		
		451,040	
		1,275,214	
Add :			
Profit on disposal of fixed assets	20,637		
Federal subsidy on building of a cold storage warehouse	113,609		
		134,246	
		\$ 1,409,460	

Net earnings

from January 1st to October 31st, 1953	322,484
(before patronage refunds and income tax)	
	\$ 1,731,944

AUDITORS' REPORT

To the President and
Shareholders of
La Coopérative Fédérée de Québec.

We have examined the consolidated Balance Sheet of La Coopérative Fédérée de Québec and its wholly owned subsidiaries (Dominion Elevator Limited and Canadian Livestock Co-operative of Quebec, Limited) as at October 31st, 1953, and the Statement of earnings and Surplus for the year ended on that date.

We have obtained all the required information and explanations.

We have not made a detailed audit of all the transactions but we have verified, by means of such tests as we considered necessary in the circumstances, the accounting procedure and records.

In our opinion, the attached Balance Sheet of La Coopérative Fédérée de Québec, as at October 31st, 1953, is drawn up so as to exhibit a true and correct view of the state of the affairs of the Society, according to the explanations and information submitted and as shown by the books.

PELLETIER, GRAVEL, DESLIERRES,
Chartered Accountants.

Montreal, January 15th, 1954.

CHANGING CONDITIONS IN AGRICULTURE

Facts prove it.

In three quarters of a century, the number of persons gainfully engaged in agriculture has doubled, while the population of the country multiplied by four.

The number of farms is declining. In ten years, taking into account the new definition given by the Dominion Bureau of Statistics to the word farm, this figure has been reduced by 50,000 for Canada as a whole and by 10,000 for the Province of Quebec.

The acreage of farm holdings increases from year to year and the same can be said for the mean area cultivated per man.

The value of agricultural production is approximately three and a half times greater than it was in 1940, and the part of our national revenue deriving from agriculture has decreased, from a third in 1870, to 12% in 1952.

The capital invested in farming is also greater. It is estimated that twice as much capital is required to keep a man at work in agriculture than is needed, for example, in industry.

Due to these changing conditions in our agriculture, a farm operator must now possess the qualities and assume the responsibilities of an executive.

Now, the co-operative is truly the lengthening of the farm.

Therefore, it must endeavour to adapt its structures and activities to the changing conditions in farm operation and rural economics. At the same time, it must surge upward under the greater national and international influences.

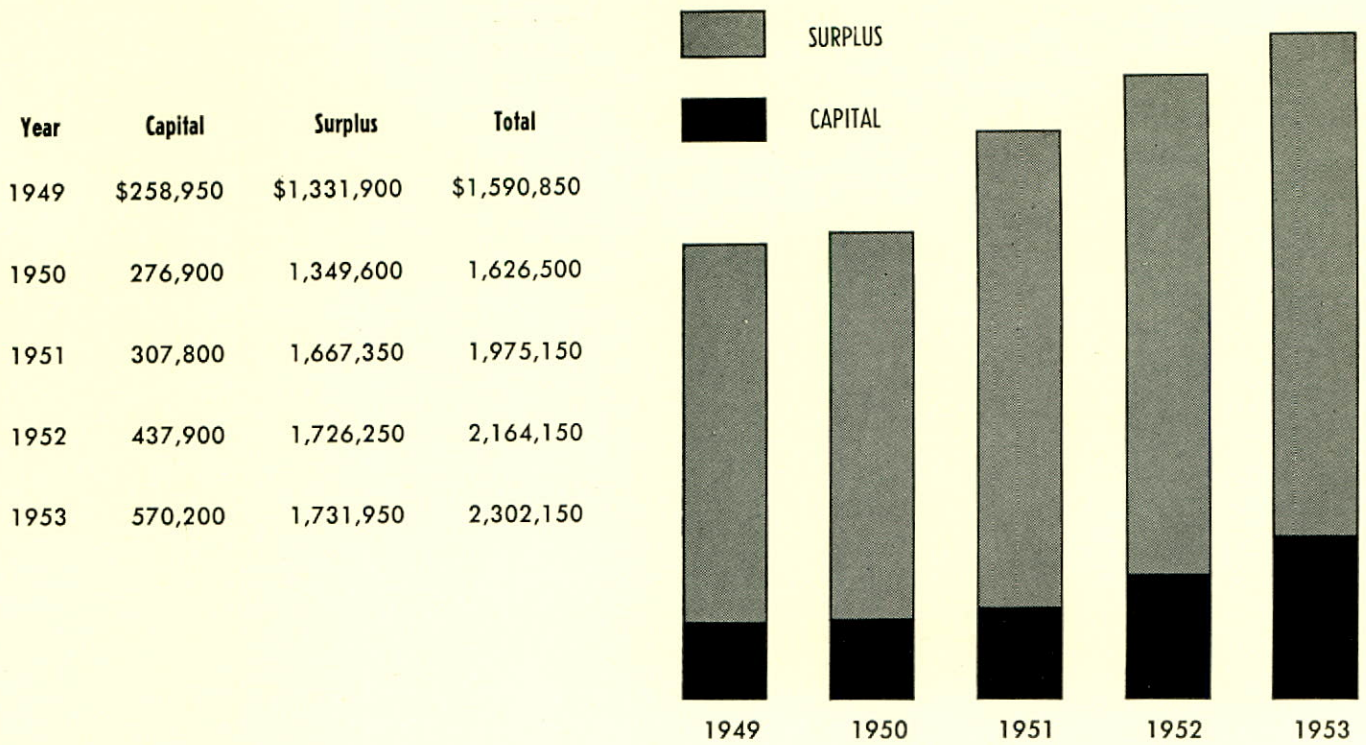
Today, more land, more machines, more capital, more knowledge, more foresight and management skill are needed to make a reasonable living in farming.

In the future, a greater number of co-operators, more alert, active and efficient, having also a greater initiative and loyalty, shall bring forth the development of co-operatives perhaps less numerous, but better established, better equipped, more efficient and altogether stronger.

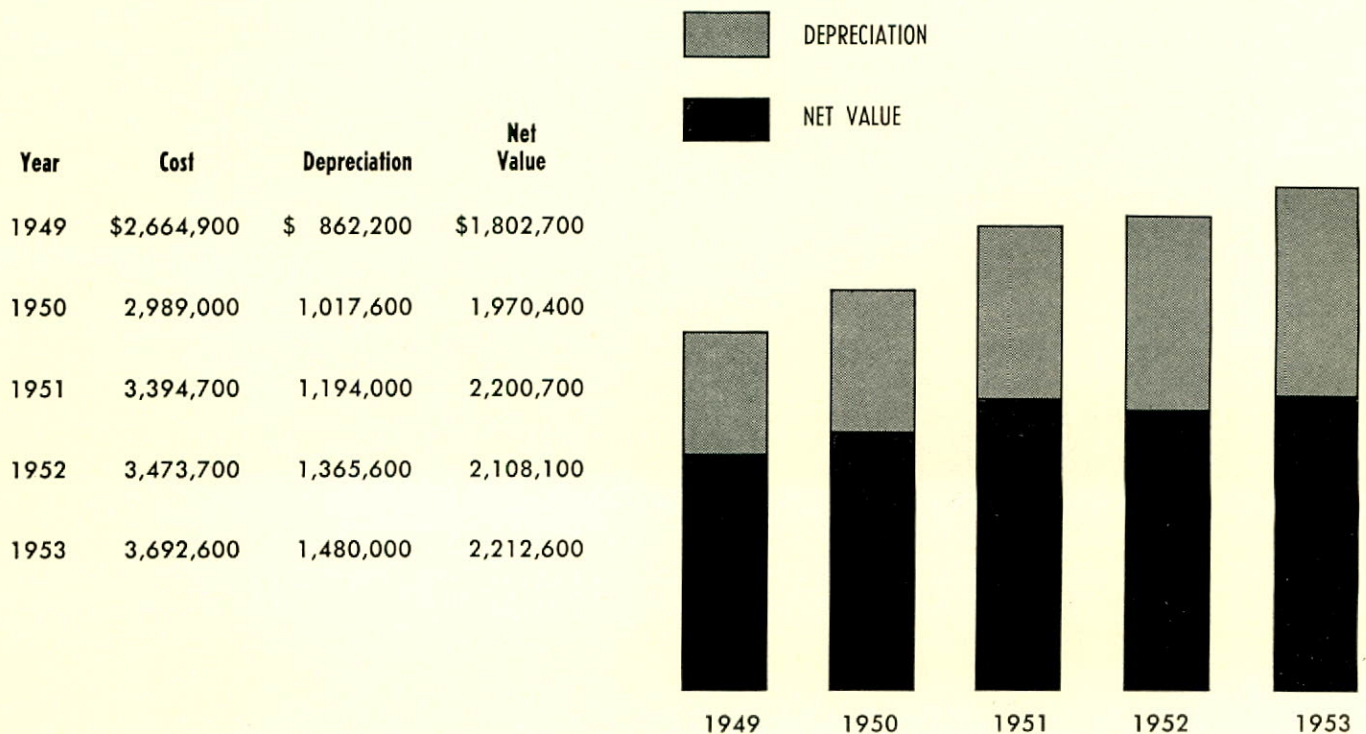
With such means at his disposal, the farmer shall even be able to increase his contribution to the well being of his fellowmen, and effectively help agriculture to feed a world where two thirds of the population are underfed.

Confronted with the gigantic development of economic and political institutions of our time, the rural co-operators and their co-operative organizations must command attention through their economic efficiency and their respect of human values.

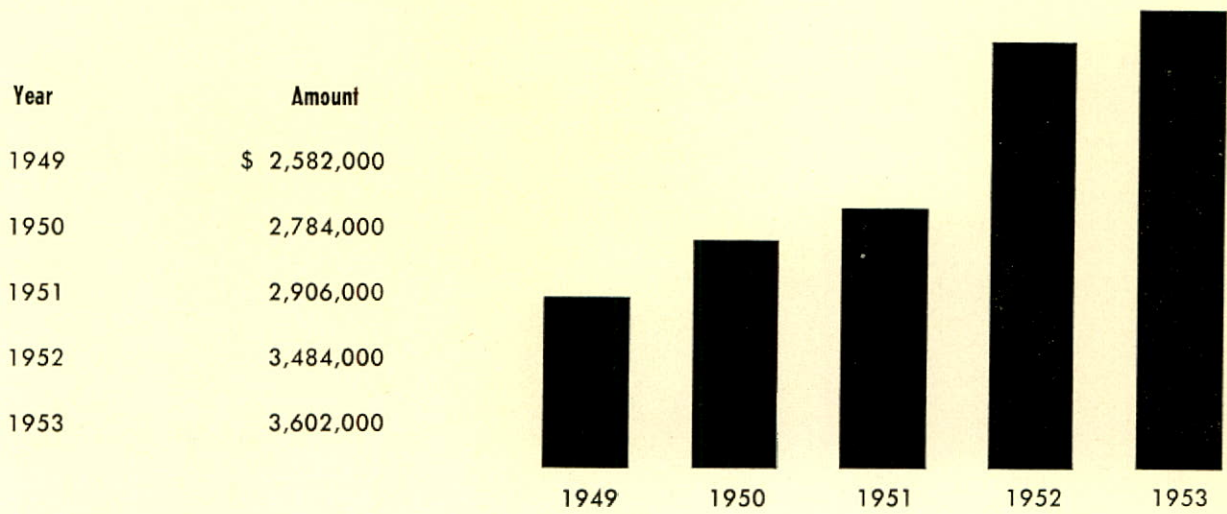
CAPITAL and SURPLUS



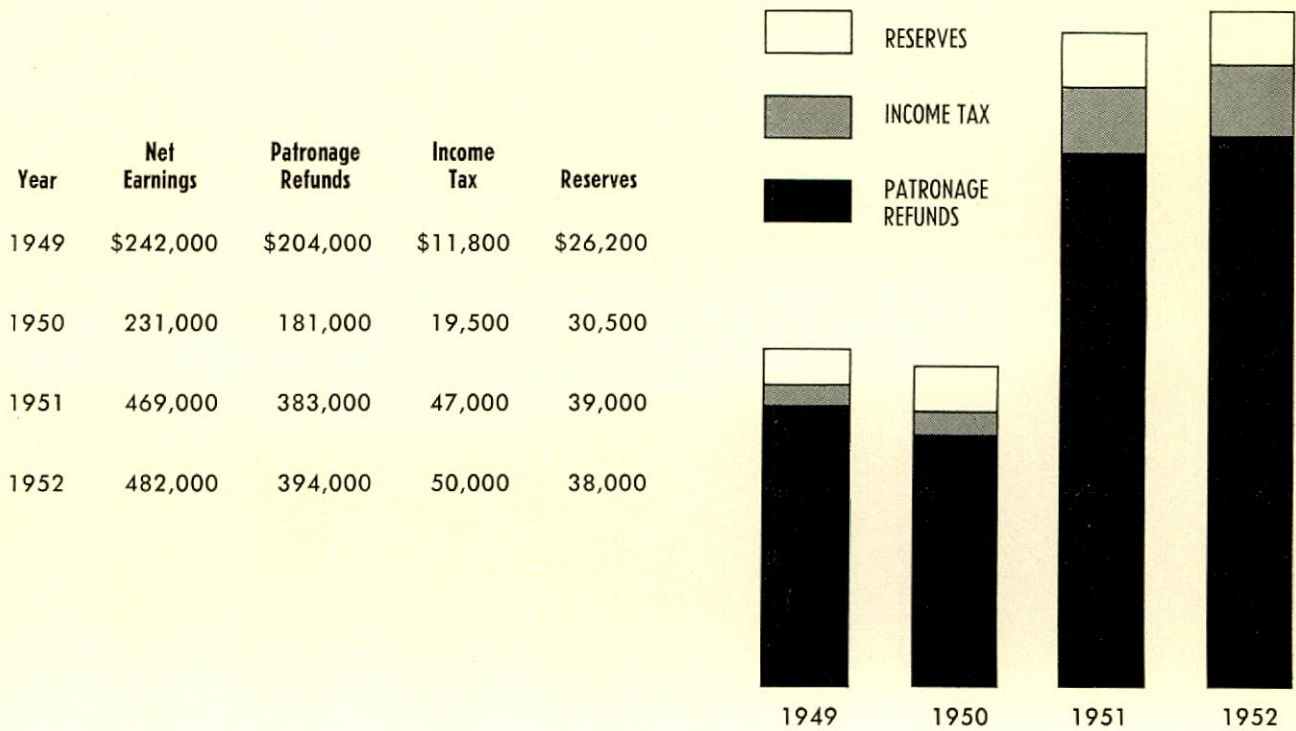
FIXED ASSETS



WORKING CAPITAL



NET EARNINGS and PATRONAGE REFUNDS



COOPÉRATIVE FÉDÉRÉE DE QUÉBEC



HEAD OFFICE, 105 ST. PAUL STREET EAST, MONTREAL