

ORGANIZING CO-OPERATIVE CREAMERIES.

PRESS BULLETIN No. 2.

MINNESOTA EXPERIMENT STATION,

ST. ANTHONY PARK, MINNESOTA, MARCH 1ST, 1894.

The great interest that has sprung up in the minds of the people of Minnesota on the subject of diversified farming brings so many letters of inquiry to the Dairy School on the subject of organizing co-operative creameries, that it is found impracticable to answer them in detail by letter. It is therefore thought best to issue this Press Bulletin giving such information and suggestions as will be calculated to place this industry on a firm basis. That intelligent dairying is a profitable business needs no argument; demonstrated results are more convincing than words; the results in Freeborn county and Steele county have settled this question for all times so far as our state is concerned. It should, however, be remembered that there are creameries and cheese factories idle in Minnesota, which is also conclusive proof that such enterprises are not always a success, and that the causes of such failures should be considered. After a most thorough canvass of the state it has been found that about half of the vacant factories are in localities where there are not a sufficient number of cows; others failed because they were owned by individuals who did not pay enough for cream to make it an object for the farmers to patronize them. As a rule the gathered cream plan, where old methods of setting milk were used has not given satisfactory returns to farmers; but whenever separator creameries have been established on the co-operative plan, in localities where there are a sufficient number of cows within a radius of four

miles, they have in every instance, so far as I have been able to learn, secured highly satisfactory results. In localities where there are not a sufficient number of cows to warrant the erection of a large creamery plant, the farmers should put in a small plant, costing from \$500 to \$1,000. By having one or more small skimming stations equipped with a "No. 3 Baby Separator" where the milk from several farms is separated, the cream taken to the central station for churning, packing and selling, the business can be gradually built upon a paying basis from the start. But for a large separator creamery, without skimming stations, the milk from 500 cows ought to be secured. For the first year one separator will answer the purpose, if it is a good machine with a capacity of 1800 to 2000 lbs. of milk per hour. If the enterprise proves a success, it will warrant the purchase of another separator for the second year, so that the patrons need not wait for their skim milk. The details of the equipment cannot be here given as local conditions are so different. Plans for building and a list of apparatus needed will gladly be furnished upon request, if conditions are given.

Next in importance to a sufficient number of cows, is the organization. The patrons of a creamery are entitled to all the profits there is in the business and in order to secure this, the creamery must be organized upon the co-operative plan. The patrons should form an association in which each has one vote, and this rule should be rigidly adhered to, for if this is deviated from it will be the old story of the big fish swallowing the little ones. Raise the money necessary to build and equip the plant either by taking stock or giving a joint note for the amount needed. Appoint a building and equipping committee and let that committee attend to the erection of the building and securing of the apparatus. See that it is composed of the right kind of men—men who have the interest of the community at heart. In many places a vacant building can be secured, which will answer the purpose for the present. Have the committee correspond with or visit some of the creamery supply houses in the state, and get their lowest figures on the apparatus needed. I urge that quotation of price be secured from houses within the state,

for the reason that some outside parties have done great injury to the dairy industry by charging exorbitant prices for apparatus and persuading farmers to buy more than was actually needed.

To aid in the proper organization of creamery Associations I give below articles of association and by-laws adopted by some of the most prosperous creamery associations of Freeborn and Steele counties, and which, I believe, will aid farmers to start right.

There can be no objection to having some local business men assist in the enterprise; it is to their interest as well as that of the farmers, that the creamery should be a success from the start. Where a cash dividend is declared every month, farmers are enabled to promptly pay their store bills and all lines of trade benefited, and in a short time all business will be conducted upon a cash basis.

Farmers should make strenuous efforts to rapidly increase the number of cows both by purchase and by rearing all the heifer calves. In conclusion I wish to urge the breeding of better dairy stock. Associations might purchase superior dairy sires. By this means in a few years the annual butter yield from the same number of cows may be doubled. Cows ought to make three hundred pounds of butter each instead of one, as is now too often the case. Better methods of feeding should be adopted. See that the cows are well fed every day in the year. Grow some fodder corn to feed during the summer months when pastures are short. Have the cows calve in the fall and by providing them with warm quarters and an abundance of feed the flow of milk can be kept uniform all winter. Grow some mangels, or better still, fill a silo with corn, cut into inch or half-inch lengths and feed during the winter, as a minor part of the ration. It is surprising how a good dairy cow will respond in winter when a little good succulent feed is added to our excellent grains and very cheap and nutritious rough forage as clover, corn fodder, millet or wild and mixed hay.

T. L. HAECKER.

NOTE—Press Bulletin No. 1 on Stinking Smut in Wheat, or this bulletin may be had by addressing the Experiment Station.

We, the undersigned citizens of county, state of Minnesota, do hereby agree to form ourselves into an Association to be known by the name of the Association, and we agree to borrow the sum of dollars, or less, to put up a building and equip it with the necessary machinery, and jointly to become personally responsible for the sum borrowed including interest. The money to be raised in the manner agreed upon by the Association. We also agree to furnish the milk from the number of cows opposite our names.

NAME.

COWS.

ARTICLES OF AGREEMENT OF THE ASSOCIATION.

We, whose names are hereunto subscribed, and whose residences are within the county of in the state of Minnesota, do hereby associate ourselves together as a co-operative association under the laws of the state of Minnesota, to which we have adopted the following constitution, viz:—

ARTICLE I.

The name of the Association shall be the Association and its place of business shall be at or near Section in the Town of in said county.

ARTICLE II.

The object of this Association shall be the manufacture of butter or cheese or both from whole milk, at actual cost.

ARTICLE III.

The officers of this Association shall be a President, Vice-President, Secretary, Treasurer and three Trustees, who shall be elected annually at the regular annual meeting of the Association to be held on the first Monday of January of each year and their term of office shall be one year and until their successor shall have been duly elected and have qualified.

ARTICLE IV.

The duties of the respective officers shall be as follows:—The President shall preside at all meetings of the Association, sign all drafts and pay over to the Treasurer all moneys which shall have come into his possession by virtue of his official position, taking the treasurer's receipts therefor. He shall have power to call special meetings of the Association whenever in his judgment required by the business of the Association.

The Vice President shall perform the duties of the President when he is absent or otherwise unable to attend to them.

The Secretary shall keep a record of all the meetings of the Association, and make and sign all orders upon the Treasurer.

The Treasurer shall receive and receipt for all moneys belonging to the Association and pay out the same only upon orders which shall be signed by the Secretary; he shall give bonds in such amount as the Association shall provide.

The President, Vice President, Secretary and Treasurer and three Trustees shall constitute the Board of Directors, whose duties shall be to audit and allow all just claims against the Association. They shall compute the amount of milk receipts, the amount of product sold and the moneys received therefor, and, after deducting from the total receipts the percentage herein provided for as a sinking fund and also the running expenses, on the 20th day of each month, divide the remaining receipts of the preceding month among the members and patrons of the Association proportionally to the amount of whole milk or fat furnished by each. Provided, however, that in case of the withdrawal of any member from this Association before the moneys herein provided to be borrowed shall have been paid in full, principal and interest, all product from milk furnished by such withdrawing members then on hand, and any moneys received from such product then in the possession of the Association shall be retained until all said moneys so borrowed shall have been fully repaid, and thereafter said moneys, or any remainder thereof after applying the just share of such withdrawing members therefrom to the repayment of any balance of such indebtedness not paid from the sinking fund, shall be paid over to him or his assigns.

The Board of Directors shall cause the Secretary to make, in writing a report to the annual meeting of the Association, setting forth in detail the gross amount of milk receipts, the net amount of receipts from product sold and all other receipts, the amount paid out for running expenses, the sums, if any, paid out for milk, and all other matters pertaining to the business of the Association. A like statement, containing the gross amount of milk receipts, the net receipts from product sold and all running expenses of the creamery shall be made and posted conspicuously in the creamery building at the time of the division of the prior month's receipts as aforesaid.

The Board of Directors shall borrow a sum of money not exceedingThousand Dollars, to be used by them in the erection and completion and furnishing of the creamery building and for no other purpose. Said members of said board may borrow said money on their individual responsibility, and in case they shall do so, then the sinking fund herein provided for shall by them be applied in paymeent of such borrowed moneys as the same fall due in the same manner as though said moneys had been borrowed by the Association. Said members of the board in such case shall be held to be the creditors of the Association to the amount of such moneys unpaid, and the several members of said Association shall be personally responsible, jointly and severally, for the same. Provided, however, that prior to any legal assertion of such individual responsibility,

the entire sinking fund then accrued and on hand shall be applied upon such indebtedness: And, provided further, that said members so borrowing said moneys may if they so elect, demand and receive any part or all of the moneys received from product sold, then in the possession of the Association, upon such indebtedness before enforcing such personal responsibility. In which case only that part of such indebtedness remaining after applying thereon all sums so received shall be recovered or demanded from the members of the Association.

ARTICLE V.

The several members shall furnish all the milk from all the cows subscribed by each, all milk to be sound, fresh, unadulterated, pure and unskimmed, and patrons of the Association not members, may by agreement with the Board of Trustees furnish such amounts of milk as may be so agreed upon. The Association shall receive all such milk so furnished, manufacture the same into butter, cheese or both and sell and receive all moneys from the product; and from the moneys so received deduct such a percentage thereof, or such a number of cents per one hundred pounds of milk as shall have been agreed upon by the Association in the by-laws or otherwise, and also deduct the running expenses of the creamery, the remainder thereof to be distributed as provided in Article IV hereof.

ARTICLE VI.

Each member shall be entitled to one vote only at any meeting of the Association. New members may be admitted as provided in the By-laws. Members shall be permitted to withdraw only as provided in the By-laws.

ARTICLE VII.

The first officers and Board of Trustees shall be as follows:
 President; Vice President; Secretary;
 Treasurer;
 Trustees.

ARTICLE VIII.

The constitution may be amended at any annual meeting, or at any special meeting called for that purpose, provided that two-thirds of all members present vote in favor of such change; and provided further, that at least one month's notice of such proposed amendment shall have been given in such manner as may be provided in the By-laws, or otherwise by the Associations.

NAMES.

BY-LAWS OF THE ASSOCIATION.

I.

The Treasurer shall give bonds in the sum of dollars the bond to be approved by the Board of Directors.

II.

Five cents on each one hundred pounds of milk received at the creamery shall be reserved to form a sinking fund.

III.

No milk shall be received or business of any kind transacted at the creamery on Sundays.

IV.

During the interval between the twentieth day of May and the twentieth day of September of each season all milk shall be delivered at the creamery as early at least as nine o'clock a.m., during the remaining portion of the season as early as ten o'clock a.m.

V.

All milk delivered shall be sweet and in good condition; if any be found otherwise, the operator may condemn the same, and in such case he shall notify the President thereof. The operator shall test the milk of each member and patron at least three times a week.

VI.

Any member or patron of the Association found skimming, watering or in any manner adulterating his milk offered at the creamery shall forfeit to the Association as follows: For the first offense ten dollars; for the second offense, twenty-five dollars; for the third offense he or she shall forfeit all interest in the Association and also all claims for milk theretofore delivered to the Association. But no such forfeiture shall be adjudged without first affording to the member or patron charged with having so skimmed, watered or adulterated his milk, full opportunity to defend himself from such charge. Any member sending to the creamery any bloody or un-

healthy milk, or any milk from any cow within four days after calving, shall, if convicted of having so done knowingly, forfeit as prescribed above in this section.

VII.

Members and patrons furnishing whole milk may take from the separator or the tank at the creamery four-fifths of the quantity of milk (in pounds or quantity) delivered at the creamery by them on that day. Any member taking therefrom more than such amount shall forfeit to the Association the sum of five dollars for each such taking.

VIII.

Withdrawals from the Association shall be allowed only as follows:— The member desiring to withdraw shall give at least one month's notice of his application therefor. Such application shall only be allowed on a vote of two-thirds of all members present and voting at any meeting for hearing at which such application shall have been noticed. Provided, however:— That any member living more than three miles by the nearest road from the creamery building, may make application to the Board of Directors, who in their discretion may grant permission to such member to withdraw from the Association.

IX.

Any member refusing to deliver at the creamery the milk agreed to be there delivered, shall, without reasons satisfactory therefor to the Association, forfeit all interest in the product on hand.

X.

Notice of any proposed amendment to the Constitution shall be in writing or printing and shall be kept posted prominently in the creamery building and also on the walls of the delivery department for the reception of milk.