

The Door of Opportunity Stands Wide Open Today in the Central Northwest.

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If You Would Be Prosperous Yourself Cast Your Lot Where Others Are Prosperous.

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MINNESOTA HISTORICAL SOCIETY.

THREE HUNDRED AND FORTY MILLIONS OF GOOD, GOLD DOLLARS IS A LOT OF MONEY

But That Is the Amount of Money It Takes to Measure the Farmers' Harvest from Fields and Dairies and Herds and Gardens in the Central Northwest This Year

By James E. Neville, Commercial Editor of The Journal.

NO MORE DIFFICULT TASK could be put before the crop statisticians than that of figuring out in advance the money value of a general harvest. So many and diverse are the elements that enter into such a calculation, and so changeable and shifting the ratio of production to farm value, that a basis absolutely tenable and insured against later modification is almost impossible until late in the year, or early in the year following that of production. The government does not pretend to have gathered the data that enables it to approximate total farm values until late in the fall, and not until December does the department of agriculture issue a report in any way final.

Yet to an observer of conditions in the northwest, there is always possible on Sept. 1, or just prior to that date, such an approximation as will stand all ordinary analysis, and, with allowance for later corrections of the minor sort, will remain unchanged, and afford reliable basis for all to figure upon, whose interests depend upon the growth of the country and the production of new wealth.

Were it only a matter of estimating the quantity produced of a particular crop, and setting after it an arbitrary figure representative of farm value, the matter would resolve itself into a question of ability closely to determine the production. But, while production is in itself no easy thing to arrive at, until the actual movement of the crop to market establishes a gauge, the farm value of a particular crop is even more difficult to reach.

VALUE OF LARGE PRODUCTION.

Economically, the country always profits by a large production, even if prices somewhat lower ensue, for the money return to the farmer, altho the most important, is by no means the only factor in determining prosperity. Given a small crop, and high prices resultant, the money coming into a particular producing section may readily measure up to the total of a year of larger production, but it is false economics to figure this as commensurate, for true prosperity lies in the employment in full of all industry dependent upon crop production, and the railroad tonnage, the transactions of the banks, and the activity or inactivity of the many whose business consists of handling and marketing the produce of the farms, must not be passed over.

The most remarkable illustration of the maintenance of a stable return against change in the production is afforded by the two barley crops of 1903 and 1904. In the former year the state of Minnesota produced the total of 27,783,170 bushels of barley, for which the money return was \$10,279,773. The following year the production increased to 32,123,041 bushels, a gain of 4,339,871 bushels, yet the farm value, at \$10,279,373, showed practically no change, a difference of only \$400 appearing. This is explained by an average farm valuation in 1903 of 37 cents, and an average in 1904 of 32 cents. Not only the quantity produced, but the quality of the crop, the proportion that runs to low grade, makes a material difference in the value.

ANOTHER PROOF OFFERED.

Even a more striking illustration, and one showing a surprising inverse ratio in the moving of the farm value relative to production is shown in the potato crop comparisons for the two years. In 1904 the states of Minnesota, North and South Dakota produced 19,933,972 bushels of potatoes, and the farm value was \$5,897,669. The year previous the production was only 13,850,653 bushels, yet the farm value was \$9,000,552, or \$2,102,783 greater.

This is accounted for by a difference in the value per bushel for the two years, it being 29 cents in 1904 against 61 cents in 1903 in Minnesota, 32 cents against 48 cents in North Dakota, and 30 cents against 54 cents in South Dakota.

FLAX

Flax is one of the great crops of the northwest, North Dakota leading the entire country in its production. It is the crop about which the least reliable statistical information is available, if one goes back more than a few years, for its relative importance was not then considered such as to draw the attention of the government or the more reliable private statisticians.

This year the northwest lines up with a flax crop so good that comparisons would be of little use in any case, save to magnify the difference, for never before in northwest history was there a crop like that of 1905. All estimators agree that the acreage was larger by far than last year, while the condition of the plant was such that, when the crop has all moved to market, and receipts and shipments are available for purposes of comparison, the total will be found to exceed by several millions of bushels anything ever before produced.

Government figures for the acreage will not be available until December next. Meanwhile there are competent men in the Minneapolis oil trade who figure the total at approximately 2,500,000, which would be an increase of 500,000 acres over that of last year. There is the big acreage, and the promise of an average production of twelve bushels an acre for the three states.

The flax production for 1905 and the two years preceding was as follows:

1903—					
Acres Harvested.	Yield per Acre.	Bushels.	Value.	Total Value at Farm.	
Minn.	607,425	9.9	6,013,508	\$0.83	\$4,991,212
N. Dak.	1,814,400	7.3	13,245,120	.81	10,728,547
S. Dak.	371,925	10.5	3,905,212	.80	3,124,170
2,793,750					
23,163,840					
\$18,843,929					
1904—					
Minn.	557,856	10.8	5,803,445	\$1.01	\$5,861,479
N. Dak.	1,233,792	10.6	13,078,195	.99	12,947,413
S. Dak.	207,256	10.0	2,072,560	.98	2,031,109
2,098,404					
20,954,200					
\$20,840,001					
The 1905 Estimate—					
Minn.	580,000	11.7	6,786,000	\$0.91	\$6,175,260
N. Dak.	1,520,000	11.4	17,328,000	.90	15,595,200
S. Dak.	325,000	11.5	3,737,500	.89	3,326,375
2,425,000					
27,851,000					
\$25,096,835					

Minnesota is the great northwest consuming point, and Duluth the market thru which passes the bulk of the crop not crushed here. Eastern crushers are always active in Duluth, and as a market for flax futures it is most important. Many cargoes go out by lake during the season. Duluth received 16,132,317 bushels of flax in 1902, 18,456,675 bushels in 1903 and 15,327,003 bushels last year. From the present crop Duluth's receipts should run above the big figures of 1903.

A glance at the figures for the receipts at Duluth

and Minneapolis, which last year ran to 23,839,043 bushels for both markets, shows discrepancy, and suggests that, as has often been commented upon in the trade, the government reports of northwestern flax yields have been too low. Allowance must be made for duplication, as for instance the shipment of a car to Minneapolis and from here to Duluth, which would make it appear in receipts at both markets; but, after figuring this out, there still remains a total indicating that the government has not overestimated the production, and that the northwest, in the past few years, has probably raised some millions of bushels more flax than the government reports show.

THE LINSEED OIL INDUSTRY.

Dependent upon the flax-growing farmers is the linseed oil business, now one of the great manufacturing industries in the northwest and centered at Minneapolis. No industry in the entire northwest shows so rapid a growth as this. Within five years it has twice doubled in capacity and capital invested. Six mills make up the group and they do about one-third of all the business of the kind in the United States. There are 158 presses here, of which 142 are active and 16 are dormant at present, these latter in the Archer mill of the American Linseed Oil company, which is out of commission, but will likely be rebuilt later. With reference to size, the linseed oil mills rank as follows:

Presses.	Capacity.
Western mill (American)	40
Midland mill	40
Daniels' mill	40
Archer mill (American)	16
Minnesota mill	12
Northern mill	10
Total	158

The Midland Linseed Oil company built its big mill here a few years ago and has operated almost constantly since. The Daniels Linseed Oil company followed. The American Linseed Oil company's mills were already here. The largest capitalization represented is that of the Midland, which is capitalized at \$2,250,000 and has paid 7 1/2 per cent regularly on its common stock, besides 6 per cent on the preferred. The Daniels mill is the newest of the properties and has recently been enlarged. The comparative showing in presses for the Minnesota mill does not give an adequate idea of the size of that company, the Minnesota Linseed Oil and Paint company, which does an enormous business in the manufacture of paints aside from the crushing of flaxseed.

These mills represent consuming capacity for 25,000 bushels of flax a day, or 7,500,000 bushels for a 300-day operating year. The business runs to 375,000 barrels or about 18,750,000 gallons a year, which, for linseed oil, is an enormous production. The money equivalent of the oil output varies from \$8,000,000 to \$11,000,000 a year, according to market values during the period.

Incidental to this there is an important export business in oilcake, running to 150,000 tons a year. This averages about \$3,500,000 in value, and the mills of Minneapolis sell it to Antwerp, Liverpool, Rotterdam, Amsterdam, Hamburg, Belfast, Glasgow, and other United Kingdom and continental points. About 600 men are directly employed in the mills, and in all over 1,000 obtain employment directly or indirectly from the industry.

WHEAT

Wheat, the king of northwest crops, has served the farmers royally this year, and in the grand final showing is conservatively estimated at a total of 182,296,800 bushels, which in money value means \$139,939,538. Practically all this is spring wheat, there being 11,000,000 to 12,000,000 bushels of macaroni wheat in the total. The quality of the crop is on the average much higher than last year, which is a consideration of importance, both in determining farm value and in providing ample supplies of raw material for the flour mills of Minneapolis, that make and sustain the great grain market into which the bulk of the farmers' wheat moves.

Struck by the black rust last year, at a time when very susceptible to injury, the wheat crop was cut materially. The winter wheat fields of the southwest had already suffered a loss from floods and excessive rains at harvest time, and with a crop of not much over 552,000,000 bushels for the entire United States the price of wheat rose to above the dollar level at the principal markets, and remained high for about seven months. The bulk of the northwest crop was marketed at these very remunerative prices, with the result that while the crop was spotted, some farmers had good yields and others had little, and the money distribution was uneven, the total return to the farmers, so far from falling under the year preceding, actually ran over by almost \$16,000,000, notwithstanding the wheat measured almost 20,000,000 bushels less.

THIS YEAR'S CONDITIONS.

This year the rust was found again in many fields, and it did damage in places, in the cutting down of

GRAND SUMMARY

Showing the Production and Farm Value of the Principal Field Crops of the Three States, Minnesota, North Dakota and South Dakota, for the Past Three Years.

1903—	Bushels.	Farm Value.	1904—	Bushels.	Farm Value.
Wheat	173,146,171	\$112,848,713	Wheat	182,296,800	\$139,939,538
Oats	117,921,374	35,322,190	Oats	154,492,000	37,946,100
Corn	84,512,339	30,952,843	Corn	95,863,500	34,631,302
Flax	20,163,840	18,843,929	Flax	27,851,000	25,096,835
Barley	50,907,992	18,285,016	Barley	63,634,000	23,429,854
Rye	2,820,344	1,226,588	Rye	2,945,631	1,206,118
Total.	449,472,060	\$217,479,279	Total.	527,082,931	\$262,249,747
*Hay	2,032,870	12,541,859	*Hay	2,314,490	13,432,366
Potatoes	13,850,653	8,000,552	Potatoes	21,058,400	7,241,793
\$238,021,990			\$253,335,768		
Increase of 1905 over 1904, in grain 58,692,128 bushels					
Increase of 1905 over 1904, in value \$25,387,876					
Increase of 1905 over 1903, in grain 77,610,871 bushels					
Increase of 1905 over 1903, in value \$44,770,468					
Increase of 1905 over 1904, in wheat 25,503,567 bushels					
Increase of 1905 over 1904, in value \$11,906,570					
Increase of 1905 over 1903, in wheat 91,509,629 bushels					
Increase of 1905 over 1903, in value \$27,090,825					
Increase of 1905 over 1904, in oats 10,477,885 bushels					
Increase of 1905 over 1904, in value \$1,400,890					
Increase of 1905 over 1903, in oats 36,570,626 bushels					
Increase of 1905 over 1903, in value \$2,623,910					
Increase of 1905 over 1904, in corn 8,284,835 bushels					
Increase of 1905 over 1904, in value \$3,026,401					
Increase of 1905 over 1903, in corn 11,351,161 bushels					
Increase of 1905 over 1903, in value \$3,678,459					
Increase of 1905 over 1904, in flax 6,896,800 bushels					
Increase of 1905 over 1904, in value \$4,256,834					
Increase of 1905 over 1903, in flax 7,687,160 bushels					
Increase of 1905 over 1903, in value \$6,252,906					
Increase of 1905 over 1904, in barley 4,205,261 bushels					
Increase of 1905 over 1904, in value \$5,213,380					
Increase of 1905 over 1903, in barley 12,720,908 bushels					
Increase of 1905 over 1903, in value \$5,144,838					
Increase of 1905 over 1904, in rye 323,780 bushels					
Decrease of 1905 under 1904, in value \$416,199					
Increase of 1905 over 1903, in rye 125,287 bushels					
Decrease of 1905 under 1903, in value \$20,470					
Increase of 1905 over 1904, in hay 270,151 tons					
Increase of 1905 over 1904, in value \$2,855,538					
Increase of 1905 over 1903, in hay 281,611 tons					
Increase of 1905 over 1903, in value \$890,897					
Increase of 1905 over 1904, in potatoes 1,119,428 bushels					
Increase of 1905 over 1904, in value \$1,344,729					
Increase of 1905 over 1903, in potatoes 6,058,319 bushels					
Decrease of 1905-under 1903, in value \$759,052					
Increase in money value of all principal field crops for 1905 compared with 1904 \$29,588,143					
Increase in money value of all principal field crops for 1905 compared with 1903 44,901,921					

In addition to the value of the annual production of field crops given above, it is safe to say that the value of the annual production of the dairy farms, the truck farms, the marketable increase in cattle and sheep and hogs and horses, will bring the farm production of the current year for the three states of Minnesota and North and South Dakota up to **\$340,000,000.**

yields and lowering of the quality. But the crop on the whole stood against it well, and while there were times when with weather favorable to the spread of the rust, the partial destruction of the crop seemed imminent, no such calamity followed. The rust visitation of 1904 and the remarkable developments following it, gave birth to many theories not fundamentally sound with reference to the wheat producing northwest. In the rise of No. 1 northern to the high point of \$1.27, the extreme top, the excitement in the grain markets, the importation of about 3,000,000 bushels wheat from the Canadian northwest, the bringing back to America of wheat cargoes shipped from the Pacific coast to Europe, and the decision by the treasury department permitting the milling of imported wheat in America in bond, all operated to strengthen the argument that America had ceased to be a wheat exporting country. Many viewed the conditions as representing a permanent turn, but the truth is that they were but temporary. It is entirely clear that if the population of the United States increases at the present rate, and the wheat area increases no faster than the present ratio, the time must come when the country will produce only enough wheat for her home needs, but this condition will not be reached for many years yet.

The following table shows the yield and the estimated yield and the value of the wheat crop of Minnesota and the Dakotas for 1903, 1904 and the present year:

1903—					
Acres Harvested.	Yield per Acre.	Bushels.	Value.	Total Value at Farm.	
Minn.	5,393,328	13.1	70,652,597	69	\$48,750,292
N. Dak.	4,349,652	12.7	55,240,580	63	34,801,565
S. Dak.	3,424,130	13.8	47,252,994	62	29,296,856
13,167,110					
173,146,171					
\$112,848,713					
1904—					
Minn.	5,339,395	12.8	68,344,256	87	\$59,450,503
N. Dak.	4,567,135	11.8	53,892,193	81	43,652,606
S. Dak.	3,287,165	9.6	31,556,784	79	24,929,859
13,193,695					
153,793,233					
\$128,032,968					
1905—					
Minn.	5,554,000	13.5	74,979,000	79	\$59,233,410
N. Dak.	4,817,000	13.4	64,547,800	76	49,056,328
S. Dak.	3,290,000	13	42,770,000	74	31,649,800
13,661,000					
182,296,800					
\$139,939,538					

BARLEY

No important crop in the United States has shifted its center of production so far as barley. In 1850 its center lay in New York state. Today it is on the line between Iowa and South Dakota and is now about stationary, moving only slightly north and west from year to year. California produces 23 per cent of the barley of the country, and Minnesota, Iowa, Wisconsin, the Dakotas and California, together produce 75.7 per cent of it. The shifting of the center to the west and northwest could be shown, if other statistical evidence were lacking, by the movement into Minneapolis, which in 1893 received only 2,258,290 bushels, and last year 11,600,360. The effect upon the northwest, of the tendency on the part of farmers to go in more for coarse grains has been very marked as has also been the effect upon the Minneapolis grain market, which reflects every change in northwest conditions.

A RAPIDLY INCREASING CROP.

About five years ago barley production first reached figures big enough to make it highly important with reference to the whole. Today it is spread-

ing very rapidly, and the acreage promises to increase from year to year. The business of trading in barley has grown to large proportions in Minneapolis, and firms interested on the buying side of the market, that in former years paid little attention to the northwest, now keep in closest touch. A number of men prominent in the trade have moved here from the east the better to be in close to the primary offerings.

From being a relatively unimportant point Minneapolis has grown to be a market where buyers for the largest maltsters are always active. The local malting capacity has been increased by the erection of the North Star Malt company's large plant in Northeast Minneapolis and the enlargement of the plants of the breweries. As a malting point the city does not compare with Milwaukee, Buffalo and other centers, but the business here is in its infancy and judges of conditions in the malting trade have predicted a great increase ultimately.

More recently the eastern exporters, who handle barley, have been getting into the Minneapolis field, and prominent men in the Atlantic seaboard trade who make Minneapolis their headquarters during the season, predict that the northwest, having taken the lead in new interest for barley buyers and exporters, new developments affecting the trade or the production are sure to occur here, and that Minneapolis is destined to become the greatest barley market of the country.

RUSSIAN-JAP WAR CREATES DEMAND.

During the period of the Russian-Japanese war just preceding the last land campaign, Minneapolis sent out round lots of feed barley to the orient. Local grain firms handled the business safely and expeditiously and brought about commercial relationship between the American northwest and the merchants of Japan and the Philippines, likely to result in further expansion of trade at times when conditions favor.

Grain producers who have gone into barley cultivation have had experiences not always pleasant, sometimes thru ignorance of the importance of protecting the yield from deterioration, by change of color or otherwise, after it is harvested. Growing the crop and gathering it in does not in itself assure a remunerative price for the product. It is sometimes possible, thru very adverse weather conditions, and always possible thru carelessness or neglect, to bring down the quality of the grain materially. Minneapolis firms have recently employed some of the most expert men in the barley trade of the country, who have moved here. They have also given the farmers the benefits of anything gained by their experience, and circulars about the care of barley at harvest time have been sent out very widely.

When barley yields well and holds a high grade, it is a very satisfactory crop to raise, and while the farm value is always comparatively low, yields an acre run high enough to counterbalance.

In 1899 the northwest production of barley was as follows:

Acres.	Bushels.
Minnesota	877,845
North Dakota	287,092
South Dakota	299,510
1,464,447	
39,098,060	

The crops of the past three years, with money equivalent figured out, are as follows:

1903—					
Acres Harvested.	Yield per Acre.	Bushels.	Value.	Total Value at Farm.	
Minn.	1,098,149	25.3	27,783,170	\$3	\$10,279,773
N. Dak.	577,240	21.6	12,468,384	.36	4,488,618
S. Dak.	339,377	31.4	10,656,438	.33	3,516,825
2,014,766					
50,907,992					
\$18,285,016					
1904—					
Minn.	1,131,093	28.4	32,123,041	\$3.2	\$10,279,373
N. Dak.	623,419	28.1	17,518,074	.28	4,905,061
S. Dak.	349,558	28	9,787,624	.32	3,132,040
2,104,070					
59,428,739					
\$18,216,474					
Estimate for 1905—					
Minn.	1,175,000	28.5	33,487,000	\$32.2	\$10,782,814
N. Dak.	685,000	27			