

Under financial pressure

United Co-op reorganizes its financial affairs

United Co-operatives of Ontario has filed for protection under the Companies Creditors Arrangement Act in order to obtain the time necessary to complete a reorganization of its financial affairs.

UCO, the largest agricultural co-operative in Ontario has been under financial pressure since January, 1984 when approximately \$75 million of debt fell due and could not be re-financed. Major creditors include Canadian Imperial Bank of Commerce (\$40 million), Canadian Co-operative Credit Society (\$30 million) and Barclays Bank Canada (\$5 million). In addition, UCO is indebted to its members and other by way of unsecured debentures (\$24 million) and to a consortium of institutional lenders by way of first mortgage bonds on its Windsor Grain Terminal (\$10 million).

The Companies Creditors Arrangement Act is federal legislation which permits a debtor company with funded debt to obtain a stay of proceedings against it while a plan of compromise or arrangement is prepared and filed. The Co-operative has until September 30, 1984 to file such a Plan with the Court.

In granting UCO protection under the CCAA, Mr. Justice Houlden of the Supreme Court of Ontario also appointed Price Waterhouse Limited of Toronto as Interim Receiver and Administrator to have general supervision over the preparation and implementation of the Plan to be filed in connection with the reorganization of UCO. In due course, the Plan as filed will be submitted to the creditors and members of UCO for ratification.

In the Order appointing Price Waterhouse, the Court has directed that the Interim Receiver and Administrator "take all steps and do all things necessary to protect the interests of the members and creditors of the Co-operative and shall maintain as far as practicable the services provided by the Co-operative". The Court has granted Price Waterhouse the power to borrow up to \$50 million in order to adequately maintain operations.

In material filed with the Court, Albert C. Plant, Chief Executive Officer of UCO, stated that UCO's revenues exceed \$500 million per year and its assets are over \$165 million. UCO employs approximately

1,300 persons in its 98 retail locations throughout Ontario, including Georgetown, in 5 central feed plants across Ontario, at the Ontario Stock Yards at Toronto, in its grain terminal at Windsor, Ontario and at its head office and distribution centre in Mississauga. The Co-operative has approximately 49,000 direct members and 39,000 indirect members through its 46 member co-operatives.

UCO was incorporated by Special Act of the Ontario Legislature in 1948 although its origins go back to the early 1900's. It was subsequently continued under the Co-operative Corporations Act of Ontario and is presently governed by that Act. The Government of Ontario and the Government of Canada have previously indicated their willingness to give financial and other support to UCO provided certain conditions are met. UCO hopes to meet those conditions as part of its current restructuring.

The Co-operative reported its first operating loss in 1981; losses continued in 1982 and 1983 with the result that almost \$20 million of reserves were wiped out. These losses were caused primarily by a

major expansion during the 1970's, financed almost entirely by short-term interest-sensitive borrowings. When interest rates skyrocketed in 1980, debt service costs became unbearable.

Although the Co-operative has substantially reduced its operating losses by cutting costs and disposing of non-revenue-producing assets, it cannot repay its massive debts (over \$140 million) without restructuring.

Mr. C. Garth MacGirr, President of Price Waterhouse Limited, has indicated that, as Interim Receiver and Administrator, he will do everything possible to keep operations running smoothly. While the eventual restructuring may require certain changes to be made, Mr. MacGirr emphasized that there are ample funds available to pay wages for all employees. Similarly, suppliers can count on being paid on a current basis.

Farmers delivering grain and livestock to the Co-operative will be protected. In addition to the \$50 million stand-by line of

credit authorized by the Court, Price Waterhouse will have access to a monthly cash flow of over \$80 million which is produced by normal operations.

Approximately two-thirds of the Co-operative's customers are its own members and Mr. Plant is optimistic that their strong support will be continued. "After all, they are only helping themselves" Mr. Plant said recently.

Both Mr. MacGirr and Mr. Plant believe that the eventual Plan of Compromise or Arrangement will follow closely the informal restructuring plan that was hammered out during lengthy negotiating sessions with major lenders and the Governments over the past several months. "We would rather have avoided the necessity of formal court proceedings" Mr. Plant said "but in view of the complexity of the task, the number of parties involved and the fact that each party quite properly placed its own interest above those of others makes the supervision of the Court's necessity."

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Farmers share ideas on tour

By LINDA KIRBY

The problems of dealing with corn root worm, deciding proper tillage methods and examining new seed varieties were among the topics covered in the annual Halton Soil and Crop Sunrise Tour held Thursday morning.

Close to 50 local farmers turned out for the morning session to learn a little more about the science of agriculture.

For some it was their first attendance at the annual event which was sponsored by the Ontario Ministry of Agriculture and Food.

In a day and age when farming is hardly a rich man's occupation, it is necessary to make the most of the land and take advantage of newer and improved means of planting which may reduce costs.

That was the message echoed by a number of those present hoping to gain some profitable knowledge.

Guest speaker Tony Vyn of the Crop Science Department for the University of Guelph, addressed farmers on the subject of tillage to corn and soybean plots. (Soybean is a relatively new crop in Ontario and is considered a valuable addition to cash crop farmers.)

Following nearly two years of research, it appears that offset or chisel plowing is the best method of plowing specifically for corn crops, said Mr. Vyn.

With tillage representing 40 per cent of planting costs, it is essential to determine the most efficient means of tilling the soil.

And with clay soil a predominant feature in the Halton area, experiments in deep tillage have been carried out but with no great success, reported Mr. Vyn.

"We have had no response to deep tillage in clay soil... and if a tillage system is going to work, it must reduce costs and preserve soils," he said.

Ken Wettlaufer and his brother Karl were among those making a few mental notes on the tour.

Both quit successful and well-paying jobs to farm full-time after farming on a part-time basis for the last five years.

The two admit it was not an easy decision, but they enjoy their work and knowing they are their own bosses.

For 24-year-old Karl Wettlaufer it meant giving up a \$30,000 a year job as an auto mechanic, but today he is supplementing his farm income with a part-time teaching position at Mohawk College where he teaches his former trade.

The two brothers decided to go into cash crops following a trend away from livestock breeding.

Cattle require costly feeding, facilities and fencing, making cash crops a more viable venture, explained Ken Wettlaufer.

The day's tour began at the Guelph Line farm of Richard Sovereign where visitors had an opportunity to view a soil control device, check out a corn and soybean plot and receive some advice from Tony Vyn from the University of Guelph.

From there it was on to the farm of Ed Segsworth on Walker's Line where guest speaker Tim Weller of Pioneer Seeds spoke on the current dilemma of corn root worm.

He also discussed the advantages of planting corn seeds at a 'higher population' to determine yield response and experiments currently being done with hybrid seed mixes.

For Scott Harris who has followed in his father's footsteps farming both livestock and cash crops, the day was well worth the effort.

"You get a chance to see different crops and the potential for next year... this tour gives you an idea of the varieties and you have a chance to see different practices," he explained.

Scott Harris could be considered a part-time farmer—in the winter months he can be found at the Glen Eden ski hills where he has a job manning the snow machines.

The tour also included a trip to examine soybean plots put out by Fred Anthony on Sixth Line and Derry Rd. and a final stop at the University of Guelph's crop rotation plot on Trafalgar Rd. near Highway 401.



Phyllis MacMaster, Halton Agricultural representative for the Ministry of Agriculture and Food, looks over a corn crop at the Guelph Line farm of Richard Sovereign with one of approximately 50 farmers who turned out for the tour.

Halton plowmen compete despite wet weather

Thursday's rainy weather would have caused a wash-out for many outdoor events but not in the case of Halton plowmen.

The annual plowing match went ahead as planned with 21 competitors. Last year there were 30 entries and according to Halton Plowmen Association president Lloyd Stokes the weather was a definite factor in the decreased participation.

The junior class plowmen who placed in the first five positions all accumulated enough points to enter the International Plowing Match at Teviotdale in Wellington County. Along with the contingent representing 4-H Club and Junior Farmer members, Barry Timbers of Milton will be at the 71st annual event Sept. 25 to 29.

Charlie Bird of Georgetown was the best in the field of junior competitors in Class 2A, two furrow. He also received the Stan May trophy as the highest scorer in both the junior and senior matches.

Wayne Paul of Campbellville was second in the class. He was the youngest competitor and earned the Lloyd May trophy for the best plowed land among those under 18 years of age. Third went to John McPhail, Stu McPhail took fourth spot and David Bird was fifth. All three men are from Georgetown.

The winner of Class 2B, four or more furrows was Oakville resident Karl Wettlaufer who also received the S.E. Whitelock trophy for highest score in that class.

Darrell Freed of Plattsville won Class 3, two furrow and Bob Brown of Ayr took first in Class 5 two furrow. Second place went

to Barry Timbers of Milton. In Class 6, three furrows, Herb Jarvis of Agincourt was first followed by Milton resident Cecil Patterson.

The Class 7 prize went to Howard Dunk of Guelph and Harley Pickering was the first place finisher in Class 8, five or more furrows. The antique class was won by Keith McKenzie.

Andrew MacRobbie of Mount Forest along with his two Belgian horses let his 35 years of plowing experience show as the winner of the jointer plow competition. His two sons competed against him in the horse-drawn plow class. The 55-year-old will be at the International match to defend his position of Reserve Grand Champion Horse Plowman earned at last year's match at Ottawa-Carlton.

A horse shoe pitching contest was won by Cliff Wrigglesworth with Ken McKewan second and Cecil Patterson third.

The farm of Frank Anthony at the corner of Derry Rd. and Hwy. 25 provided the home for the Halton match this year. Competitors were judged for qualities like straightness of furrow, uniformity, shape and neatness. Judges supplied by the Ontario Plowmen's Association were Gordon Bradford of Peterborough and Ed Grey of Toronto.

An awards banquet was held at Palermo United Church following the match. Halton Furrow Queen Frances Chisholm attended the banquet and will be representing the Region at the International Plowing Match Thurs. Sept. 27.



Tim Weller representing Pioneer Seeds, was one of two guest speakers addressing local farmers at the annual Halton Soil and Crop tour. Among the subjects covered were the problems associated with corn

root worm and determining yield response according to plant population. The tour included visits to a number of area farms which had examples of different corn seed varieties.

Body heat from cows foots the heating bills

Robert Bauman, a dairy farmer in Waterloo County has discovered a new home-heating system that makes his conventional oil heater seem obsolete. It is body heat from cows, and he has 40 of them now footing the heating bills for his home.

The technology is new, and involves heat recovery from barn ventilation air. For Canada, it's a first.

Ron MacDonald, an energy engineer with the Ontario Ministry of Agriculture and Food, designed the system from scratch, together with a heating and ventilating contractor. He says the technology is all Canadian. "The idea was conceived by a dairy farmer here, we designed the system, implemented it, and ironed out the bugs ourselves."

It took vision and insight to conjure up the idea. It happened one cold winter's day when Mr. Bauman noticed snow melting around his cow barn. He realized

quite a lot of heat was being wasted, so he consulted a contractor about the possibility of recovering that heat.

The contractor got in touch with MacDonald at the Ministry. "We looked into the idea and did some preliminary design work to see if the idea was feasible, and we found that it was. So we installed the system and have been monitoring it for just over a year now."

The objective was to design a heat pump for home heating, using dairy barn exhaust air as the heat source. Depending on the density of the livestock and the type of animal housed, winter exhaust air temperatures can range from around 10 degrees C. (dairy), to 17 degrees C. (growing finishing hogs) and up to 30 degrees C. (young chicks).

The system was installed at the dairy farm in the fall of 1982. Basically, it consists of an air-to-air heat pump, the same as might be used in a city residence. Only

instead of drawing its heat from ambient air, it is drawing it from the exhaust air that's being taken out of the livestock barn.

There is no actual physical transfer of any of that air—a suction line from the barn to the home carries vapor which has removed the heat from the barn exhaust air.

The home's old heating system was a combination wood/oil furnace. Since the new heat pump was installed, oil has been used only as a back-up. No wood has been burned in the furnace, but some has been used in the kitchen's air-tight stove.

MacDonald says the occupants of the home feel more comfortable with this system, probably because it has done away with fluctuations in room temperature previously caused by the oil furnace. This is because the heat pump can run continuously in very cold weather, while the oil furnace had to stop periodically.

Holstein Ass'n marks century

September 18, 1984 marks the 100th Anniversary of the founding of Canada's largest dairy breed organization, the Holstein Association of Canada. Within one year of Holstein-Friesians being introduced into Canada, the Dominion Holstein Breeders' Association was formed at the Toronto Industrial Exhibition with some 20 breeders comprising the membership.

The object of the Association at that time was to present the efforts of Holstein cattle to the public and protect honest breeders from those who might try to palm off grades rather than thoroughbreds on unsuspecting parties.

The first Canadian Herd Book was published in 1892 and the Holstein Association was the first Livestock Association in Canada to achieve Dominion Incorporation.

The widening of Holstein Canada's role has heralded a new era for the organization. In 1983, the last year of its first century, Holstein Canada had over 15,000 members and recorded 158,472 registrations, 64,090 transfers, 29,245 extended pedigrees, 113,679 classifications and 17,756 exported head.

From a staff of six in 1920, the organization has become a computer-based operation employing 95 people.

The name was officially shortened to the Holstein Association of Canada.