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FIFTY YEARS OF FARMERS' ELEVATORS IN IOWA

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Typical elevator structure and other buildings of a farmers' elevator company.

AGRICULTURAL EXPERIMENT STATION
IOWA STATE COLLEGE OF AGRICULTURE
AND MECHANIC ARTS

C. F. Curtiss, Director

AGRICULTURAL ECONOMICS AND FARM
MANAGEMENT SECTION

AMES, IOWA

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FIFTY YEARS OF FARMERS' ELEVATORS IN IOWA

By E. G. Nourse

The entrance of Iowa farmers into the business of handling grain dates back almost to the beginning of the country grain trade in the state, that is, about the time of the Civil war. Prior to that time, Iowa producers had teamed their grain all the way to Chicago or, later, to one of the river markets that grew up at several points on the Mississippi. By 1860 there were six short railroad stubs connecting towns in the eastern counties of the state with these river markets, and three roads had rail connections east to Chicago. But it was not till in the late 60's and the 70's that the expansion of railroads over the state, the great increase in cereal production and the marvelous development of export trade gave a great stimulus to the local grain shipping business.

There appear to have been two general reasons which caused farmers to organize companies of their own to handle grain. One was because of the failure of any other party to provide the necessary facilities, and the other was dissatisfaction with such private agencies when they were set up. It was a time when capital in the state was by no means adequate to its rapidly expanding needs. Both railroad companies and terminal grain concerns brought in outside capital to construct elevators at the many towns that were one after another being reached by the railroad. Local capitalists were also active in the same field. When none of these private interests came forward promptly, the farmers got together to provide a local market for themselves. In cases where they built the first elevator to be located at a given station, the movement could hardly be attributed to dissatisfaction with existing dealers. However, it was doubtless due in some measure to what they heard of conditions at other towns or to their own previous experience in selling at stations where private dealers made the local market.

Certain it was that the farmers of that day were inclined to feel, on the basis of their experience and observation, that the ordinary local grain shipping concern was operated in a manner which produced good profits for the grain trader and the railroad rather than a satisfactory price to the producer for his grain. These were times of a disturbed currency system, rampant speculation and commercial abuses in many lines, and the farmer saw clearly that he should have some sort of business organization to protect his own interests in the marketing conditions by which he was confronted.