Rainbow Ranche, Okanagan Centre, B.C.

January 8th. 1929.

Dear Sirs :-

After the Nov. wages and a credit for extra packing costs were passed through the books a Trial Balance was taken off. From this the enclosed statement was drawn up.

The advances for fruit and the supplies from the Union are treated as accounts payable. Including these our accounts payable amount to $42,756.14 and allowing for three months expenses about $3000. would bring them to $45,746.14.

The Statement also sets out what might be termed Capital expenditur for buildings , equipment etc. $4428.27

The inventory of Box Shook and paper of $3600. is a liquid asset but is included in the Accounts payable.

In our Statement of Current Asstes and Liabilities May 30th 1928 and mentioned in our letter of June 10th 1928 we show a balance of cash surplus $3,014.70 This should now be shown as $ 2,694.35.
You might make this change on your copy. The change is caused by an error in the realized value of 3,372 boxes.

There is little to guide one in makidg a guess as to the final Pool prices. There was in the Valley on Dec 31st 455,000 boxes of Apples, and there is a lot of fruit held in storage else where. However we have made as close a guess can under the circumstances, guessing a price for each grade & variety. This works out $45.400. net to us on wharf OK Centre. It will likely be late in the Spring before we have final Returns.
If our figures are naarly correct we should break even so far as cash is concerned.

The Capital expenditure has been treated as replacement and has been charged up to Orchard and Fruit Crop accounts. We think that all of this expenditure has been justified. The larger building made the handling operation much easier and there were few times that the house was not full up. There were about eleven thousand boxes of Jonathan went straight from the orchard to car and did not go through the packing house. If these Jonathan had not gone out in Bulk it would have been necessary for us to have given them to some one else to pack, and this would have meant that they would have been too late to get onto the market without considerable loss.
The present packing house room should handle our crop for at lest another two years, but as the Winter varieties increase we will need more room and another grader so as to move the crop before freeze up.

Returning to fruit prices again. The Jonathan crop ia what is goi going to pull down our average. From what we can learn Jonathan will pay very little more than handling costs. A great many Jonathan from both Canada and the States were sent Export to make room for the so called better varieti and the Export Market has been very poor indeed. If one was sure that all of the crop would be moved out at the present prices it would not be so bad, but from the present outlook it is doubtfullif this can be done. The Produce Marketing has not done us very much good this year. This is too big a question for us to cover in this letter. The Vernon News,which you see, will be full of fruit talk for the next few issues and may be of interest to you. The Act has been upheld in the Courts and unless amendments can be made secured to correct the present trouble we will have to consider the question of shipping through our own or some Independent house.
Next week the B.C.F.G.A. meet in convention at Penticton with the idea of trying to find some way out of our troubles. More apples are being grown than the Market wants at the present time and it is simply a question as to who is going to hold or dump them. Under present conditions it is the Associated Growers that is elected to do this.

We will advise you as soon as we have more information of Prices

Yours truly,

James Goldie

Copy to
J.E.McA.
R.S.D.

January 8 th. 1929.

CASH STATEMENT as at NOV. 30th. 1928.

Sundry accounts payable as at Nov. 30th.		3312.83
Box Shook		7402.50
Supplies from the Vernon Fruit Union		4178.04
Advances made by		12135.00
Demand Loan from Cadadian Bank of Commerce		17000.00
		$ 44028.37
Less accounts receivable as at Nov. 30th.	$343.60	
Less Cash Balance in Bank	938.63	
		1282.23
		$ 42746.14
Estimated Expenditure for Dec. Jan. Feb.		3000.00
Estimated amount to be deducted from Fruit Crop returns to show surplus.		$ 45746.14

Estimated Value of 1928 Fruit Crop $45,400.

Included in the above expenditure are the following items.

# Buildings Addition to Packing house, Tool House and new roofing on Jap bunk house		1639.73
Two Fruit trucks, 2 Horse Lister engine, Motor car engine, Gravity carrier and ladders		579.54
Portable Flume		180.00
New Cletrac and Disc harrows		2029.00
		4428.27
Box Shook and Paper on hand Nov 30th. 1928.		3600.00
		$ 8028.27

Labor from time sheet still to be charged to this account.

Surplus Cash carried over from 1927 Crop as shown in our letter of June 10th. and Statement of Current Assets and Liabilities of May 30th. 1928
Corrected figure ----$ 2694.35

Salome Apples in Winfield House still to be packed.

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