

OMAHA GRAIN EXCHANGE BUILDING



“UPON what meat doth this our grain exchange feed that it is grown so great!”

In the short space of twelve years it has been born and has grown to be the first primary grain market of the whole country. On actual receipts of corn it is second only to Chicago.

The principal ‘meat’ in its diet for greatness has been standing up for Omaha, particularly in the matter of getting equitable freight rates. Other articles on the menu have been square dealing, conservative management, avoidance of padding the figures.

There was a day—and not very long ago either—when the principal indoor sport of the railroads was boosting freight rates to Omaha, and keeping ‘em boosted. Committees used to go and protest.

The railroads were real nice about it. They’d receive the committees and even listen to them. “Let ‘em protest if it pleases ‘em,” said the railroads. Why, they’d even consent to “place your protest on file.” Yes! But the protest stayed on file and the freight rates stayed where they were. With Omaha lying in the very heart of the greatest grain raising area in this country, it couldn’t get the grain.

Then the Chicago Great Western railroad built in to Omaha and at a dinner at the Commercial club, A. B. Stickney, president of the road, broached the idea of making Omaha a grain market. In November, 1903, the Omaha Grain exchange was organized and it began active operations in February, 1904. Mr. Stickney did his part by putting in effect grain rates

that started a rate war which resulted in corn being carried from Omaha to the Mississippi river for 3 cents a hundred pounds.

The organized interests of Omaha being once aroused, the railroads soon abandoned their unjust rates and the grain began rolling in trainloads to Omaha, so that the elevator capacity was exhausted.

The elevator capacity here at that time was 3,290,000 bushels. During the next year this capacity was increased by more than 50 per cent and it has continued to grow.

The receipts of grain, however, continued to grow in a larger proportion than the elevator capacity and for the twelve months ending December 31, 1905, there were nearly 35,000,000 bushels of grain received in the new market, which took rank in its second year as one of the principal primary grain markets of the country. By the end of the third year the elevator capacity had increased to 6,040,000 bushels and the receipts of grain for the year reached the splendid total of 44,500,000 bushels.

Still more elevators were built, so that by the end of 1909 the storage capacity at Omaha reached practically 7,000,000 bushels.

The Omaha market has been from the start an actual and open market. There has been a buying interest here from the beginning that has taken every bushel of grain offered, no matter how large the quantity, and has paid for it such prices as have attracted further business.

The weighing and inspection of grain at Omaha has been gradually improved until today the character and standing of the Omaha Grain exchange certificates of weight and in-

spection are unquestioned in any market in the United States.

Up to 1909 the growth and development was based upon Nebraska and Iowa grain only. It was merely a problem of freight rates that kept the Omaha market from invading other fields.

There was Montana, for example. The great and fertile Judith basin was producing enormous quantities of the finest wheat. But the rates! There was the rub. To Minneapolis the railroads quoted a rate hardly more than half that to Omaha. One shipper inadvertently shipped a car of wheat to Omaha and almost had heart failure when he got the bill for freight.

Then the Omaha Grain exchange got busy. Secretary Frank Manchester packed his grip and took that midnight train for Montana. He “camped” right on the ground for several weeks. He interviewed shippers. He looked into railroad facilities, elevators and so on. And he came back with many facts and figures.

This time the exchange didn’t have to go before the railroads. They went to the Interstate Commerce commission. And pretty soon the order went forth regarding grain rates from Montana to Omaha that decidedly put Omaha “on the map.” Result: Over 1,000 carloads of wheat have come from Montana to Omaha this year, thank you.

The splendid building being erected by the grain exchange at Nineteenth and Harney streets is a monument to its great prosperity.

A dollar-and-cents indication of this prosperity is found in the fact that the price of mem-

berships in the exchange has risen 100 per cent in the last year.

The exchange now has 196 members. Of these 160 are grain men, members of the sixty active grain firms in Omaha. Just five years ago, in 1910, there were only thirty grain firms in Omaha.

And this is the youngest grain exchange in the United States.

Wheat receipts of the Omaha grain exchange increased from 9,981,000 bushels in 1907 to 18,925,200 bushels in 1914. Corn receipts increased in the same years from 18,493,200 to 30,004,800. Total receipts of wheat, corn, oats, rye and barley increased from 42,597,000 to 66,983,800.

Total shipments increased from 43,810,500 in 1907 to 67,234,500 in 1914.

And this is all genuine, bona fide business, too. Some markets have a pleasant little habit of counting all the grain that passes through their cities as receipts and shipments, even though it doesn’t figure on their exchanges. If a train of fifty cars of wheat comes through from some extraneous point destined for some other extraneous point, they add all that wheat to their “receipts” and then add it to their “shipments.”

As for the future, “it is absolutely limitless with possibilities and probabilities,” says Secretary Manchester. “As we are constantly reaching into new fields of supply, so we are also broadening our market because of the high reputation of this exchange in the various markets of the country.”