
UNITED STATES DEPARTMENT OF LABOR

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BUREAU OF LABOR STATISTICS

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Operations of Consumers' Cooperatives in 1944



Bulletin No. 843

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Washington 25, D. C. - Price 10 cents

Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., September 14, 1945.

The SECRETARY OF LABOR:

I have the honor to transmit herewith the Bureau's annual report on the activities of consumers' cooperatives in 1944. It contains general estimates of membership and business of the various types of associations, local and federated, and detailed data on operations of the central organizations providing goods and services to the local associations and carrying on manufactures of numerous kinds. One section gives comparative figures showing the trend of cooperative development since 1929.

The report was prepared in the Bureau's Editorial and Research Division by Florence E. Parker.

A. F. HINRICHES,
Acting Commissioner.

Hon. L. B. SCHWELLENBACH,
Secretary of Labor.

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(II)

Bulletin No 843 of the

United States Bureau of Labor Statistics

[Reprinted from the MONTHLY LABOR REVIEW, September 1945, with additional data]

Operations of Consumers' Cooperatives in 1944

Summary

CONTINUED expansion in both membership and business was exhibited by the consumers' cooperative movement in 1944. The distributive and service business of the local associations reached an all-time high of 568 million dollars and the regional and district wholesale associations supplying them had an aggregate business of over 155 million dollars. Service federations reported a total business of over 7½ million dollars.

Net earnings reported in 1944 for the whole group of central service, distributive, and productive federations exceeded 8¼ million dollars, of which nearly 8 million dollars was declared in patronage refunds to the member associations. The individuals who are members of affiliated local cooperatives received the benefit of these refunds, along with those made by the local associations on their retail business. Although a certain proportion of the local associations either sustained a loss or for other reasons paid no patronage refunds, the reporting store associations which did declare such refunds paid an average rate of 4.1 percent, the petroleum associations paid 7.7 percent, and the local service associations 2.4 percent.¹

Large proportions of both retail and wholesale earnings are traceable not to the distributive operations but to the productive plants operated by the central federations. Cooperative production has been increasing very rapidly in the past few years. In 1944 the value of goods produced in the cooperative plants reporting amounted to over 65 million dollars—more than twice the value produced in the preceding year. It is these productive enterprises that have proved to be the real money savers for cooperators.

Table 1 summarizes the status of consumers' cooperatives as of the end of 1944.

¹ These percentages are computed on volume of business done, not on investment.

TABLE 1.—*Membership and Business of Consumers' Cooperatives in 1944, by Type of Association*

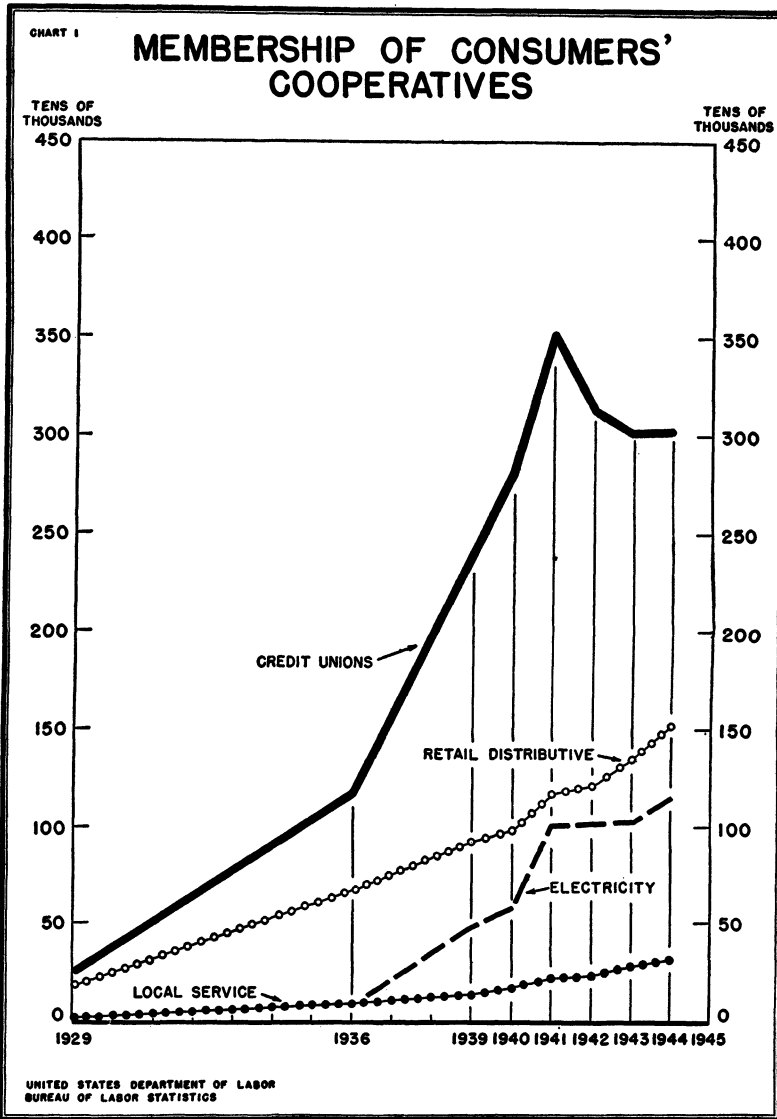
Type of association	Total number of associations (estimated)	Number of members (estimated)	Amount of business (estimated)
<i>Local associations</i>			
Retail distributive associations.....	4, 285	1, 524, 500	\$557, 000, 000
Stores and buying clubs.....	2, 810	690, 000	280, 000, 000
Petroleum associations.....	1, 425	810, 000	270, 000, 000
Other distributive ¹	50	24, 500	7, 000, 000
Service associations.....	577	318, 500	11, 055, 000
Rooms and/or meals.....	175	18, 000	2, 600, 000
Housing.....	59	2, 100	1, 575, 000
Medical and/or hospital care:			
On contract.....	50	95, 000	1, 300, 000
Own facilities.....	18	45, 000	2, 100, 000
Burial: ²			
Complete funeral.....	36	35, 000	275, 000
Caskets only.....	4	1, 400	5, 000
Other ³	235	122, 000	3, 200, 000
Electricity associations ⁴	850	1, 149, 700	60, 960, 000
Telephone associations ⁵	5, 000	330, 000	5, 485, 000
Credit unions ⁶	9, 099	3, 027, 694	212, 305, 479
Insurance associations.....	2, 000	10, 510, 000	190, 000, 000
<i>Federations ¹⁰</i>		<i>Association members</i>	
Wholesales:			
Interregional.....	2	26	¹¹ 11, 775, 000
Regional.....	25	3, 790	¹¹ 140, 498, 000
District.....	10	152	¹¹ 3, 178, 000
Service federations.....	21	1, 500	7, 820, 000
Productive federations.....	12	150	14, 895, 000

¹ Such as dairies, creameries, bakeries, etc.² Gross income.³ Local associations only; does not include associations of federated type (included with service federations) or funeral departments of store associations.⁴ Such as cold-storage, water-supply, recreation, printing and publishing, etc., associations.⁵ Almost all of these are R.E.A. associations, data for which were supplied by the Rural Electrification Administration.⁶ Patrons.⁷ Data are for 1936; no information on which to base later estimate.⁸ Actual figures, not an estimate.⁹ Policyholders.¹⁰ Figures do not agree with those in table 3, because those here given include estimates for nonreporting associations.¹¹ Includes wholesale (and retail, where such was reported) business; for own production see table 3.

Trend of Cooperative Development, 1929-44

The trend of development of several of the most important types of cooperative associations since 1929 is shown in table 2 and charts 1 and 2. Unbroken increases in both membership and business—although at varying rates—are shown for all except the credit unions. Until 1942 the credit associations were increasing at a faster rate than any of the other types; in that year, however, their statistics began to reflect the wartime conditions (restrictions on installment credit, diminishing supplies of consumer goods, higher earnings with consequent lessened need for credit, etc.). Their membership and business fell off precipitately in that year—a decrease that continued, though more slowly, through 1943. In 1944, however, the decline was checked and a slight upturn occurred.

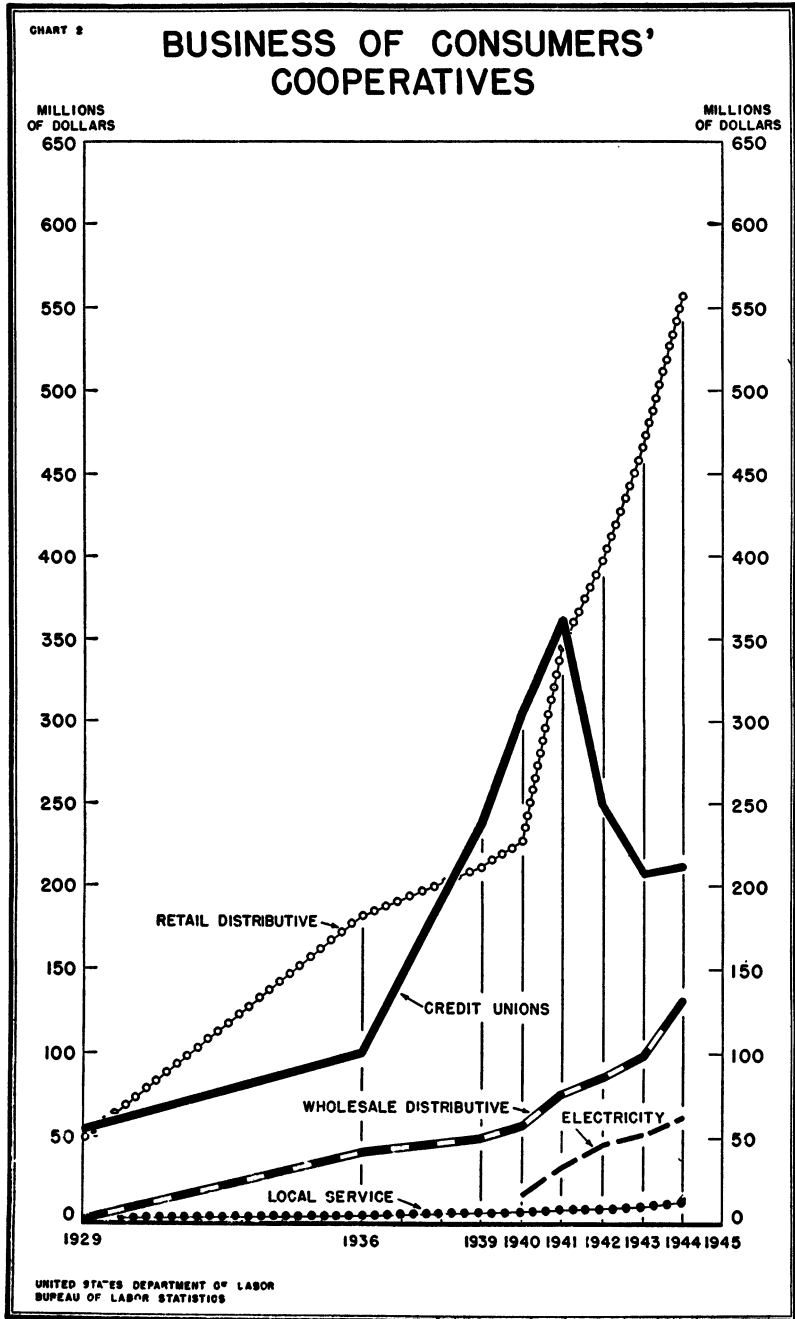
It would appear from the data that one of the fields offering great chances for cooperative development has been that of service. As indicated in chart 2, relatively the volume of local service business has remained almost at a dead level in the past 15 years. The line in the chart masks a good deal of variation, however, in the business



of the different types of service associations. The group includes a wide variety of associations, such as those furnishing rooms and/or meals, housing accommodations, medical care, funeral service, water, cold-storage lockers, recreation, etc.² Over the whole war period the housing associations have been at a standstill because of restrictions on building construction.³ The associations providing rooms and meals were for several years a rapidly expanding group, as a result of the growing popularity of cooperative rooming and boarding

² For detailed data on development of the various types of service and other cooperatives, see Appendix table A (p. 21).

³ This field, however, promises to be an extremely active one in the near future. Numerous groups throughout the country are now organizing for action.



houses among students at the various educational institutions. The draft of young men from the colleges resulted in the closing of many of these houses, and this group of associations has for the past several years been barely holding its own. The medical-care associations have been growing slowly in number, more rapidly in membership; the same is true of the funeral associations. Undoubtedly the most rapidly expanding of all the service associations, at present, are the cold-storage organizations. These are springing up all over the country; in addition, even more associations whose business is primarily in other lines (such as creameries and stores) have been installing such facilities, or voting to install them as soon as priorities can be obtained.

TABLE 2.—*Trend of Development of Specified Types of Cooperatives, 1929-44*

Year	Number of associations				Number of members (in tens of thousands)				Amount of business (in millions of dollars)				
	Retail dis- tributive	Local serv- ice	Elec- tric- ity	Credit unions	Retail dis- tributive	Local serv- ice	Elec- tric- ity	Credit unions	Retail dis- tributive	Local serv- ice	Elec- tric- ity	Credit unions	Re- gional whole- sales (dis- tributive only)
1929.....	1,114	98	50	974	18.6	1.0	(¹)	26.5	49.0	1.7	(¹)	54.0	7.0
1936.....	3,600	266	275	5,440	67.8	9.4	8.3	121.0	182.7	4.0	(¹)	112.1	41.4
1939.....	3,700	354	575	8,315	92.3	14.0	48.5	242.1	211.7	5.3	(¹)	240.5	50.5
1940.....	3,700	415	700	9,510	98.9	16.9	57.5	281.7	228.3	5.5	16.7	302.3	58.7
1941.....	3,950	497	800	10,425	116.9	21.5	100.5	353.2	345.2	8.3	33.4	362.8	76.5
1942.....	4,025	526	810	10,601	121.4	24.2	101.0	313.9	398.5	8.5	45.0	251.4	87.2
1943.....	4,150	551	820	10,332	135.9	27.8	102.5	302.3	466.8	9.8	52.6	208.6	98.0
1944.....	4,285	577	850	9,099	152.5	31.9	115.0	302.8	557.0	11.1	61.0	212.3	140.5

¹ No data.

Funeral associations.—In the United States, a few associations providing burial service have been in existence for many years. The first associations of which the Bureau has record date from the early twenties. Since that time one or two associations have been formed each year. This development has thus far been concentrated in the four States of Iowa, Minnesota, South Dakota, and Wisconsin, but with a single association each in Indiana and Oklahoma.

The early associations usually provided service for members in a single town and its environs. Later associations covered an entire county and a few provided service over as many as three counties. The associations in Iowa and South Dakota are all still of these two types.

In order to expand the membership and utilize existing cooperative resources, local cooperative associations began to organize joint burial enterprises of which the associations themselves were the members. The individual members of these locals were then eligible for membership in the burial federation upon payment of a membership fee. Three such federations have been formed in Minnesota and 1 in Wisconsin. During the past few years several individual store associations have each started a funeral department. A Wisconsin association was the first to do this, in 1939; a second association in that State added its mortuary in 1944. An association in Montana and two of the three North Dakota associations that have

a funeral department provide caskets only, the funerals themselves being arranged for on contract with local undertakers. The third North Dakota association purchased a funeral establishment in 1943 and provides complete funeral service. A Minnesota store association voted in 1941 to establish a mortuary department, but decided to postpone this step until the end of the war.⁴

At least two new associations whose sole business is to be the provision of funeral service had been formed by the end of 1944 but had not yet gone into operation and are therefore not included in table 1.

Activities of Local Cooperatives in 1944

The accompanying tabulation summarizes the activities of the retail associations in 1944 in relation to 1943. Examination of these data in comparison with similar reports for earlier years indicates a larger *rate* of increase in membership among the stores and a smaller rate among the petroleum associations than in 1943 and 1942,⁵ but a considerably larger *proportion* of both types reporting increases. Possibly reflecting increased ration allowances, the petroleum associations showed an average increase in business in 1944 of 22.6 percent over 1943 (corresponding figures for 1943 and 1942 were 19.1 and 13.6 percent). The store associations, however, had an average increase in business of only 19.6 percent, as compared with increases of 28.8 and 30.8 percent in 1943 and 1942.

	<i>Stores and buying clubs</i>	<i>Petroleum associ- ations</i>	<i>Other types</i>
Membership:			
Percent of increase in total.....	25. 6	14. 4	23. 1
Percent reporting—			
Increase in 1944.....	98. 8	79. 9	100. 0
Decrease in 1944.....	1. 2	20. 1	-----
Amount of business:			
Percent of increase in total.....	19. 6	22. 6	13. 7
Percent reporting—			
Increase in 1944.....	80. 3	89. 4	100. 0
Decrease in 1944.....	19. 7	10. 6	-----
Net earnings:			
Percent which went from—			
Gain in 1943 to loss in 1944.....	6. 4	. 7	14. 3
Loss in 1943 to gain in 1944.....	4. 2	. 9	-----
Percent reporting—			
Loss in both years.....	2. 0	. 5	-----
Increase in gain in 1944.....	62. 3	74. 5	85. 7
Decrease in gain in 1944.....	25. 1	23. 3	-----

In the associations for which the Bureau had reports, net earnings for store associations which made earnings on the year's operations averaged 4.6 percent of sales; losses in the associations which went "into the red" averaged 1.5 percent of sales. For the petroleum associations the corresponding percentages were 7.8 and 6.7. Fewer than 1 percent of the reporting gasoline associations sustained losses,

⁴ In order to obtain the entire picture of cooperative provision of burial service, the data should include the mortuary operations not only of the local burial associations but also of the burial federations and the mortuary departments of the store associations. In the present report the local associations are shown in the first section of table 1, and the burial federations are included with the service federations in the second section of that table. The burial operations of the store associations, however, are included in the figures given for "stores" and are not separable from those figures.

⁵ See Bureau of Labor Statistics Bulletins Nos. 796 and 757.

but the losses in these cases were heavy in proportion to sales. As all of the petroleum associations with losses and nearly all of the store associations in this class had sales of less than \$50,000, possibly one factor in their difficulty was the small volume which resulted in too high a rate of overhead in relation to sales.

It should be remembered, in considering earnings of local associations, that for a large number of them a substantial proportion of the "earnings" was not the result of the retail distributive operations but consisted of patronage refunds on the goods they had bought from their wholesale association. Consumers Cooperative Association, in reporting the earnings of its member associations in *The Cooperative Consumer* (official organ of the wholesale) makes a practice of noting also what part of these consisted of refunds from the wholesale. Midland Cooperative Wholesale frequently does this also.⁶ In the various associations the wholesale's refunds constituted from about a fifth to as much as half of the amount reported by the local associations as earnings.

The wholesales are warning their member associations that even if earnings are high and the association is apparently prospering, this may be an illusion and may result from war conditions rather than from efficient management. Managers are being cautioned to keep down their inventories and outstanding credit. In this connection one wholesale reported that a trend toward higher accounts receivable, previously noted by it, was still continuing; it pointed out that falling prices or reduced consumer income at the end of the war might make some of these accounts worthless.

Information on patronage refunds is available only for 106 local associations—72 petroleum associations, 30 organizations running stores, and 4 service associations. The petroleum associations made refunds (in cash, shares, members' equity credits, etc.) amounting to 7.7 percent of sales; for the store associations the percentage was 4.1; and for the service associations 2.4. The refunds from this group of 106 associations amounted to \$990,748.

Insurance associations.—No general survey of insurance cooperatives was made for 1944, but data from a few organizations for which reports are available indicate a considerable advance. The three insurance organizations of the Ohio Farm Bureau group, writing life, fire, and automobile insurance in 12 States⁷ and the District of Columbia all had substantial gains in business; at the end of 1944, life insurance in force amounted to 104½ million dollars, a gain of over 23½ million dollars over the preceding year, and premium income in 1944 totaled \$2,709,257. Premiums written on automobile coverage totaled \$10,479,883 (21 percent over 1943) and assets increased to \$13,764,626; losses, however, were exceptionally high, amounting to \$5,947,329.

In North Dakota, National Union Security Association (the insurance organization of the Farmers' Union cooperatives, operating in 11 States⁸) reported total insurance in force amounting to \$20,369,536, as compared with \$18,793,038 in 1943; assets increased from \$792,930 to \$830,823. Death claims, paid on 107 policies, amounted to \$91,236, and sickness and accident benefits to \$2,855 (paid to 52 members).

⁶ This practice has the effect of emphasizing the practical benefits accruing from membership in and patronage of the wholesale.

⁷ Connecticut, Delaware, Maryland, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, and West Virginia.

⁸ And applications pending in 4 others.

A net gain of \$45,727 was realized on the 1944 business. Policyholders numbered 22,562.

In Nebraska the Farmers' Union Industries Mutual, which insures cooperative enterprises against fire, storm, etc., reported insurance in force amounting to \$9,468,400; this was an increase of \$318,360 as compared with the previous year. Assets totaled \$44,013. Premium income totaled \$31,708. Losses amounted to \$1,428—\$1,393 for fire damage and \$35 for wind damage. A net saving of \$6,670 was made on the year's operations.

Group Health Mutual, a cooperative providing hospital insurance in Minnesota and Wisconsin, increased its membership from 10,500 to 23,000 (and by the middle of February 1945 to over 25,000). Premium income rose from \$82,000 in 1943 to \$137,000 in 1944. The surplus increased from \$18,449 to \$28,685. Benefits paid during the year totaled \$70,562.

The five insurance associations participating in the unified insurance program in Minnesota and Wisconsin all made progress in the fiscal year 1944-45. They reported a 33-percent gain in assets, to \$1,682,797. In the second 6-month period, they had a 28-percent increase in gross premium income, and net earnings of \$112,193. The associations participating in the program are Cooperators Life Association, Cooperators Life Mutual, American Farmers Mutual, Cooperative Insurance Mutual, and Central Mutual Fire Insurance Co.

Activities of Central Organizations

The membership and business of the central organizations providing supplies at wholesale, numerous kinds of service, and manufactures in increasing variety continued their advance in 1944. Table 3 summarizes the various activities, earnings, and patronage returns for these organizations in that year. A distributive and service business of over 151 million dollars is shown in the table.

TABLE 3.—Summary of Activities of Cooperative Distributive, Service, and Productive Federations in 1944

Type of federation	Number of federations	Member associations	Amount of business			Value of own production	Net earnings from all departments	Patronage refunds from all departments
			Wholesale distributive	Service	Retail distributive			
All types.....	53	(1)	\$136,031,029	\$11,652,806	\$3,707,829	\$65,255,203	\$8,221,690	\$7,994,839
Wholesales:								
Interregional.....	1	18	6,577,200			1,538,000	41,517	41,517
Regional.....	22	3,393	126,959,149	3,774,487	3,707,829	51,521,512	7,813,643	7,654,074
District.....	9	112	2,494,680	157,900	(2)	786,181	137,311	108,811
Service federations.....	15	932		7,720,419			98,206	79,932
Productive federations.....	7	139				11,409,510	131,013	110,505

¹ Membership should not be totaled, as some local associations are members of several federations.

² Includes some retail business. ³ A small amount of retail business is included in wholesale figure.

As the summary figures in table 3 indicate, the production from cooperatively owned plants constituted (in value) over 43 percent of the total business. It cannot be said by any means, however, that 43 percent of all goods sold were made in cooperative factories, for as yet the manufactures are largely concentrated in a few lines, of which petroleum products, feed, and fertilizer are by far the most important.

Nearly 8 million dollars was returned in patronage refunds on the activities of these central federations.

WHOLESALE ASSOCIATIONS

Membership of Wholesales

The members of the wholesale associations are the local (retail) cooperatives. In 1944 a remarkable increase took place in the total number of local associations which recognized the advantages of affiliation with the cooperative wholesale of their region or district. Most of this increase was accounted for by a few of the larger wholesales.

TABLE 4.—*Membership of Cooperative Wholesale Associations, 1943 and 1944*

[Associations marked * are members of National Cooperatives]

Association	Year in which organized	Number of affiliated associations	
		1944	1943
Total:			
Interregional.....		18	16
Regional.....		3,393	2,899
District.....		112	97
<i>Interregional</i>			
Illinois: National Cooperatives.....	1933	18	16
<i>Regional</i>			
California: Associated Cooperatives*.....	1939	31	28
Illinois:			
Central States Cooperatives*.....	1936	101	115
Illinois Farm Supply Co.....	1927	140	140
Indiana: Indiana Farm Bureau Cooperative Association*.....	1921	86	86
Iowa:			
Iowa Farm Service Co.....	1927	30	29
Cooperative Service Co.....	1935	34	33
Michigan: Farm Bureau Services*.....	1920	139	140
Minnesota:			
Midland Cooperative Wholesale*.....	1926	328	298
Minnesota Farm Bureau Service Co.....	1928	63	49
Farmers Union Central Exchange*.....	1927	400	310
Missouri: Consumers Cooperative Association*.....	1928	792	715
Nebraska: Farmers Union State Exchange.....	1914	350	323
New York: Eastern Cooperative Wholesale*.....	1929	166	162
Ohio:			
Farm Bureau Cooperative Association*.....	1933	86	87
Ohio Farmers Grain & Supply Association.....	1929	170	(1)
Oregon: Oregon Grange Wholesale.....	1937	14	15
Pennsylvania: Pennsylvania Farm Bureau Cooperative Association*.....	1934	23	22
Texas: Consumers Cooperatives Associated*.....	1931	130	106
Utah: Utah Cooperative Association*.....	1935	12	10
Washington:			
Grange Cooperative Wholesale.....	1919	59	(1)
Pacific Supply Cooperative*.....	1933	99	94
Wisconsin: Central Cooperative Wholesale*.....	1917	140	137
<i>District</i>			
Michigan:			
Cooperative Services.....	1932	12	11
Northland Cooperative Federation.....	1938	7	8
Minnesota:			
Trico Cooperative Oil Association.....	1929	18	18
C-A-P Cooperative Oil Association.....	1929	20	10
Range Cooperative Federation.....	1924	29	29
Wisconsin:			
A & B Cooperative Association.....	1930	10	5
Iron Cooperative Oil Association.....	1930	7	7
Cooperative Services.....	1928	6	6
Price County Cooperative Oil Association.....	1934	13	3

¹ No data.² 1943; not reported for 1944.

It should be explained, however, that some of the wholesale associations, which from table 4 appear to be standing still as far as new members are concerned, operate in one State only and the local associations are organized on a county basis; the total number of the wholesale's affiliates therefore cannot exceed the number of counties in the State. In such cases the only way in which the member associations may increase in number is by the organization of a new retail association to operate in a county where previously none existed. This is the case in such States as Indiana (where local associations in 86 of the 92 counties are affiliated with the wholesale), Ohio (86 of the 88 counties), and Pennsylvania (23 of the 67 counties).

The apparent loss of members in the case of Central States Cooperatives was due to the clearing of inactive associations, and those that had not completed membership, from the rolls during the year.

National Cooperatives, the members of which are the regional wholesales, admitted two new members in 1944. These were the Utah Cooperative Association, and the Manitoba (Canada) Cooperative Wholesale. The members of National Cooperatives in the United States, which are shown in table 4, are indicated by an asterisk.⁹ Its report for 1944 indicated that the business of its affiliates in that year totaled \$151,205,317 and that they were serving 3,248 local member associations with 1,166,650 individual members; of these the United States wholesales accounted for \$124,949,430 business, 2,667 associations, and 1,076,650 members.

In addition to the member associations, 13 regional wholesales reported a total of 1,796 local associations which although not members of the wholesales made purchases through them from time to time; 6 other wholesales reported that they had no unaffiliated patrons. Among the district wholesales, 4 of the 8 associations reporting on this point had a total of 35 unaffiliated patrons.

Distributive and Service Facilities

A number of the wholesales added to their facilities during the year, in addition to enlarging their productive capacity.¹⁰ The leaders in this respect were Midland Cooperative Wholesale and Consumers Cooperative Association. The former bought a new warehouse with 180,000 square feet of space, and a village in Wisconsin containing several business properties as well as some houses; the village will be used as a training center, besides providing additional productive capacity for the wholesale. Consumers Cooperative Association bought 2 new repair shops (it already had 2) for the servicing of its fleet of 60 transport trucks, a 5-story office building for its headquarters, and a branch building in Des Moines, and began the construction of a farm-supply warehouse in Aberdeen, S. Dak.

Central States Cooperatives opened a depot in Detroit, handling fresh produce, butter, and eggs, and distributing groceries trucked from the Chicago headquarters. Illinois Farm Supply Co. bought new petroleum-storage tanks and added another towboat. Coopera-

⁹ In addition it has two Canadian members (besides the Manitoba wholesale) as follows: Saskatchewan Cooperative Wholesale, and United Farmers Cooperative (Ontario). The Farmers' Cooperative Exchange (Raleigh, N. C.) is also a member but is not included in the present report because it is not a federation of local associations and does not handle consumer goods.

¹⁰ For expansion of productive plant, see p. 19.

tive Service Co. (Iowa) acquired a new plant and warehouse, and Michigan Farm Bureau Services bought a seed warehouse. Farmers' Union Central Exchange purchased terminal facilities at Minot, N. Dak. Consumers Cooperatives Associated (Texas) acquired a grain elevator.

In the United States many wholesale organizations, which have begun as distributors handling farm supplies or petroleum products only, have gradually added consumer goods of various kinds. A reversal of this procedure has occurred in California where the wholesale, starting as a supplier for urban groups, has also begun to cater for farmers in its territory; its newest addition (in 1944) was a line of farm machinery and milking machines.

Among the other wholesales, Iowa Farm Service Co. added fertilizer; Midland added dry goods, insecticides, and lumber; and Consumers Cooperative Association, salt, family flour, household drugs, new types of roofing, and liquefied gas (for cooking). Oregon Grange Wholesale began to handle milking machines; Ohio Farmers Grain & Supply Association, electric fence supplies; and Consumers Cooperatives Associated (Texas), salt, plow parts, milking machines, and water systems.

Among the district associations, Northland Cooperative Federation added farm implements and Range Cooperative Federation went into the egg business. Iron Cooperative Oil Association hired its first full-time educational field worker.

No association reported the voluntary discontinuance of any lines or services, although market shortages in some cases resulted in temporary inability to provide some items. Thus, Associated Cooperatives of California had to discontinue the handling of petroleum products temporarily, because of inability to get supplies.

Among the regional wholesales, of 22 associations reporting, only 6 were operating any retail outlets; these had a total of 30 such branches (12 being accounted for by one wholesale alone). Only 3 of the 8 reporting district wholesales had retail branches; these totaled 4.

A total of 65 warehouses was reported by 22 regional wholesales. Of these associations, 1 had 12 warehouses, 1 had 8, 2 had 6 each, 2 had 4, 4 had 3, 3 had 2, 7 had 1, and 2 did no warehousing business. The 8 reporting district wholesales had a total of 12 warehouses; 1 had 4, 2 had 2 each, 4 had 1 each, and 1 had none.

Distributive Operations

Without exception the reporting wholesales had a considerable increase in distributive business in 1944 as compared to 1943 (table 5). For the regional wholesales the increase averaged nearly 18 percent, whereas for the district organizations it was nearly 23 percent. Five of the regional wholesales had a business exceeding 10 million dollars each in 1944.

National Cooperatives showed an increase in business of slightly over 60 percent. Appliances, hardware, and farm supplies accounted for the largest volume of business, followed in order by building materials, groceries, and automotive supplies.

Earnings of the wholesales also showed a remarkable increase. It should be pointed out, however, that some of the earnings shown in table 5 were the result not of the distributive business but of service

TABLE 5.—*Distributive Business, Net Earnings, and Patronage Refunds of Cooperative Wholesales, 1943 and 1944*

Association	Amount of business ¹		Net earnings		Patronage refunds ²	
	1944	1943	1944	1943	1944	1943
All associations:						
Interregional.....	\$6,577,200	\$4,096,872	\$36,524	(³)	\$36,524	(³)
Regional:						
Wholesale business.....	126,959,149	107,680,565	6,098,144	\$5,603,990	6,142,330	\$4,779,554
Retail business.....	8,707,829	8,320,441	109,483	97,936	39,000	28,754
District.....	2,494,680	2,035,532	101,146	75,636	94,420	64,868
Interregional						
Illinois: National Cooperatives.....	6,577,200	4,096,872	36,524	(³)	36,524	(³)
Regional						
California: Associated Cooperatives ⁴ {	\$ 200,764	230,843	3,221	344	2,185	-----
Illinois:	\$ 150,000					
Central States Cooperatives.....	759,570	494,308	11,858	11,000	11,858	10,000
Illinois Farm Supply Co.....	14,931,151	14,118,070	580,537	1,054,948	468,561	789,830
Indiana: Farm Bureau Cooperative Association.....	10,766,822	10,571,397	1,014,750	1,323,887	911,819	925,424
Iowa:						
Iowa Farm Service Co.....	1,737,155	1,232,292	56,698	47,449	55,000	45,645
Cooperative Service Co.....	983,234	95,483	44,923	16,753	43,391	15,077
Michigan: Farm Bureau Services.....	\$ 6,208,711	\$ 4,757,493	\$ 246,266	\$ 144,161	\$ 294,214	\$ 193,638
Minnesota:	\$ 2,289,453	\$ 1,675,238	\$ 62,593	\$ 54,411		
Midland Cooperative Wholesale.....	10,176,463	9,004,955	783,475	736,996	790,292	723,353
Minn. Farm Bureau Service Co.....	1,441,260	1,309,288	91,099	104,690	67,541	104,432
Farmers Union Central Exchange.....	12,135,454	10,641,839	978,961	782,562	934,485	528,603
Missouri: Consumers Cooperative Association.....	\$ 15,550,607	\$ 10,019,505	\$ 236,976	201,908	1,130,454	680,774
Nebraska: Farmers Union State Exchange.....	\$ 305,591	\$ 479,610	\$ 8,097			
New York: Eastern Cooperative Wholesale.....	\$ 2,452,453	\$ 2,409,699	\$ 163,187	\$ 105,109	\$ 100,000	\$ 64,811
Ohio:	\$ 1,112,785	\$ 1,165,593	\$ 38,793	\$ 43,525	\$ 39,000	\$ 28,754
Farm Bureau Cooperative Association.....	4,091,066	3,210,180	15,096	-22,247	9,900	-----
Ohio Farmers Grain & Supply Association.....	18,693,398	17,363,046	754,771	749,494	736,390	7342,733
Oregon: Oregon Grange Wholesale.....	1,521,972	(³)	63,635	(³)	50,038	(³)
Pennsylvania: Pennsylvania Farm Bureau Cooperative Association.....	549,791	291,837	48,553	31,395	48,724	20,612
Texas: Consumers Cooperatives Association.....	8,318,452	7,584,152	351,580	352,633	205,473	187,064
Utah: Utah Cooperative Association.....	2,594,227	2,134,206	76,234	63,829	71,795	63,829
Washington:	255,712	254,109	\$ 11,797	\$ 8,079	\$ 11,208	\$ 8,259
Grange Cooperative Wholesale.....	3,282,095	2,761,574	\$ 168,148	(³)	\$ 168,148	(³)
Pacific Supply Cooperative.....	4,575,308	3,837,664	7413,332	\$ 353,097	7282,882	\$ 281,278
Wisconsin: Central Cooperative Wholesale.....	5,733,484	5,358,625	7136,047	7166,903	7114,972	7137,192
District ¹¹						
Michigan:						
Cooperative Services.....	140,568	121,674	6,286	(³)	4,344	(³)
Northland Cooperative Federation.....	319,325	162,790	1,368	1,136	1,368	-----
Minnesota:						
Trico Cooperative Oil Association.....	233,165	220,321	22,482	16,397	22,482	16,397
C-A-P Cooperative Oil Association.....	123,204	110,074	11,041	9,654	10,226	9,654
Range Cooperative Federation.....	1,154,334	926,795	23,674	21,972	23,711	22,236
Wisconsin:						
A & B Cooperative Association.....	126,898	117,376	12,259	6,617	11,879	6,336
Iron Cooperative Oil Association.....	200,408	189,328	7,716	8,163	6,952	2,292
Cooperative Services.....	153,378	149,427	14,124	11,281	13,458	7,953
Price County Cooperative Oil Association.....	43,400	37,747	2,196	416	(³)	(³)

¹ Except where otherwise indicated, figures relate to wholesale distributive business.² Includes all refunds declared, regardless of form in which paid (cash, shares, members' equity credits, etc.).³ No data.⁴ This association, formerly classified as a district wholesale, became a regional wholesale in 1944 when it began to serve associations throughout the State in addition to a few in other nearby States.⁵ Wholesale.⁶ Retail.⁷ Includes service and productive departments.⁸ Includes service departments.⁹ Includes productive departments.¹⁰ Includes part of patronage refunds of 1943, returned in 1944.¹¹ Figures include some retail business.

and productive operations, notably the latter. In cases in which the earnings of the service departments and the productive enterprises were reported separately, they are included in the data shown in tables 7 and 9. In many cases, however, such figures were not separable from the distributive business, in which event the entire earnings are shown in table 5. The same applies to an even greater extent to the patronage refunds which (as noted in table 5) include in many cases earnings—often exceeding those made in the distributive business—made by the factories. An extreme case is that of Consumers Co-operative Association which returned \$1,130,454 in patronage refunds, whereas the distributive operations (both wholesale and retail) had total net earnings amounting to only about a fifth of this sum; the rest came from productive earnings.

Data on volume of business done in various broad commodity divisions were available for 20 of the regional wholesales and 8 of the district associations. The distribution is shown in table 6.

TABLE 6.—*Amount and Percent of Business Done by Wholesale Cooperative Associations in 1944, by Commodity Groups*

Commodity group	Regional associations			District associations		
	Number of associations handling	Amount	Percent	Number of associations handling	Amount	Percent
All commodities.....	20	\$116,188,244	100.0	8	\$2,451,280	100.0
Food products.....	9	9,568,403	8.2	2	846,360	34.5
Household supplies.....	3	139,420	.1			
Electrical appliances.....	8	1,529,859	1.3			
Clothing.....	2	500,707	.4			
Hardware.....	1	275,705	.2			
Coal.....	9	2,298,760	2.0	1	11,575	.5
Petroleum products (including grease).....	18	52,867,819	45.5	8	1,068,160	43.6
Tires, tubes, and accessories.....	16	3,226,377	2.8	2	3,607	.1
Building materials and paint.....	12	3,865,072	3.3	2	29,443	1.2
Farm supplies (including feed, seed, and fertilizer).....	15	38,378,174	33.0	2	125,233	5.1
Farm machinery and implements.....	12	2,071,625	1.8	3	31,293	1.3
Store and station equipment.....	6	1,015,367	.9			
Automobiles.....				1	2,308	.1
Other (not classified).....	5	450,956	.4	7	333,301	13.6

Capital and Resources

Common stock (ownership of which carries the power to vote) is becoming less important as a source of financing of central cooperative associations, and preferred stock (carrying no voting privilege, but entitled to first call on earnings) is taking its place. Of 20 regional wholesales reporting, all but 8 were making use of preferred stock by the end of 1944. Common stock for all reporting associations totaled \$5,766,320. For the 12 wholesales which had both preferred and common, the preferred aggregated \$7,379,852 whereas the common stock totaled only \$4,267,974. None of the district wholesales had issued preferred shares; their common shares totaled \$278,778.

The total assets of 21 regional wholesales amounted to \$38,020,574, and those of 8 district associations to \$631,020. The ratio of current assets to total assets varied widely, ranging among the regional organizations from 40.8 to 93.4 percent and among the district organizations

from 30.1 to 70.5 percent. The averages were 59.4 and 54.4 percent, respectively. The ratio of current assets to current liabilities was equally variable, ranging in the regional associations from 1.3:1 to 14.7:1 and in the district associations from 0.8:1 to 13.0:1. For the two groups the averages were 2.3:1 and 2.9:1. The distribution of the reporting associations was as follows:

	<i>Regional</i>	<i>District</i>
0.0- 0.9:1-----		1
1.0- 1.9:1-----	4	2
2.0- 2.9:1-----	8	--
3.0- 3.9:1-----	1	2
4.0- 4.9:1-----	4	--
5.0- 5.9:1-----	1	1
6.0- 6.9:1-----		1
9.0- 9.9:1-----	1	--
13.0-13.9:1-----		1
14.0-14.9:1-----	1	--

For only 8 regional associations was information on net worth available. In these associations the member equities (ratio of net worth to total liabilities) ranged from 34.5 to 78.3 percent, and averaged 64.0 percent. Similar data were available for 7 district associations, the net worth ranging in these from 56.7 to 93.4 percent and averaging 79.5 percent.

SERVICE OPERATIONS OF CENTRAL COOPERATIVE ORGANIZATIONS

Services in increasing variety are being offered not only by the cooperative wholesale associations but also by federations established for the sole purpose of providing services which the member associations either cannot or do not desire to perform for themselves. As compared with 1943, the service business of the reporting central organizations more than doubled, rising from \$5,163,060 to \$11,652,806. The business of the service federations, however, increased at a faster rate than that of the wholesale service departments. In 1943 they accounted for only 36 percent of the total, whereas in 1944 they did 66 percent of the total business; most of this advance occurred in transport and burial service.

The gross income from the various types of service rendered by the wholesales and service federations in 1944 is shown below:

	<i>Wholesale service departments</i>	<i>Service federations</i>
Funeral service-----	\$39, 347	\$86, 948
Automobile repair-----	93, 412	-----
Recreation-----	4, 752	-----
Insurance, bonds, etc-----	68, 498	-----
Auditing, accounting, etc-----	70, 835	66, 439
Financing and credit-----	45, 446	90, 829
Management, business advice, planning, etc-----	36, 667	16, 559
Transport service (all kinds)-----	3, 027, 041	7, 459, 644
Other (not specified)-----	546, 389	-----

The business done (gross income) in the various lines of service by each central organization is shown in table 7. The figures there given, however, are not an accurate representation of earning capacity in the case of the service departments of the wholesales. For most of these the earnings (and patronage refunds) were not separable from those of the distributive business, but are included in the data shown in table 5.

TABLE 7.—Service Activities of Central Cooperative Organizations, 1944

Association	Member asso- cia- tions	Service	Amount of busi- ness (gross income)	Net earn- ings	Patron- age refunds
Total			\$11,652,806	\$465,729	\$367,681
Service departments of wholesales.....			3,932,387	367,523	287,699
Regional.....			3,774,487	347,513	281,249
District.....			157,900	20,010	6,450
Service federations.....	932		7,720,419	98,206	79,932
<i>Service departments of wholesales</i>					
Illinois:					
Illinois Farm Supply Co.....		Transport (by truck and towboat).....	1,675,256	347,513	281,249
Central States Cooperatives.....		Auditing.....	3,870	(1)	(1)
Indiana: Farm Bureau Cooperative Asso- ciation.....		do.....	17,021		
		Trucking.....	246,395		
		Automobile repair.....	32,476	(1)	(1)
		Insurance (agency).....	45,257		
		Finance (or credit).....	45,448		
		Other.....	523,636		
Michigan:					
Farm Bureau Services.....		Management.....	11,809	(1)	(1)
Northland Cooperative Federation.....		Livestock marketing.....	22,753	-151	(1)
Minnesota:					
Midland Cooperative Wholesale.....		Trucking.....	116,915		
		Pipeline.....	110,488	(1)	(1)
		Tank-car service.....	71,881		
C-A-P Cooperative Oil Association.....		Trucking.....	22,150	6,450	6,450
Range Cooperative Federation.....		do.....	7,744	2,050	
		Automobile repair.....	40,170	753	
		Funeral service.....	39,347	9,438	(1)
		Insurance (agency).....	20,984	1,470	
		Recreation.....	4,752		
Missouri: Consumers Cooperative Asso- ciation.....		Auditing.....	22,656	(1)	(1)
New York: Eastern Cooperative Whole- sale.....		Transport.....	339,018	(2)	(2)
Ohio: Farm Bureau Cooperative Asso- ciation.....		Fidelity bonds.....	2,257		
		Trucking.....	108,826	(1)	(1)
		Planning and specifica- tions.....	24,858		
Utah: Utah Cooperative Association.....		Trucking.....	23,658	(1)	(1)
Washington:					
Grange Cooperative Wholesale.....		Auditing.....	1,799	(1)	(1)
Pacific Supply Cooperative.....		Trucking.....	149,379		
		do.....	155,331		
		Automobile repair.....	20,766		
		Auditing.....	25,489		
Wisconsin: Central Cooperative Whole- sale.....					
<i>Service federations</i>					
Iowa: Business Service Association.....	102	Auditing, tax service, busi- ness analysis.....	10,265	144	-----
Maryland: Federated Cooperatives.....	5	Management supervision.....	16,559	8,601	-----
Minnesota:					
Federated Cooperatives of East Central Minnesota.....	23	Insurance (agency), fun- eral service, insulating, trucking.....	47,107	442	(2)
Northland Cooperative Mortuary.....	21	Funeral service.....	16,660	1,766	1,500
Cooperative Auditing Service.....	432	Auditing, accounting, busi- ness advisory service.....	30,135	-257	
Farmers Union Cooperative Credit Association.....	146	Loans to local coopera- tives.....	79,461	4,459	3,642
Farmers Cooperative Trucking Association.....	91	Trucking and marketing.....	7,384,880	67,704	64,045
Montana: Farmers Union Transporters.....	42	Trucking of petroleum products.....	10,292	568	-----
Nebraska:					
Farmers Union Nonstock Coopera- tive Transport Association.....	2	do.....	8,491	1,234	180
Farmers Union Nonstock Coopera- tive Transport Association.....	4	do.....	26,376	6,081	6,066
Farmers Nonstock Cooperative Trans- port Association.....	4	do.....	10,855	1,231	(2)
North Dakota: Farmers Union Transpor- tation Co.....	18	do.....	18,750	(2)	(2)
South Dakota: Equity Audit Co.....	35	Auditing and accounting.....	26,039	1,765	1,234
Wisconsin:					
Valley Cooperative Services.....	5	Funeral service.....	23,181	4,395	3,285
Central Finance.....	2	Financing sales contracts.....	11,368	73	

¹ Figures not separable from distributive business; see table 5.² No data.³ 7 months' operations; fiscal year changed.⁴ 1 month's operations; association then sold its business and discontinued operations.

A high ratio of member ownership was shown by the service federations. Of 11 organizations for which both liabilities and net worth were reported, in 2 the net worth constituted over 90 percent of the total liabilities, in 3 from 70 to 89 percent, and in 3 from 50 to 69 percent; in 3 associations net worth was less than 50 percent. For the whole group the average was 77.6 percent. Total liabilities for this group amounted to \$541,182 and net worth to \$420,103. Two other associations for which net worth was not reported had total liabilities (and assets) aggregating \$425,780.

PRODUCTION BY CENTRAL COOPERATIVES

Cooperative production has shown a remarkable rise during the past few years, as more and more central cooperative organizations—wholesales and productive federations—have entered new lines or have expanded their output of previous products. As compared with 1943, the value of manufactures more than doubled, rising from \$31,104,255 to \$65,255,203. The figures shown in table 8 reflect the great strides made in the production and refining of petroleum products in the past few years. Other commodities in which large gains were made were the production of lumber and of feed, seed, and fertilizer.

TABLE 8.—*Value of Cooperative Production, 1943 and 1944, by Commodities*

Commodity	1943: Total		1944			
	Amount	Per- cent	Total		Depart- ments or subsidi- aries of wholesales	Productive federations
			Amount	Per- cent		
All products.....	\$31, 104, 255	100. 0	\$65, 255, 203	100. 0	\$53, 845, 693	\$11, 409, 510
Food products.....	1, 958, 036	6. 3	2, 073, 462	3. 2	1, 768, 462	305, 000
Chemical products.....	38, 000		38, 000	. 1	38, 000	
Coal.....	29, 274		29, 274	(1)	29, 274	
Crude oil.....	31, 340	. 1	721, 050	1. 1	719, 953	1, 097
Pipeline operations.....	1, 672, 756	5. 4	4, 947, 745	7. 6	4, 947, 745	
Refined petroleum products.....	6, 743, 901	21. 7	21, 165, 002	32. 4	14, 585, 328	6, 579, 674
Lubricating oil.....	1, 358, 479	4. 4	4, 659, 465	7. 1	4, 659, 465	
Grease.....	223, 864	. 7	226, 374	. 3	226, 374	
Printing.....	326, 959	1. 1	192, 793	. 3	92, 237	100, 556
Paint.....	1, 351, 782	4. 3	81, 689	. 1	81, 689	
Lumber and shingles.....	360, 502	1. 2	1, 361, 866	2. 1	1, 101, 147	260, 719
Shelving.....	5, 316	(1)	11, 574	(1)	11, 574	
Poultry and poultry products.....	246, 247	. 8	369, 296	. 6	369, 296	
Insecticides.....	(2)		98, 034	. 2	98, 034	
Feed, seed, fertilizer.....	16, 781, 157	53. 9	27, 410, 770	42. 0	23, 617, 115	3, 793, 655
Farm machinery.....			1, 868, 809	2. 8	1, 500, 000	368, 809
Other.....	43, 916	. 1				

¹ Less than half of 1 percent.

² No data.

The value of the various commodities produced by the individual wholesales and productive federations is given in table 9. For a number of the wholesales the net earnings from the productive departments were not available separately from those of the distributive business. For the wholesales reporting on this point net earnings exceeded 1¼ million dollars, representing 7.0 percent on their output of \$18,340,211. The earnings of the productive federations—the operations of most of which are thus far on a considerably smaller scale than those of the wholesale productive enterprises, and some of

which were just getting started in 1944—were considerably less, only slightly exceeding \$130,000, and averaging only 1.2 percent on the value of goods produced. Total net earnings shown in the table were greatly reduced by losses sustained by three organizations, amounting to nearly \$60,000.

This table covers the operations of 88 plants—8 petroleum refineries, 5 plants making lubricating oil, 1 plant making grease, 2 canneries, a bakery, 2 coffee-roasting plants, a sausage factory, a soft-drink bottling plant, 2 butter and cheese plants, 3 printing plants, 4 sawmills, 2 paint factories, 6 seed-cleaning plants, 13 feed mills, 2 soybean-processing plants, 2 alfalfa-dehydration plants, 6 fertilizer factories, 19 chick hatcheries, 3 insecticide plants, 2 machinery plants, a coal mine, a shingle mill, and a chemical works.

TABLE 9.—*Production by Central Cooperative Organizations, 1944*

Association	Number of member associations	Goods produced	Value of goods produced	Net earnings	Patronage refunds
Total			\$65,255,203	\$1,410,664	\$1,314,934
Productive departments of wholesales: ¹			56,999,856	1,279,651	1,204,429
Interregional.....			1,538,000	4,993	4,993
Regional.....			51,521,512	1,258,503	1,191,495
District.....			786,181	16,155	7,941
Productive federations.....	139		11,409,510	131,013	110,505
<i>Productive departments of wholesalers</i>					
Illinois: National Cooperatives.....		Chemical products.....	38,000	4,993	4,993
		Milking machines.....	1,500,000		
Indiana: Indiana Farm Bureau Cooperative Association.....		Refined petroleum products.....	2,339,342	()	()
		Printing.....	28,162		
		Fertilizer.....	2,437,504		
		Eggs and chicks.....	154,994		
		Lumber.....	719,236		
Michigan: Northland Cooperative Federation.....		Butter and cheese.....	266,390	-15,870	7,941
Minnesota: Midland Cooperative Wholesale.....		Refined petroleum products.....	2,472,547	()	()
		Lubricating oil.....	331,947		
		Fly spray.....	24,671	()	53,412
		Feed and seed.....	394,679		
		Feed and fertilizer.....	973,536		
Minn. Farm Bureau Service Co. Farmers Union Central Exchange.....		Refined petroleum products.....	2,273,110	()	()
		Lubricating oil.....	1,926,456		
		Soybean cattle feed.....	()	4,005	()
		Butter.....	141,575		
		Cheese.....	234,344		
		Meat products.....	83,872	112	
Missouri: Consumers Cooperative Association.....		Refined petroleum products.....	7,228,034	1,274,373	1,133,063
		Crude oil.....	719,953		
		Lubricating oil.....	2,401,062		
		Pipeline.....	4,947,745		
		Grease.....	226,374		
		Paint.....	81,689		
		Lumber.....	381,911		
		Printing.....	64,075		
		Canned goods.....	310,876		
		Dehydrated potatoes.....	183,413		
		Soft drinks.....	13,077		
		Feed and dehydrated alfalfa.....	629,224		
Nebraska: Farmers Union State Exchange.....		Feed.....	94,841	()	()
		Poultry and egg processing.....	182,495		
New York: Eastern Cooperative Wholesale.....		Shelving.....	11,574	()	()
		Coffee roasting.....	136,000		

See footnotes at end of table.

TABLE 9.—*Production by Central Cooperative Organizations, 1944—Continued*

Association	Number of member associations	Goods produced	Value of goods produced	Net earnings	Patronage refunds
<i>Productive departments of wholesales—Continued</i>					
Ohio:					
Farm Bureau Cooperative Association.	-----	Refined petroleum products.	\$272, 295	(?)	(?)
		Feed and grain.....	11, 308, 275		
		Fertilizer.....	1, 308, 233		
		Chicks.....	31, 807		
Ohio Farmers Grain & Supply Association.	-----	Feed, seed, fertilizer.....	478, 063	(?)	(?)
Pennsylvania: Pennsylvania Farm Bureau Cooperative Association.	-----	Feed.....	1, 500 000	(?)	(?)
Texas: Consumers Cooperatives Associated.		Seeds (cleaned).....	100, 000		
		Feed.....	29, 221		
Washington: Pacific Supply Cooperative.	-----	Coal.....	29, 274	(?)	(?)
		Feed and seeds.....	2, 236, 542		
		Insecticides.....	73, 363		
		Bakery products.....	204, 305		
Wisconsin: Central Cooperative Wholesale.	-----	Coffee.....	134, 610	(?)	(?)
		Feed.....	2, 126, 997		
<i>Productive federations</i>					
British Columbia (Can.): International Lumbering Association.	11	Shingles.....	260, 719	-\$20, 934	-----
Indiana:					
Cooperative Mills.....	10	Flour, cereals, feed.....	305, 000	2, 540	\$1, 874
Farm Bureau Milling Co.....	4	Feed.....	3, 003, 776	56, 938	56, 938
National Farm Machinery Cooperative.	15	Farm machinery.....	368, 809	-22, 772	-----
Kansas: National Cooperative Refinery Association.	5	Crude oils.....	1, 097	64, 377	4, 377
		Refined petroleum products.	6, 579, 674		
Ohio: Farm Bureau Chemical Cooperative.	2	Fertilizer.....	789, 879	50, 566	47, 316
Wisconsin: Cooperative Publishing Association.	92	Printing: Job work and periodicals.	100, 556	298	-----

¹ Includes commodities produced by wholly owned subsidiaries of a wholesale as well as by productive departments within the wholesale.

² Not separable from distributive business; included in figures given in table 5.

³ 18,900 bushels produced; value not reported.

⁴ Does not include cultivator plant at Bellevue, Ohio, purchased from a private company, which operated only 7 months of the year under cooperative ownership. For 1943-44 the total sales of that plant amounted to \$1,371,550. A patronage refund of \$27,077 was reported to have been made for the 7 months' cooperative operation; also the Federal Government is reported to have received a refund of about \$45,000 on its purchases of war materials from the plant.

⁵ And 172 associations partly paid up.

Over 1¼ million dollars was declared in patronage refunds to the members of both types of enterprise. An indication of the increasingly important part played by production in the earnings of wholesales is indicated in the report of Midland Cooperative Wholesale; only 13.7 percent of its net earnings in 1944 came from the distributive operations, while the remainder came from its own productive plants or those in which it is part owner with other cooperative wholesales. Its 1944 report pointed out, also: "We have now learned from experience that ownership of productive facilities * * * means safety of supply and assurance of quality."

Consumers Cooperative Association estimates that from 25 to 40 percent of the patronage refunds which it returns to its member associations are the earnings from cooperative productive facilities. Each new plant acquired has helped to accelerate the rate of membership increase. The wholesale's annual report for 1944 stated that all of the refined fuels and all of the grease needed by the member associa-

tions are being manufactured in its plants or those of the National Cooperative Refinery Association. Over three-fourths of all the goods it supplied to its member associations in 1944 came from co-operatively owned factories.

In the case of the Farmers Union State Exchange (Nebraska), \$63,653 of its 1944 net earnings of \$163,187 consisted of the patronage refund on its business with the National Cooperative Refinery Association, of which it is a member.

Expansion of Productive Capacity in 1944

Notwithstanding wartime restrictions, numerous wholesales were able to add to their productive facilities either through purchase of existing plant or construction of new establishments. Minnesota Farm Bureau Service Co. started construction on a new fertilizer plant and enlarged its feed mill. Early in 1945 Midland Cooperative Wholesale, Farmers Union Central Exchange, and Central Co-operative Wholesale formed a new federation, Northwest Cooperative Mills, which will carry on various productive enterprises for these wholesales; its first activity will be the operation of a soybean-processing plant which was built by Farmers Union Central Exchange.

Consumers Cooperative Association acquired a feed mill, another petroleum refinery,¹¹ and an alfalfa-dehydrating plant, and became part owner (with several farmers' cooperatives) of a cotton-oil mill. Ohio Farm Bureau Cooperative Association purchased a soybean-processing plant, a rendering plant, and a fertilizer factory.¹² Consumers Cooperatives Associated (Texas) bought a grain elevator.

Pacific Supply Cooperative not only acquired a feed plant and a seed-cleaning and processing plant, but leased a coal mine in Utah with option to buy if this seems desirable.

National Cooperatives, which operates a milking-machine factory and a chemical-products department manufacturing cosmetics and household chemicals, late in 1944 decided to go into the manufacture of electric water heaters for home use. It leased factory space for this purpose in Albert Lea, Minn., and began operation early in 1945. The International Lumbering Association was formed originally as a subsidiary of National Cooperatives but was later incorporated as an independent organization, the owners of which are 11 regional wholesales (7 in the United States and 4 in Canada). The association operates a shingle mill and owns a tract of timber (largely cedar) estimated to contain 100 million feet of timber. The mill was producing for the cooperative movement throughout the year.

Early in 1944 the National Farm Machinery Cooperative purchased from a private company a factory making various items of farm machinery that the association had not previously handled.

The National Cooperative Refinery Association added to its facilities a new Butane-Butylene plant. In addition to its refinery the association at the end of 1944 owned an interest in 8 oil wells; another investment early in 1945 brought the number to 46.

¹¹ In January 1945 the association purchased 68 more producing oil wells (bringing its total to 362) and leased 4,375 acres of oil-bearing land.

¹² Early in 1945 this association also purchased a part interest in a privately owned refinery, pipe line, and river fleet.

Altogether, by March 1945, the consumers' cooperative movement in the United States (through the central wholesale and productive federations) owned 9 petroleum refineries and a part interest in another, nearly 1,400 miles of pipeline, and 420 producing oil wells.

EMPLOYMENT AND WAGES IN CENTRAL COOPERATIVES

Continuing the trend of the war years, annual earnings of employees in the wholesales and other business federations in 1944 showed a small increase from 1943 (table 10). These organizations employed an average of 4,758 persons in 1944.

TABLE 10.—*Employment and Earnings in Central Cooperative Organizations in 1943 and 1944*

Type of organization	Number of associations reporting	Total number of employees	Total wages paid, 1944	Average annual earnings per employee ¹ in—	
				1944	1943
All central federations.....	45	4,758	\$6,064,597	\$2,064	-----
Wholesales:					
Interregional.....	1	² 20	³ 39,492	1,975	\$1,434
Regional.....	20	4,029	4,534,409	2,037	2,024
District.....	8	98	177,154	1,808	1,502
Service.....	9	70	139,765	1,997	1,893
Productive.....	7	541	1,173,777	2,259	(³)

¹ Based upon associations that reported both employees and amount paid in wages.

² Includes some part-time workers.

³ No data.

APPENDIX.—DETAILED DATA ON TREND OF DEVELOPMENT OF INDIVIDUAL TYPES OF ASSOCIATIONS

The accompanying table shows, for each of the various types of local associations and federations, the estimated number, membership, and business done in specified years since 1929.

TABLE A.—Estimates of Number of Cooperative Associations, Membership, and Business, 1929–44, by Type of Association ¹

Type of association	1929	1936	1939	1940	1941	1942	1943	1944
Number of associations								
<i>Local associations</i>								
Retail distributive.....	1,114	3,600	3,700	3,700	3,950	4,025	4,150	4,285
Stores and buying clubs.....	900	2,400	2,450	2,400	2,550	2,600	2,700	2,810
Petroleum.....	198	1,150	1,200	1,250	1,350	1,375	1,400	1,425
Other ²	16	50	50	50	50	50	50	50
Service.....	98	266	354	415	497	526	551	577
Rooms and/or meals.....	32	60	100	150	200	190	175	175
Housing.....	45	50	53	60	59	59	59	59
Medical care:								
On contract.....					24	35	50	50
Own facilities.....	6	10	20	30	11	11	18	18
Burial: ³								
Complete funeral.....	5	30	36	40	35	35	35	36
Caskets only.....					6	6	4	4
Other ⁴	10	116	145	135	162	190	210	235
Electricity associations ⁵	50	275	575	700	800	810	820	850
Telephone associations.....	4,500	5,000	* 5,000	* 5,000	* 5,000	* 5,000	* 5,000	* 5,000
Credit unions.....	974	5,355	8,326	9,479	10,456	10,602	10,373	9,099
Insurance associations.....	(⁶)	1,800	1,900	1,900	2,000	2,000	2,000	2,000
<i>Federations</i>								
Wholesales:								
Interregional.....		2	2	2	2	2	2	2
Regional.....	8	21	23	24	26	25	23	25
District.....		9	13	13	13	11	11	10
Service federations.....	1	6	7	9	17	19	22	21
Productive federations.....		4	5	7	7	9	11	12
Noncommercial federations.....	6	8	9	11	13	15	16	18
Number of members								
<i>Local associations</i>								
Retail distributive.....	186,000	677,750	923,000	983,500	1,169,000	1,214,000	1,359,000	1,524,500
Stores and buying clubs.....	123,000	330,500	450,000	485,000	500,000	540,000	600,000	690,000
Petroleum.....	56,000	325,000	450,000	480,000	645,000	650,000	735,000	810,000
Other ²	7,000	22,250	23,000	23,500	24,000	24,000	24,000	24,500
Service.....	9,800	94,150	140,450	169,000	215,100	241,600	278,400	318,500
Rooms and/or meals.....	6,000	19,150	22,000	25,000	26,000	23,000	20,000	18,000
Housing.....	2,400	3,500	4,200	3,750	2,100	2,100	2,100	2,100
Medical care: ⁸								
On contract.....					40,000	50,000	65,000	95,000
Own facilities.....	(⁹)	6,500	20,000	35,750	15,000	25,000	40,000	45,000
Burial: ³								
Complete funeral.....	800	20,000	21,250	24,500	24,500	25,000	30,000	35,000
Caskets only.....					2,500	2,500	1,300	1,400
Other ⁴	600	45,000	73,000	80,000	105,000	114,000	120,000	122,000
Electricity associations ⁵	(⁹)	82,500	485,000	575,000	1,005,000	1,010,000	1,025,000	1,149,700
Telephone associations.....	300,000	330,000	* 330,000	* 330,000	* 330,000	* 330,000	* 330,000	* 330,000
Credit unions.....	265,000	1,170,000	2,305,000	2,815,600	3,529,000	3,145,000	3,023,600	3,027,700
Insurance associations ¹⁰		6,800,000	7,000,000	7,200,000	9,000,000	10,000,000	10,500,000	10,510,000
<i>Federations ¹¹</i>								
Wholesales:								
Interregional.....		18	21	22	23	24	24	26
Regional.....	377	1,824	2,163	2,730	2,991	3,094	3,356	3,790
District.....		81	160	171	182	150	165	152
Service federations.....	(⁹)	(⁹)	(⁹)	(⁹)	1,335	1,460	1,570	1,500
Productive federations.....		(⁹)	(⁹)	(⁹)	18	23	31	140

See footnotes at end of table.

TABLE A.—Estimates of Number of Cooperative Associations, Membership, and Business, 1929-44, by Type of Association ¹—Continued

Type of association	1929	1936	1939	1940	1941	1942	1943	1944
Amount of business (in thousands of dollars)								
<i>Local associations</i>								
Retail distributive.....	49,000	182,685	211,653	228,325	345,150	398,500	466,750	557,000
Stores and buying clubs.....	37,700	107,250	120,053	129,650	160,000	195,000	235,000	280,000
Petroleum.....	10,800	69,985	86,000	92,875	179,000	197,000	225,000	270,000
Other ²	500	5,450	5,600	5,800	6,150	6,500	6,750	7,000
Service.....	1,728	3,950	5,280	5,530	8,345	8,495	9,775	11,055
Rooms and/or meals.....	1,640	1,000	1,250	1,500	3,325	3,000	2,775	2,600
Housing ¹²		2,525	2,750	2,530	1,575	1,575	1,575	1,575
Medical care:								
On contract.....			500	600	925	1,000	1,150	1,300
Own facilities.....		50			1,125	1,150	2,000	2,100
Burial: ³								
Complete funeral.....	53	160	190	200	255	260	270	275
Caskets only.....					10	5	5	5
Other ⁴	35	215	590	700	1,130	1,500	2,000	3,200
Electricity associations ⁵	(⁹)	(⁹)	(⁹)	16,650	33,400	45,000	52,610	60,960
Telephone associations.....	5,000	5,485	5,485	5,485	5,485	5,485	5,485	5,485
Credit unions ¹³	54,048	100,200	230,430	306,092	362,291	250,000	208,808	212,305
Insurance associations ¹⁴	(⁹)	103,375	115,000	125,000	170,000	180,000	185,000	190,000
<i>Federations ¹¹</i>								
Wholesales:								
Interregional:								
Wholesale business.....		¹⁵ 468	¹⁵ 1,020	¹⁵ 7,760	¹⁵ 4,204	¹⁵ 4,500	9,280	11,775
Own production.....		(⁹)	(⁹)	¹⁵ 159	(⁹)	(⁹)	¹⁵ 2,149	3,688
Regional:								
Wholesale business.....			50,485	58,742	76,474	87,164	98,004	131,210
Service business.....	7,023	41,370	325	585	1,695	1,607	3,192	3,780
Retail business.....			1,956	1,252	1,339	11,542	16,611	5,508
Own production ¹⁶		(⁹)	(⁹)	6,582	7,960	11,705	23,396	55,476
District:								
Wholesale business.....		860	1,812	1,986	2,352	2,625	2,809	3,020
Service business.....			73	158	231	99	106	158
Own production ¹⁶			(⁹)	259	261	798	555	786
Service federations.....	(⁹)	(⁹)	(⁹)	(⁹)	1,174	1,500	1,977	7,820
Productive federations.....	(⁹)	(⁹)	(⁹)	(⁹)	5,988	5,810	5,630	14,895

¹ Some revisions in data previously published, on basis of later information.

² Such as consumers' dairies, creameries, bakeries, fuel yards, etc.

³ Local associations only; does not include associations of federated type (which are included with service federations) or funeral departments of store associations.

⁴ Such as cold storage, water supply, recreation, printing and publishing, etc.

⁵ Except for the year 1929, almost all of these are R.E.A. associations, data for which were supplied by the Rural Electrification Administration.

⁶ Data are for 1936; no information on which to base later estimates.

⁷ No data.

⁸ Membership figures do not include dependents who are entitled to treatment.

⁹ Policyholders.

¹¹ Figures do not agree with those in table 3 because (except as otherwise noted) those here given include estimates for nonreporting associations. No data are available for noncommercial federations (mainly educational).

¹² Gross income.

¹³ Amount of loans made.

¹⁴ Premium income.

¹⁵ 1 organization only.

¹⁶ Data relate only to reporting associations.