

UNITED STATES DEPARTMENT OF LABOR
L. B. SCHWELLENBACH, *Secretary*
BUREAU OF LABOR STATISTICS
Ewan Clague, *Commissioner*



Operations of Consumers' Cooperatives in 1945



Bulletin No. 890

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., December 16, 1946.

THE SECRETARY OF LABOR:

I have the honor to transmit herewith the Bureau's annual report on the activities of consumers' cooperatives in 1945. 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.

The report was prepared by Florence E. Parker, of the Bureau's Labor Economics Staff.

EWAN CLAGUE, *Commissioner.*

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

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*Bulletin No. 890 of the
United States Bureau of Labor Statistics*

Operations of Consumers' Cooperatives in 1945

Summary

THE year 1945 marked another high point in the consumers' cooperative movement as regards membership, business, and value of goods produced. The retail distributive volume reached an estimated \$657,500,000 and the local service business totaled \$12,356,000. The distributive and service business of central cooperatives also increased, to \$186,600,000. Goods produced in cooperative factories of central federations during the year were valued at \$60,577,789.

Operating reports, however, indicate that both local cooperatives and their central federations found 1945 conditions more difficult than those in any of the war years, and earnings were generally somewhat smaller than in 1944. Among the retail associations, the urban stores (generally handling groceries and meats only) found gainful operation more difficult than did the farmers' stores (which usually handle a wide variety of items). Petroleum associations on the whole had a relatively more successful year than did the store associations. Data on patronage refunds are available only for a small group of distributive associations; among these, the refunds of the store associations averaged 4.1 percent of sales and those of the petroleum associations 7.8 percent of sales.

"Earnings" made by the retail associations which are members of wholesale associations include also the refunds which they received on their patronage of the wholesale. For 1945 the wholesales (district and regional) made refunds amounting to \$7,105,077.

Nearly 3,600 retail associations were affiliated with regional wholesales at the end of 1945, and 20 regional wholesales in turn were members of National Cooperatives, Inc. (the Nation-wide purchasing and productive federation).

The estimated number, membership, and business of the various types of consumers' cooperatives in the United States, as of the end of 1945, are shown in table 1.

TABLE 1.—*Membership and Business of Consumers' Cooperatives in 1945, 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.....	4,550	1,760,000	\$657,500,000
Stores and buying clubs.....	3,000	825,000	360,000,000
Petroleum associations.....	1,500	910,000	290,000,000
Other ¹	50	25,000	7,500,000
Service associations.....	602	369,200	12,355,000
Rooms and/or meals.....	180	18,500	2,700,000
Housing.....	60	2,700	² 1,600,000
Medical and/or hospital care:			
On contract.....	55	100,000	1,500,000
Own facilities.....	20	51,000	2,500,000
Burial: ³			
Complete funeral.....	36	35,500	300,000
Caskets only.....	6	1,500	6,000
Other ⁴	245	160,000	3,760,000
Electricity associations ⁵	850	⁶ 1,149,700	60,960,000
Telephone associations ⁷	5,000	330,000	5,485,000
Credit unions ⁸	8,882	2,838,034	210,885,783
Insurance associations.....	2,000	⁹ 10,550,000	200,000,000
<i>Federations ¹⁰</i>			
Wholesales:			
Interregional.....	1	20	6,755,900
Regional.....	23	3,649	¹¹ 160,400,000
District.....	11	234	¹¹ 11,217,661
Service federations.....	22	1,500	8,250,000
Productive federations.....	15	195	20,013,000

¹ Such as consumers' dairies, creameries, bakeries, propane gas associations, fuel yards, and lumber yards.

² Gross income.

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, laundry and dry-cleaning, recreation, printing and publishing, etc., associations.

⁵ Data are for 1944.

⁶ Number of patrons.

⁷ Data are for 1936.

⁸ Actual figures; not estimates.

⁹ Policyholders.

¹⁰ Figures do not in all cases agree with those in tables 3 and 5, for the reason that table 1 includes an allowance for nonreporting associations; tables 3 and 5 relate to reporting associations only.

¹¹ Includes wholesale, retail, and service business; for own production, see tables 3 and 7.

Activities of Local Cooperatives

DISTRIBUTIVE ASSOCIATIONS

As no general inclusive survey of cooperatives was made by the Bureau of Labor Statistics for 1945, the following observations are based on a representative sample of some 1,500 associations. Their reports indicate that the petroleum associations had a relatively more successful year than the store associations and that, in the latter group, the urban associations (with a limited range of activities) found gainful operation more difficult than was the case with the rural associations (which usually handle a wider range of commodities). Some 86 percent of the petroleum associations reporting increased

their volume of business in 1945, as compared with slightly under 73 percent of the stores. Nearly four-fifths of the gasoline stations but not quite half of the stores had increased earnings that year as compared with 1944. Fewer than 1 percent of the petroleum cooperatives reporting sustained a loss on the year's operations, whereas among the stores 4.2 percent which had made earnings in 1944 went into the red in 1945 and an additional 8.4 percent had losses in both years.

For the associations for which reports were received, net earnings for the store associations which made earnings averaged 5.8 percent of total business done; losses for those which could not make ends meet averaged 1.8 percent of sales. This was a less favorable showing than for the preceding year, when the corresponding figures were 4.6 and 1.5 percent. For the oil associations, earnings averaged 8.9 percent (7.8 percent in 1944) and losses 1.2 percent of sales (6.7 percent in 1944).

For local associations which are affiliated with cooperative wholesales, the "earnings" or "savings" reported include patronage refunds on their business with the wholesale. Among the retail associations for which data are at hand, the refunds from the wholesales ranged from 20 percent to nearly two-thirds of the retail associations' total reported earnings.

Information regarding the retail cooperatives' patronage returns to their members is available for only 146 associations (100 petroleum cooperatives and 46 stores). The former refunded (in cash, shares, members' equity credits, etc.) sums averaging 7.8 percent of sales, and the latter 4.1 percent of sales. For the whole group of 146 associations, the refunds totaled \$2,158,310.

Trend of development, 1941-45.—Among the store associations, membership increased each year during the 5-year period 1941-45, the greatest rise occurring in 1944 (table 2), when practically all of the reporting associations took in new members, for an average increase of 25.6 percent. The petroleum associations also showed membership gains each year, but these have been at a decreasing rate since 1943.

Dollar volume of business for the stores, while increasing each year, has done so at a declining rate and with a smaller proportion of associations reporting such increases. Among the petroleum associations, on the other hand, only 1945 showed a drop in the rate of increase in sales.

Notwithstanding the fact that some store associations had the most successful year in their history, as regards both amount of business and earnings, for the store group as a whole the operational results in 1945 were the poorest in the 5-year period; 12.6 percent of the reporting associations had a loss in both 1944 and 1945 or went from

a gain in 1944 to a loss in 1945. (The corresponding figures were 8.4, 8.7, and 7.6 for the three previous periods.) This may have been due, to some degree, to commodity shortages (especially of meat) that, by cutting down volume without a corresponding reduction in operational expense, resulted in either reducing earnings or causing a loss.

TABLE 2.—*Trend of Operations of Retail Store and Petroleum Cooperatives, 1942-45*

Item	Store associations				Petroleum associations			
	1945	1944	1943	1942	1945	1944	1943	1942
Membership:								
Percent of increase over preceding year.....	15.9	25.6	13.6	8.3	11.4	14.4	23.9	9.5
Percent reporting—								
Increase over preceding year.....	82.9	98.8	77.4	71.5	78.2	79.9	74.5	73.8
Decrease from preceding year.....	17.1	1.2	22.7	28.5	21.8	20.1	25.5	26.2
Amount of business:								
Percent of increase over preceding year.....	11.5	19.6	28.8	30.8	10.7	22.6	19.1	13.6
Percent reporting—								
Increase over preceding year.....	72.9	80.3	84.7	90.8	86.3	89.4	71.5	78.9
Decrease from preceding year.....	27.1	19.7	15.3	9.2	13.7	10.6	28.5	21.1
Net earnings:								
Percent going from—								
Gain to loss.....	4.2	6.4	6.8	6.4	.8	.7	.4	2.0
Loss to gain.....	10.7	4.2	5.3	4.9	-----	.9	1.8	1.2
Percent reporting—								
Loss in both current and preceding years.....	8.4	2.0	1.9	2.2	-----	.5	-----	.4
Increase in gain over preceding year.....	49.4	62.3	51.7	60.5	78.9	74.5	60.3	64.7
Decrease in gain from preceding year.....	27.2	25.1	34.3	17.9	20.3	23.3	37.5	31.7

¹ Based on identical associations reporting for both current and preceding year.

INSURANCE ASSOCIATIONS

Data available for a few of the insurance associations indicate continued progress.

In Indiana the Farm Bureau Insurance Co. had premium income amounting to \$1,317,500 (\$1,114,700 in 1944) and total assets of \$1,822,000.

The (Ohio) Farm Bureau Mutual insurance companies, writing automobile, fire, and life insurance, had a very successful year. At the end of 1945, life insurance in force amounted to over 130 million dollars (104½ million in 1944) and the fire insurance in force reached 602½ million dollars. Assets of the three companies at the end of 1945 totaled \$10,409,000 (life), \$3,290,000 (fire), and \$18,867,000 (automobile)—substantial increases over the previous year.

The unified insurance program² operating in Minnesota and Wisconsin increased its assets from \$1,473,600 at the end of 1944 to \$2,004,325 in 1945. Premium income amounted to \$1,504,323 in 1945 as compared with \$994,946 in 1944. More than 700,000 policies were in force in 1945.

² Five companies—Cooperative Insurance Mutual and Cooperators Life Mutual (Milwaukee), American Farmers Mutual and Cooperators Life Association (St. Paul), and Central Mutual Fire (Superior)—participate in this program.

In Nebraska the Farmers' Union Insurance Co. (writing fire, windstorm, hail, and automobile insurance) reported insurance in force, on property, amounting to \$73,800,000 in 1945. Claims paid during the year (its twenty-eighth year of operation) totaled \$40,704.

Activities of Central Organizations

Table 3 summarizes the activities of the various central commercial organizations in the consumers' cooperative movement, which reported for 1945.

TABLE 3.—Summary of Activities of Reporting Cooperative Distributive, Service, and Productive Federations in 1945

Item	All federations	Wholesales			Service federations	Productive federations
		National	Regional	District		
Number of federations reporting.....	57	1	21	11	13	11
Number of member associations.....	(1)	20	3, 685	241	1, 177	187
Amount of business.....	\$194, 019, 411	\$6, 755, 900	\$157, 416, 005	\$11, 217, 941	\$540, 865	\$18, 088, 700
Wholesale distributive.....	167, 806, 389	6, 755, 900	149, 952, 392	11, 093, 097	540, 865	-----
Service.....	4, 285, 897	-----	3, 625, 189	119, 844	-----	-----
Retail distributive.....	3, 838, 424	-----	3, 838, 424	(2)	-----	-----
Value of own production.....	60, 577, 789	1, 898, 000	42, 476, 831	797, 873	-----	15, 405, 085
Net earnings, all departments.....	9, 253, 031	27, 266	9, 125, 458	273, 740	23, 681	202, 114
Patronage refunds, all departments.....	7, 366, 425	27, 266	6, 869, 737	235, 340	14, 052	220, 000

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

² Includes some retail business.

³ Included with wholesale business.

⁴ Loss.

WHOLESALE ASSOCIATIONS

Membership of Wholesales

Nearly 3,600 local associations were members of reporting regional wholesales at the end of 1945.³ Notwithstanding the fact that small decreases occurred in the membership of 6 associations, there was a combined increase of 7.4 percent, largely as a result of substantial numbers of new members added by 5 regionals. It should be pointed out that some of the regional wholesales, which from the table appear to be making little or no progress in bringing in new members, operate in one State only and the local associations each cover an entire county; 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 can increase in number is by the formation of a new retail association in a county which previously had none. This is the situation in Indiana (where 86 of the 92 counties have associations affiliated with the wholesale), Ohio (all of the counties), and Pennsylvania (24 of 67 counties). Nineteen regionals estimate

³ Not all of these are associations handling consumer goods; the number includes both some marketing associations and some retail associations which handle producer goods only, which are affiliated with and purchase their farm supplies from the regional wholesale.

that their 3,353 local affiliates were serving 1,332,300 member families at the end of 1945.

National Cooperatives accepted into membership during that year two regional wholesales, Farmers Union State Exchange (Nebraska) and Alberta Cooperative Wholesale (Canada). The United States members of National Cooperatives shown in table 4 are marked with an asterisk.

TABLE 4.—Membership of Reporting Cooperative Wholesale Associations, 1944 and 1945

[Associations marked (*) are members of National Cooperatives ¹]

Association	Year in which organized	Number of affiliated associations	
		1945	1944
All associations:			
Interregional.....		20	18
Regional.....		3,585	3,343
District.....		241	245
<i>Interregional</i>			
Illinois: National Cooperatives (Chicago).....	1933	20	18
<i>Regional</i>			
California: Associated Cooperatives (Oakland)*.....	1939	30	31
Illinois:			
Central States Cooperatives (Chicago)*.....	1936	105	101
Illinois Farm Supply Co. (Chicago)*.....	1927	162	140
Indiana: Indiana Farm Bureau Cooperative Association (Indianapolis)*.....	1921	86	86
Michigan: Farm Bureau Services (Lansing)*.....	1920	129	139
Minnesota:			
Midland Cooperative Wholesale (Minneapolis)*.....	1926	383	328
Farmers Union Central Exchange (St. Paul)*.....	1927	400	400
Minnesota Farm Bureau Service Co. (St. Paul).....	1928	70	63
Missouri: Consumers Cooperative Association (Kansas City)*.....	1928	907	792
Nebraska: Farmers Union State Exchange (Omaha)*.....	1914	330	350
New York: Eastern Cooperative Wholesale (New York)*.....	1929	172	166
Ohio:			
Farm Bureau Cooperative Association (Columbus)*.....	1933	89	86
Ohio Farmers Grain & Supply Association (Fostoria).....	1929	177	170
Oregon: Oregon Grange Wholesale (Portland).....	1937	13	14
Pennsylvania: Pennsylvania Farm Bureau Coop. Assn. (Harrisburg)*.....	1934	24	23
Texas: Consumers Cooperatives Associated (Amarillo)*.....	1931	158	180
Utah: Utah Cooperative Association (Salt Lake City)*.....	1935	18	12
Washington:			
Grange Cooperative Wholesale (Seattle).....	1919	55	59
Pacific Supply Cooperative (Walla Walla)*.....	1933	101	99
Wisconsin:			
Central Cooperative Wholesale (Superior)*.....	1917	164	140
Wisconsin Cooperative Farm Supply Co. (Madison).....	1923	12	14
<i>District</i>			
Michigan:			
Cooperative Services (Bruce Crossing).....	1932	11	12
Northland Cooperative Federation (Rock).....	1933	7	7
Minnesota:			
Trico Cooperative Oil Association (Cloquet).....	1929	20	18
O-A-P Cooperative Oil Association (Kettle River).....	1929	18	20
Range Cooperative Federation (Virginia).....	1924	26	29
Northern Cooperatives (Wadena).....	1933	90	91
Wisconsin:			
Fox River Valley Cooperative Wholesale (Appleton).....	1936	41	² 42
A & B Cooperative Association (Ashland).....	1930	15	10
Range Cooperative Services (Hurley) ³	1930	7	7
Cooperative Services (Maple).....	1928	6	6
Price County Cooperative Oil Association (Prentice).....	1934	(⁴)	⁵ 3

¹ National Cooperatives also has 4 affiliates in Canada: Alberta Cooperative Wholesale, Manitoba Cooperative Wholesale Association, Saskatchewan Federated Cooperatives, and United Farmers of Ontario. The other affiliate in the United States, not shown in this table because it is not a federation is Farmers Cooperative Exchange (Raleigh, N. C.).

² 1942.

³ Formerly Iron Cooperative Oil Association.

⁴ No data.

⁵ 1943.

Distributive and Service Facilities

A number of the regional wholesales enlarged their services and facilities in 1945. Associated Cooperatives of California added an insurance department and began to handle petroleum products, electrical appliances, farm supplies, and hardware. It also acquired a site on which to erect a headquarters and warehouse building.

Central States Cooperatives in its annual report characterized 1945 as "one of the toughest years" the association had ever faced. Continued losses by the branch warehouse in Detroit led to the closing of the warehouse, and although a site for a new building (to relieve the extreme congestion of the Chicago headquarters) was purchased, the association was unable to obtain permission to build. A new organization plan covering all operations was adopted; and a centralized bookkeeping service, designed to insure current knowledge as to the exact status and possible weaknesses of the local associations, was installed.

The Indiana Farm Bureau Cooperative Association contracted for a new building to serve as a warehouse and to house a farm-machinery repair shop and a garage for the association's fleet of transport trucks. Light weight aluminum roofing was added to the commodities handled by the wholesale.

Farm Bureau Services (Michigan) bought a warehouse in Traverse City, and at Emmett, Mich., built a warehouse and bought a bulk petroleum plant. Eastern Cooperative Wholesale added a department of control, not only to do the wholesale's own accounting but also to furnish central bookkeeping and auditing for member associations. It also added a duplicating and offset-printing service.

Farm Bureau Cooperative Association (Ohio) started two new services—animal health service, and appliance repairs—and added dairy equipment to the commodities handled. Ohio Farmers Grain and Supply Association purchased a grain elevator and enlarged its commodity coverage to include hydraulic tractor seats and a complete line of veterinary sulpha products. The Utah Cooperative Association bought a headquarters building in which to carry on its warehousing activities and petroleum distribution. Central Cooperative Wholesale started a rock-wool insulation service for houses and authorized a considerable expansion program.

Among the district associations, Cooperative Services (Bruce Crossing, Mich.) added farm machinery and an automobile-repair garage. C-A-P Cooperative Oil Association also opened a repair garage. Range Cooperative Federation (Virginia, Minn.) purchased a site on which to build a funeral home and laid plans for a branch mortuary in Hibbing.

Among the regional wholesales reporting, only 7 were operating any retail outlets; these had a total of 43 such outlets. One wholesale had 17, one had 12, one had 10, and the rest had one each.

Altogether, 66 warehouses were reported by 10 regional associations. One association had 12 warehouses, another 9, a third 8, three associations had 5 each, four associations had 3 each, two had 2 each, and the remaining six had 1 each. Two additional regionals did no warehousing.

Distributive Operations

For the second successive year, all the reporting cooperative wholesales had an increase in their distributive business. For the national wholesale the increase was 2.7 percent; for the regional wholesales, 19.0 percent; and for the district associations, 6.4 percent. For 1944, the corresponding percentages were 60.5, 17.9, and 22.5 percent.

Six of the regional wholesales had a business in 1945 exceeding 10 million dollars. Although several of the regionals showed decreased earnings in 1945, those for the group as a whole rose 18.0 percent and were at the rate of 4.8 percent of sales. A substantial part of the earnings arose from the productive operations. In cases in which the earnings of the service departments and productive enterprises of the wholesales were reported separately, they are included with the figures shown in tables 6 and 7. In many cases, however, such figures are not separable from the distributive business, in which event the earnings from all departments are shown in table 5.

TABLE 5.—Distributive Business, Net Earnings, and Patronage Refunds of Cooperative Wholesales, 1944 and 1945

Association	Amount of business ¹		Net earnings		Patronage refunds ²	
	1945	1944	1945	1944	1945	1944
All associations:						
Interregional.....	\$6,755,900	\$6,577,200	\$7,008	\$36,524	\$7,008	\$36,524
Regional:						
Wholesale business.....	149,952,392	125,044,547	7,120,159	6,032,145	6,362,236	6,055,484
Retail business.....	3,838,424	3,552,238	80,875	101,386	32,625	39,000
District.....	11,068,097	10,433,579	262,792	209,693	234,392	198,149
<i>Interregional</i>						
Illinois: National Cooperatives.....	6,755,900	6,577,200	7,008	36,524	7,008	36,524
<i>Regional</i>						
California: Associated Cooperatives.. {	³ 264,508 ⁴ 170,840	³ 200,764 ⁴ 150,000	⁵ 21,757	3,221	⁶ 10,486	2,185
Illinois:						
Central States Cooperatives.....	780,466	759,570	7,911	11,858	7,911	11,858
Illinois Farm Supply Co.....	17,439,004	14,931,151	704,258	580,537	601,097	468,561
Indiana: Farm Bureau Cooperative Association.....	14,294,376	10,571,397	⁵ 1,093,673	⁴ 1,014,750	⁶ 927,549	⁶ 911,819
Michigan: Farm Bureau Services..... {	³ 6,863,156 ⁴ 2,194,571	³ 6,208,711 ⁴ 2,289,453	⁵ 294,507 ⁴ 36,906	³ 246,266 ⁴ 62,593	⁶ 300,139	⁶ 294,214

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 Wholesale business.

⁴ Retail business.

⁵ Includes service departments.

⁶ Includes service and productive departments.

TABLE 5.—Distributive Business, Net Earnings, and Patronage Refunds of Cooperative Wholesales, 1944 and 1945—Continued

Association	Amount of business		Net earnings		Patronage refunds	
	1945	1944	1945	1944	1945	1944
<i>Regional—Continued</i>						
Minnesota:						
Midland Cooperative Wholesale..	\$11,476,146	\$10,176,463	\$716,402	\$837,475	\$574,167	\$790,292
Farmers Union Central Exchange..	14,064,094	12,135,454	1,640,239	978,961	1,126,540	934,485
Minn. Farm Bureau Service Co..	1,680,359	1,441,260	83,120	91,099	82,694	67,541
Missouri: Consumers Cooperative Association.....	\$21,911,031	\$15,550,607	\$579,114	\$236,976	\$1,153,487	\$1,130,454
Nebraska: Farmers Union State Exchange.....	\$2,869,889	\$2,452,453	\$188,768	\$163,187	\$158,866	\$100,000
New York: Eastern Cooperative Wholesale.....	\$1,146,606	\$1,112,785	\$42,828	\$38,793	\$32,625	\$39,000
Ohio:						
Farm Bureau Cooperative Association.....	4,656,038	4,091,066	56,839	15,096	45,784	9,900
Ohio Farmers Grain & Supply Association.....	21,784,052	18,693,398	\$509,727	\$547,771	\$262,172	\$369,390
Oregon: Oregon Grange Wholesale..	1,698,905	1,521,972	\$56,607	\$63,635	\$43,356	\$70,038
Pennsylvania: Pennsylvania Farm Bureau Cooperative Association.....	659,035	549,791	37,968	48,553	36,346	48,724
Texas: Consumers Cooperatives Associated.....	9,125,149	8,318,452	250,749	351,580	142,182	205,473
Utah: Utah Cooperative Association.....	3,490,385	2,594,227	71,325	76,234	\$150,156	71,795
Washington:						
Grange Cooperative Wholesale....	304,397	255,712	11,797	11,797	11,207	11,208
Pacific Supply Cooperative.....	3,438,960	3,282,095	\$167,197	\$168,148	\$167,197	\$168,148
Wisconsin:						
Central Cooperative Wholesale....	4,748,542	4,575,308	\$450,096	\$413,332	\$359,256	\$282,882
Wisconsin Cooperative Farm Supply Co..	6,692,997	5,733,484	\$167,798	\$136,047	\$167,383	\$114,972
	1,710,903	\$1,001,212	10,307	\$35,622	\$34,261	\$21,545
<i>District</i>						
Michigan:						
Cooperative Services.....	161,653	140,568	6,524	6,286	4,582	4,344
Northland Cooperative Federation.....	322,577	319,325	1,014	1,368	1,014	1,368
Minnesota:						
Trico Cooperative Oil Association..	249,411	233,165	18,149	22,482	18,149	22,482
C-A-P Cooperative Oil Association..	144,395	123,204	15,606	11,041	15,606	10,226
Range Cooperative Federation.....	1,161,825	1,154,334	\$35,505	\$23,674	\$30,365	\$23,711
Northern Cooperatives ¹	\$7,801,375	\$7,384,880	\$108,901	\$67,704	\$101,858	\$64,045
Wisconsin:						
Fox River Valley Cooperative Wholesale.....	622,451	549,019	30,502	40,843	29,449	39,684
A & B Cooperative Association.....	155,392	126,898	12,917	12,259	12,917	11,879
Range Cooperative Services ¹¹	240,280	200,408	8,956	7,716	(12)	6,952
Cooperative Services.....	170,908	153,378	16,212	14,124	15,130	13,458
Price County Cooperative Oil Association.....	67,830	48,400	3,184	2,196	(13)	(14)

¹ Wholesale business.

² Retail business.

³ Includes service departments.

⁴ Includes service and productive departments.

⁵ Includes productive departments.

⁶ 1943; no report for 1944.

⁷ This association was previously classed as a "service" organization; however, its distributive business now far outweighs its service business and it will hereafter be included with the distributive associations.

⁸ 1942; no report for 1943 or 1944.

⁹ Formerly Iron Cooperative Oil Association.

¹⁰ 6½ percent on petroleum products, 2 percent on warehouse and service patronage; amount not reported.

¹¹ 3 percent; amount not reported.

¹² No data.

The same applies to an even greater extent to the patronage refunds which (as noted in table 5) in many cases include earnings—often exceeding in amount those made in the distributive operations—shown by the wholesales' factories.

Tabulation of data on volume of business done in various broad commodity divisions, available for 16 of the regional wholesales and 6 of the district associations, revealed that petroleum products accounted for the greatest amount of wholesale business, followed by farm supplies. Food products, household supplies and appliances, and clothing together formed slightly less than 10 percent of the total business of the regional wholesales.

Capital and Resources

New enterprises—especially the productive plants—in the cooperative movement are being financed largely through the sale of preferred stock which carries no voting privileges but has preference as regards earnings. Of the 21 regional associations reporting on capital, 13 had issued preferred stock; these 13 associations had outstanding preferred stock totaling \$11,361,848; their common stock (owned only by member associations) amounted to \$6,104,360. Three associations were nonstock organizations. The common stock of the remaining 5 associations totaled \$1,751,248. None of the district wholesales were using preferred stock; the aggregate of common stock of the 7 associations reporting on this point was \$310,787.

The total assets of 20 regionals amounted to \$53,543,844, and those of 9 district associations to \$1,156,386. The ratio of current assets to total assets varied widely, ranging among the regionals from 30.6 to 83.2 percent and among the district associations from 11.8 to 71.8 percent. The averages were 59.1 and 47.4 percent, respectively. The ratio of current assets to current liabilities was equally variable, ranging in the regional wholesales from 1.4:1 to 20.2:1 and in the district associations from 0.6:1 to 7.0:1. For the two groups the averages were 1.8:1 and 4.4:1.

Information on net worth was available for 12 regional and 6 district associations. In these, the member equities (ratio of net worth to total liabilities) ranged from 40.4 to 90.4 percent and from 35.5 to 93.4 percent. The averages were 41.9 and 50.0 percent.

SERVICE OPERATIONS OF CENTRAL COOPERATIVE ORGANIZATIONS

Service business for the associations reporting for 1945 totaled \$4,285,898, of which an overwhelming proportion (84.6 percent) was done by the regional wholesales. Service federations and district wholesales accounted for 12.6 and 2.8 percent, respectively.

Business done in the different types of service rendered by wholesales and by service federations in 1945 is shown on page 11.

	Wholesale service departments	Service federations
All types of service.....	\$3, 745, 033	\$540, 865
Funeral service.....	40, 913	112, 270
Automobile repair.....	97, 337	-----
Recreation.....	4, 846	-----
Insurance, bonds, etc.....	61, 083	185, 000
Auditing, accounting, etc.....	73, 770	93, 813
Financing and credit.....	68, 702	61, 710
Management, business advice, and planning.....	60, 585	-----
Transport (truck, tugboat, pipeline, and tank car).....	3, 032, 222	71, 660
Millwright service.....	3, 029	-----
Printing.....	-----	16, 412
Other (not specified).....	302, 546	-----

The kinds and amount of service business done by the individual wholesales and service federations are given in table 6. Earnings for the wholesales, where they were separable from the distributive business, are also shown.

TABLE 6.—Service Activities of Central Cooperative Organizations, 1945
SERVICE DEPARTMENTS OF WHOLESALERS

Association	Service	Amount of busi- ness (gross in- come)	Net earn- ings	Patron- age re- funds
Total.....		\$3, 745, 033	\$549, 409	\$480, 502
Regional wholesales.....		3, 625, 189	543, 783	474, 876
District wholesales.....		119, 844	5, 626	5, 626
California: Associated Cooperatives.....	Insurance (agency).....	8, 353	(¹)	(¹)
Illinois:				
Central States Cooperatives.....	Auditing and accounting.....	1, 159	(¹)	(¹)
Illinois Farm Supply Co.....	Transport (by truck and tugboat).....	1, 743, 900	543, 052	474, 876
Indiana: Farm Bureau Cooperative Association.....	Auditing.....	17, 108	(¹)	(¹)
	Trucking.....	257, 318		
	Auto repair.....	25, 320		
	Insurance (agency).....	47, 828		
	Finance (or credit).....	68, 702		
	Pipeline service.....	316		
	Other.....	302, 546	1, 136	(¹)
Michigan: Farm Bureau Services.....	Management.....	12, 189		
	Millwright service.....	3, 029		
Minnesota:				
Midland Cooperative Wholesale.....	Trucking.....	87, 172	(¹)	(¹)
	Pipeline service.....	112, 238		
	Tank-car service.....	62, 554		
C-A-P Cooperative Oil Association.....	Trucking.....	21, 067	5, 626	5, 626
Range Cooperative Federation.....	Auto repair.....	48, 116	(¹)	(¹)
	Insurance (agency).....	4, 902		
	Mortuary.....	40, 913		
	Recreation.....	4, 846		
Missouri: Consumers Cooperative Association.....	Auditing.....	27, 132	(¹)	(¹)
	Trucking.....	421, 599		
Ohio: Farm Bureau Cooperative Association.....	Trucking.....	148, 736	(¹)	(¹)
	Planning and specifications.....	48, 396		
Utah: Utah Cooperative Association.....	Trucking.....	11, 913	-----	-----
Washington:				
Grange Cooperative Wholesale.....	Auditing.....	4, 092	(¹)	(¹)
Pacific Supply Cooperative.....	Trucking.....	165, 409	(¹)	(¹)
	Auto repair.....	23, 901	2 405	-----
Wisconsin: Central Cooperative Wholesale.....	Auditing.....	24, 279		

¹ Included with distributive business (table 5).

² Loss.

TABLE 6.—Service Activities of Central Cooperative Organizations, 1945—Continued
SERVICE FEDERATIONS

Association, and year established	Service	Amount of business (gross income)	Net earnings	Patronage refunds	Member associations
Total.....		\$540,865	\$23,681	\$14,082	1,177
Minnesota:					
Federated Co-ops of East Central Minnesota (1942).....	Funeral service, insurance (agency), trucking, spray painting, house insulation.	74,569	4,435	4,099	23
Northland Cooperative Mortuary (1936).....	Funeral service.....	18,175	2,279	1,837	21
Cooperative Auditing Service (1935).....	Auditing, accounting, business advisory, and tax service.	63,642	2,541	2,287	436
Cooperative Press (1939).....	Purchase of office supplies and printing.	16,412	827	704	16
Farmers Union Agency (1940).....	Insurance (agency).....	185,000	5,606	-----	450
Farmers Union Cooperative Credit Assn. (1938).....	Loans to local cooperatives.	49,531	3,852	3,339	161
Montana: Farmers Union Carriers (1939).....	Trucking.....	15,304	2,351	-----	15
Nebraska:					
Farmers Union Non-stock Co-op Transport Assn. (1943).....	Trucking of motor fuels...	6,615	214	-----	2
Farmers Union Nonstock Coop. Transport Assn. (1939).....	Trucking.....	34,755	9,475	(?)	4
North Dakota: Farmers Union Transport Co. (1943).....	Trucking of petroleum products.	14,985	5,527	-----	17
South Dakota: Equity Audit Co. (1917).....	Auditing, accounting, and business advisory service.	30,172	1,708	1,216	35
Wisconsin:					
Valley Cooperative Services (1943).....	Funeral service.....	19,526	953	600	5
Central Finance (1940).....	Financing sales contracts, chattel mortgages, etc.	12,179	97	-----	2

² Loss.

³ No data.

The capitalization of the service federations was small. Twelve associations reporting had aggregate assets of \$432,290, or \$36,025 per association. However, their net worth was high, averaging 83.0 percent and ranging from 15.6 to 100.0 percent. Of the 11 associations furnishing information, 6 had a net worth amounting to 70.0 percent or more of their total liabilities.

PRODUCTION BY CENTRAL COOPERATIVES

Productive Facilities

The Illinois Farm Supply Co. acquired a feed mill at Benton, Ill., and a petroleum storage tank. The Indiana Farm Bureau Cooperative Association built a cracking plant at its petroleum refinery at Mt. Vernon, Ind., and purchased 700 acres of oil-bearing land in Illinois, with several wells and offset locations; a third lumber mill, at Benton, Ark., was also bought, along with 3,200 acres of woodland and timber rights on 9,000 acres additional. Farm Bureau Services (Michigan) bought land at Lansing which is to be used as a site for manufacturing facilities. The Minnesota Farm Bureau Service Co. added a new fertilizer plant during the year.

In Ohio a second petroleum refinery, a controlling interest in a pipeline, a feed mill, and a grain elevator were acquired by Farm Bureau Cooperative Association. Consumers Cooperatives Associated (Texas) bought a petroleum refinery at Levelland, with topping and cracking units having a capacity of 5,500 barrels per day.

Pacific Supply Cooperative (Washington) built a plant in Portland, Oreg., to manufacture fertilizer, fungicides, and insecticides, which started operations in November 1945. Because of difficulties in obtaining labor, coal mining was discontinued.

The International Lumbering Association added logging operations to its activities. Cooperative Plant Foods increased its facilities by a new \$500,000 acidulating plant, with a capacity of 70,000 tons annually. The Grange Cooperative Printing Association (Washington) bought an offset duplicator.

The plant of Atlantic Seed Stocks Cooperative, at Ellicott City, Md., burned to the ground in 1945, forcing cessation of operations during the year.

Goods Produced

Cooperative production totaled \$60,577,789, of which the largest proportion (70.2 percent) came from the productive departments of the regional wholesales and 25.4 percent from productive federations owned jointly by varying numbers of the regional wholesales. Goods produced by National Cooperatives and by district wholesales accounted for 3.1 and 1.3 percent of the total, respectively.

Reflecting the cumulative acquisition of oil-bearing land and petroleum refineries during the past few years, petroleum products accounted for the largest output in 1945 (52.3 percent of the total). The next group was that including feed, seed, and fertilizer (37.1 percent). Food products, although increasing somewhat over 1944, nevertheless declined in relation to total cooperative production, accounting for only 3.5 percent in 1945 as compared with 4.2 percent in the preceding year.

The value of goods produced in 1945 as compared with the two preceding years, by commodity groups, is shown in table 7.

TABLE 7.—*Production by Central Cooperatives in 1945, as Compared With 1944 and 1943, by Commodity Groups*

Commodity group	1945				1944: Total		1943: Total	
	Total		Departments or subsidiaries of wholesales	Productive federations	Amount	Per-cent	Amount	Per-cent
	Amount	Per-cent						
All products.....	\$60,577,789	100.0	\$45,172,704	\$15,405,085	\$43,999,183	100.0	\$29,431,499	100.0
Food products.....	2,120,517	3.5	1,955,310	165,207	2,073,462	4.2	1,958,036	6.6
Chemical products.....	40,000	.1	40,000	—	38,000	.1	—	—
Coal.....	59,610	.1	59,610	—	29,274	.1	—	—
Crude oil.....	1,438,027	2.4	1,438,027	—	721,050	1.5	31,340	.1
Refined petroleum products.....	25,852,711	42.7	20,253,886	5,598,825	21,165,002	43.2	6,743,901	22.9
Lubricating oil.....	4,369,325	7.2	4,369,325	—	4,659,465	9.5	1,358,479	4.6
Grease.....	183,023	.3	183,023	—	226,374	.5	223,864	.8
Printing.....	249,239	.4	80,732	168,507	192,793	.4	326,959	1.1
Paint.....	71,330	.1	71,330	—	81,689	.2	1,351,782	4.6
Lumber and shingles.....	686,598	1.1	40,213	646,385	1,361,866	2.8	360,502	1.3
Poultry and poultry products.....	321,306	.5	321,306	—	369,296	.8	246,247	.8
Insecticides.....	142,714	.2	142,714	—	98,034	.2	(1)	(1)
Feed, seed, and fertilizer.....	22,503,054	37.1	14,344,567	8,158,487	16,102,495	32.9	16,781,157	57.1
Farm machinery.....	2,473,036	4.1	1,858,000	615,036	1,868,809	3.8	—	—
Other.....	60,249	.1	14,611	45,638	11,574	(2)	49,232	.2

¹ No data.² Less than 0.1 of 1 percent.

Although the wholesales have generally found production a profitable field, in 1945 some of the productive federations sustained heavy losses. Of 11 federations reporting, 7 had combined earnings of \$259,556. However, because of the losses of the other 4, amounting to \$461,670, the whole productive-federation group showed a net loss of \$202,114. Earnings, for the federations that had such, amounted to 3.1 percent on their total business; for those "in the red," losses were at the rate of 6.5 percent. Of 7 federations for which data are available for both 1944 and 1945, 2 had a loss in both years, 2 which made a gain in 1944 sustained a loss in 1945, 2 had larger earnings in 1945 than in 1944 and 1 had smaller earnings.

The value of the various products of the factories of the individual wholesales and of the productive federations is shown in table 8.

TABLE 8.—*Production by Central Cooperative Organizations, 1945*

PRODUCTIVE DEPARTMENTS OF WHOLESALERS

Association	Goods produced	Value of goods produced	Net earnings	Patronage refunds
Total		\$45,172,704	\$1,406,221	\$25,580
Interregional wholesale		1,898,000	20,258	20,258
Regional wholesales		42,476,831	1,380,641	
District wholesales		797,873	5,322	5,322
Illinois: National Cooperatives	Chemical products and milking machines	1,898,000	20,258	20,258
Indiana: Indiana Farm Bureau Cooperative Association	Crude oil	620,668		
	Refined petroleum products	2,649,558	(1)	(1)
	Printing	28,242		
	Fertilizer	2,422,320		
	Chicks and eggs	237,486		
Michigan: Northland Cooperative Federation	Butter and cheese	260,596	5,322	5,322
Minnesota:				
Midland Cooperative Wholesale	Refined petroleum products	2,514,704		
	Lubricating oil	388,776	(1)	(1)
	Feed	563,594		
	Fly spray	22,766		
Farmers Union Central Exchange	Refined petroleum products	2,948,022	(1)	(1)
	Lubricating oil	714,386		
	Feed	166,365		
Minnesota Farm Bureau Service Co.	Fertilizer	469,296	(1)	(1)
Range Cooperative Federation	Meat products	125,867		
	Butter	104,980	(1)	(1)
	Cheese	306,430		
Missouri: Consumers Cooperative Association	Crude oil	817,359		
	Refined petroleum products	9,003,333	1,187,393	(1)
	Lubricating oil	3,266,163		
	Grease	183,023		
	Paint	71,380		
	Lumber	40,213		
	Printing	52,490	(1)	(1)
	Canned goods	233,144		
	Dehydrated potatoes	572,251		
	Soft drinks	14,611		
	Feed	918,266		
Ohio:				
Farm Bureau Cooperative Association	Refined petroleum products	1,334,557	(1)	(1)
	Fertilizer	2,558,377		
	Chicks	83,820		
Ohio Farmers Grain & Supply Association	Feed and seed	682,688	(1)	(1)
	Fertilizer	274,645		
Texas: Consumers Cooperatives Associated	Refined petroleum products	1,803,712	193,248	(1)
Washington: Pacific Supply Cooperative	Coal	59,610		
	Feed	2,785,671	(1)	(1)
	Insecticides	119,948		
Wisconsin:				
Central Cooperative Wholesale	Coffee (roasted)	134,577	(1)	(1)
	Bakery products	217,465		
	Feed	2,357,011		
Wisconsin Cooperative Farm Supply Co.	do	1,146,334	39,177	(1)

¹ Included with distributive operations (table 5).

TABLE 8.—*Production by Central Cooperative Organizations 1945—Continued*

PRODUCTIVE FEDERATIONS

Association, year operations began, and product	Value of own production	Total amount of business	Net earnings	Patronage refunds	Members as sociations
Total	115,405,085	\$18,770	\$202,114	\$220,000	187
British Columbia (Can.): Internat'l Lumbering Assn. (1945):					
Shingles.....	364,272	689,361	\$30,884	-----	11
Logs.....	289,113				
Indiana:					
Cooperative Mills (1933):					
Flour.....	165,207	482,359	\$7,967	-----	10
Feed.....	34,509				
Farm Bur. Milling Co. (1933): Feed.....	3,885,131	3,885,131	131,206	131,206	4
Coop. Plant Foods (1944): Fertilizer.....	787,907	787,907	26,890	-----	4
Nat'l Farm Machinery Coop. (1940):					
Farm machinery.....	615,036	660,374	\$304,284	-----	12
War contracts.....	45,638				
Iowa: North Iowa Coop. Processing Assn (1944):					
Crude oils for feeds.....	427,683	1,092,730	43,533	35,859	28
Feed.....	665,047				
Kansas: Nat'l Coop. Refinery Assn (1943): Refined petroleum products	5,598,825	7,921,657	\$118,535	-----	5
Maryland: Fertilizer Mfg. Coop. (1938): Fertilizer.....	1,644,525	1,644,525	17,377	17,377	3
Ohio: Farm Bur. Chemical Coop. (1945): Fertilizer.....	713,785	755,549	30,989	27,739	2
Washington: Grange Coop. Printing Assn (1938):					
Printing.....	53,878	53,878	4,235	4,235	12
Wisconsin: Coop. Publishing Assn. (1934):					
Printing.....	46,690	114,629	5,326	3,584	96
Publications.....	50,728				
Books, office forms, etc.....	17,211				

¹ Included with distributive operations (table 7).

² Loss.

As would be expected, the productive federations required considerably more capital than the service federations. The total assets of the 11 associations reporting on this point amounted to \$13,640,953, or \$1,240,088 per association. In 10 associations the net worth ranged from 13.5 to 98.0 percent of total liabilities. One association had a deficit amounting to 2.2 percent of liabilities. For the whole group, net worth averaged 35.5 percent.

EMPLOYMENT AND WAGES IN CENTRAL COOPERATIVES

Table 9 shows the average number of employees and total pay roll of the wholesales and other federations in 1945.

TABLE 9.—*Employment and Earnings in Central Cooperative Organizations, 1943-45*

Type of organization	Number of associations reporting	Total number of employees	Total wages paid, 1945	Average earnings per employee ¹ in—		
				1945	1944	1943
All central federations	51	5,185	\$11,184,286	\$2,160	\$2,064	-----
Wholesales:						
Regional.....	20	4,174	8,861,933	2,124	2,037	\$2,024
District.....	9	150	291,398	1,963	1,808	1,502
Service federations	11	69	131,263	2,459	1,997	1,893
Productive federations	11	802	1,891,692	2,364	2,259	(²)

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

² No data.