

Consumers' Cooperatives: Operations in 1947

A Report on Membership, Business, and Operating Results

Bulletin No. 948

**UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS**



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Maurice J. Tobin, *Secretary*

BUREAU OF LABOR STATISTICS

Ewan Clague, *Commissioner*



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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., December 15, 1948.

The Secretary of Labor:

I have the honor to transmit herewith the Bureau's annual report on the activities of consumers' cooperatives in 1947. The report contains general estimates of membership and business of the various types of associations, local and federated, and detailed data on the operations of the central organizations which provide goods and services to the local associations and carry on manufactures of numerous kinds.

A feature of this report is the information—on relations with labor unions and between rural and urban cooperatives—obtained in a special study made by the Bureau.

The report was prepared by Florence E. Parker, of the Bureau's Office of Program Planning.

EWAN CLAGUE, *Commissioner.*

HON. MAURICE J. TOBIN,
Secretary of Labor.

(III)

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Operations of Consumers' Cooperatives in 1947

Progress in 1947

An all-time high in both membership and business was reached by the consumers' cooperative movement in the United States in 1947, despite the number of dissolutions either during the year or after the end of the year's operations. On the other hand, many new associations were formed during 1947. The combined business of the retail distributive cooperatives exceeded a billion dollars and that of the local service associations was over 25½ millions.

The stores, as a group, showed increases in volume of business exceeding those of any previous year for which the Bureau of Labor Statistics has records. Operating results, however, were less satisfactory than in 1946. Among the reporting store associations, over a fourth (28.5 percent) sustained a loss on the year's operations, as compared with 9.1 percent in 1946; among those which were "in the black," over half had smaller earnings than in 1946. For the petroleum associations, increases in both membership and business were smaller than for the stores, but operating results were better. Less than 3 percent showed losses on the year's business and, of those showing earnings, well over half had earnings greater than in 1946. For both types of associations, earnings included patronage refunds on purchases made from wholesale associations and, for some retail associations, such refunds were all that kept them on the earnings side of the ledger. Difficult operations were reflected in an unusually large number of dissolutions of associations in 1947 and early 1948.

More than 4,200 retail associations were affiliated with regional wholesales at the end of 1947¹

¹ It should be pointed out that this figure includes some duplication (where local associations are members of more than one regional wholesale). Also, many of these affiliated retail associations are purely farm-supply associations, not "consumer" associations (i. e., do not handle consumer goods); such associations are not covered in table 1.

and 24 of these wholesales were, in turn, members of National Cooperatives, Inc.

Among the commercial federations, the regional and district wholesales had a distributive and service business of nearly 261 million dollars (compared with 222 millions in 1946). Earnings of the reporting regional wholesales, which exceeded 15 million dollars, were nearly 30 percent above those of 1946; in 1946, however, earnings had been nearly 88 percent above those of 1945. Combined earnings for the group were reduced considerably by the losses of a few associations. As among the retail associations, some of the wholesales—particularly those which deal mainly in groceries—found the going hard in 1947. Two of the three wholesales dealing in groceries sustained a loss on the year's operations and in two other wholesales the grocery departments ended the year "in the red."

Patronage refunds to the affiliated member associations totaled nearly 12¼ million dollars—or nearly half again as much as in 1946.

The year 1947 saw another sizable increase in value of goods produced by the wholesales and productive federations, reaching nearly 128½ million dollars as compared with 95½ millions in the previous year. Over 60 percent of this product came from plants operated by the regional wholesales, and somewhat over a third from those of the productive federations.

Estimates of membership and business of consumers' cooperatives in 1947 are shown in table 1. It should be emphasized that this table does not indicate the volume of cooperative business done in any particular line, as the table classifies the associations according to their *main* line of business. Thus, an association running a store, and also handling petroleum products, is classified as a "store association" if the main volume of its business is done in the store. Likewise, many associations operate cold-storage or other departments, secondary to other lines of business.

TABLE 1.—Estimated membership and business of consumers' cooperatives in 1947, by type of association

Type of association	Total number of associations	Number of members	Amount of business
<i>Local associations</i>			
Retail distributive.....	3,985	2,208,000	\$1,050,300,000
Stores and buying clubs.....	2,500	1,250,000	715,000,000
Petroleum associations.....	1,400	925,000	320,000,000
Other ¹	85	33,000	15,300,000
Service.....	788	356,750	25,502,500
Rooms and/or meals.....	200	25,000	6,100,000
Housing.....	125	10,000	3,000,000
Medical and/or hospital care:			
On contract.....	60	100,000	1,800,000
Own facilities.....	78	65,000	6,000,000
Burial: ²			
Complete funeral.....	36	30,000	355,000
Caskets only.....	3	1,000	6,000
Burial on contract.....	4	2,000	41,500
Cold storage ³	180	106,750	7,000,000
Other ⁴	110	17,000	1,200,000
Telephone light and power ⁵	1,029	2,030,655	113,704,076
Telephone (mutual and cooperative).....	33,000	375,000	10,000,000
Credit unions ⁶	9,040	3,339,859	455,833,601
Insurance associations.....	2,000	11,200,000	207,000,000
<i>Federations</i> ¹¹			
		Member associations	
Wholesales:			
Interregional.....	1	24	10,581,140
Regional.....	24	4,220	12,255,215,750
District.....	11	171	13,563,841
Service.....	18	1,405	1,782,062
Productive.....	16	386	53,740,713

¹ Such as consumers' dairies, creameries, bakeries, fuel yards, lumber yards, etc.

² Gross income.

³ Local associations only; excludes associations of federated type (which are included with service federations) and funeral departments of store associations.

⁴ Excludes cold-storage departments of other types of associations.

⁵ Such as water supply, cleaning and dyeing, recreation, printing and publishing, nursery schools, etc.

⁶ Data furnished by Rural Electrification Administration; figures include 36 refrigeration associations.

⁷ Number of patrons.

⁸ Actual figures, not estimates.

⁹ Number of policyholders.

¹⁰ Premium income.

¹¹ Figures here given do not agree in all cases with those given in table 8, as they include an allowance for nonreporting associations.

¹² Includes wholesale distributive, retail distributive, and service business

The Bureau has recorded only six creameries owned and operated as consumers' cooperatives. These are in Colorado (1), Michigan (1), Minnesota (1), New York (1), and Oregon (2). One of these, the Franklin Cooperative Creamery Association, Minneapolis, was started in 1920 by striking milk-wagon drivers when they were locked out. This association recently became a member of the Cooperative League of the USA. It is the oldest of the creamery associations, but one of the Oregon cooperatives dates from 1927, and the other from 1931. The others mentioned were formed during or immediately preceding World War II. Five distributive associations have, in addition, a dairy department as does also one of the cooperative federations (Range Cooperative Federation, Virginia, Minn.).

Several cooperative burial associations have discontinued operations, and few have been

started since the beginning of the war. At the end of 1947, 36 associations were operating their own facilities, and providing complete funerals; 7 others sold funeral supplies only (mainly caskets) or provided embalming and interment on contract with a local undertaker. The funeral associations are concentrated in the Midwest States of Illinois (3), Iowa (10), Minnesota (17), South Dakota (7), and Wisconsin (2), with a single association each in Indiana, Oklahoma, Oregon, and Pennsylvania. (Another association has been formed in Wisconsin, but has been deterred from starting business by high building costs.) In addition, funeral service is provided in some cases through a service federation, the members of which are retail cooperatives or other types of local associations; the service is thus available to the membership of these associations. Examples in Minnesota are Northland Co-op Mortuary (Cloquet), and Range Cooperative Federation, the latter being a distributive, service, and productive federation with a mortuary department which has funeral homes at Hibbing and Virginia. In Wisconsin, Valley Cooperative Services (Appleton), is a burial cooperative of the federated type. In recent years, some of the retail store associations have opened funeral departments. Such are found in Minnesota (3 associations), North Dakota (1 association), and Wisconsin (3 associations). Three other retail store associations—one in Montana and two in North Dakota—handle caskets. It is probable that the volume of business done by consumers' cooperatives in burials and in the distribution of funeral supplies totaled about \$558,500 in 1947.

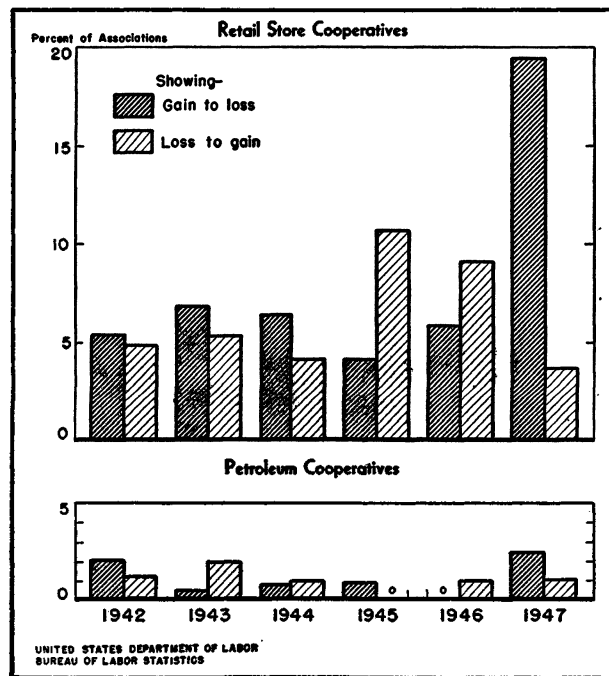
A few local distributive associations and one cooperative wholesale (Central Cooperative Wholesale, Superior, Wis.), each operate a bakery as one department of the business. Of the independent associations doing only a bakery business, however, only three remain of the 20-odd that were in operation during the decade between 1910 and 1920. One of these survivors dates from 1905, one from 1916, and one from 1917. Most of the defunct associations were started during or shortly after World War I. At least 14 were of Jewish membership and devoted themselves to the manufacture and distribution of Jewish breads. Others had Polish, Lithuanian, Italian, or Scandinavian membership. Most of the associations had a highly developed social outlook, were closely asso-

ciated with the organized labor movement, and gave financial support whenever local workers were on strike.

Operations of Local Associations

Sales of reporting cooperatives in 1947 averaged \$367,015 per association for the stores and \$252,880 for the petroleum associations. Net earnings for the stores with earnings averaged 4.1 percent on total business done; losses for those which could not make ends meet averaged 3.2 percent of sales. (The corresponding figures for 1946 were 5.5 and 3.4 percent.) For the oil associations, earnings averaged 7.9 percent (10.1 percent in 1946) and losses 2.5 percent (5.0 percent in 1946).

Changes in Net Earnings



Information on patronage refunds returned by local associations to their members is available for 284 associations (269 distributive associations and 15 service associations). For the whole group these totaled \$3,885,757. For the store associations the patronage refunds averaged 3.5 percent on sales, for the petroleum associations 5.5 percent, and for the service associations 4.5 percent.

Although many new associations were formed in 1947, the number of dissolutions, either during the year or after the end of the year's operations, was larger than in any year since the early 1920's. This included a number of associations which, even though volume of business in 1947 had increased over that in 1946, had ended the year with a loss. Numerous factors—increased operating expense ratios, losses on inventory, poor management, losses from uncollectible debts, etc.—were involved. The nonfarm associations, particularly those dealing only in groceries, were hardest hit. The grocery business, with severe competition and low margins, is becoming increasingly difficult to operate successfully unless there is a high operating efficiency and a good volume of business.

Reports received since the beginning of 1948 indicate that dissolutions are continuing. Other associations report that their grocery departments have been closed or that such a step is under consideration.

The petroleum business has always been one of wider margins and greater simplicity of operation, as compared with the stores. The urban petroleum associations were hard hit by the drastic controls during the war, and some went out of business as a result. However, since the petroleum associations in this country are mainly of farmer membership—and thus were able to obtain supplies—the whole group of petroleum associations (as shown in table 3) not only maintained volume of business, but even increased it during the war. The year 1947 showed an increase in business second only to that of 1945, the year the war ended. On the whole, 1947 operations for both the petroleum associations and the stores produced smaller earnings and greater losses than in 1946.

Leading Consumers' Cooperatives in 1947

A larger number of consumers' cooperative associations than ever before were in the million-dollar class in 1947. Altogether, 10 associations of urban or rural-urban membership had a volume of business exceeding a million dollars and 10 had 3,000 members or more. Table 2 shows the membership and business of these leading consumers' cooperatives.

TABLE 2.—Leading consumers' cooperatives in 1947

Type and name of association	Mem-ber-ship	Amount of busi-ness, 1947
<i>Urban associations</i>		
Group Health Association, Washington, D. C.....	14,400	\$443,738
Rochdale Cooperative, Washington, D. C. ¹	3,342	802,828
Cooperative Trading, Waukegan, Ill.....	6,000	2,751,468
Greenbelt Consumers Services, Greenbelt, Md.....	2,511	1,726,667
United Cooperative Society, Fitchburg, Mass.....	2,640	1,024,855
United Cooperative Society, Maynard, Mass.....	2,567	1,390,384
Franklin Cooperative Creamery, Minneapolis, Minn.....	3,300	5,978,170
Cooperative Services, St. Paul, Minn.....	3,500	790,670
Consumers Cooperative Services, New York, N. Y.....	8,291	1,990,445
New Cooperative Co., Dillonvale, Ohio.....	2,110	1,822,482
University of Oregon Cooperative Association, Eugene, Oreg.....	3,185	392,606
Shipbuilders Cooperative, Newport News, Va.....	3,190	(²)
University Book Store, Seattle, Wash.....	(³)	1,715,546
<i>Rural-urban associations</i>		
Cloquet Cooperative Society, Cloquet, Minn.....	3,914	1,702,448
Consumer-Farmer Milk Cooperative, Long Island City, N. Y.....	6,431	1,863,641

¹ At the end of 1947, this association was serving 13,692 "participants" (i. e., members and their dependents).

² Does not include companion association in Arlington, Va., with 728 members and a business of \$377,053 for 9 months.

³ 9 months (fiscal year changed in 1947).

⁴ This association did not go into operation until early in 1948.

⁵ No data.

Trend of Development, 1941-47

Both store and petroleum associations continued in 1947 the upward trend in membership and business that has been evidenced since 1941 (table 3), but for the oil cooperatives this was at a slower rate than for the stores.

The increasingly difficult conditions faced by the store associations since the end of the war are reflected in the rising proportions of those with losses and of those which (although still showing earnings) had smaller profits than in the preceding year.

Results of Study of Nonfarm Cooperatives

A special study of nonfarm cooperatives made in 1948 covers the 1947 operations of such associations. About 600 cooperatives of various types, known to be urban associations (or rural associations in which farmers were a minority) were circularized. Usable reports were received from 347 associations (286 distributive and 61 service).

The reporting associations, which included all the largest nonfarm cooperatives in the United States, had nearly 169,000 members, assets exceeding 21 million dollars, and a combined business for 1947 amounting to almost 59 million dollars. They ranged in membership from about 25 to nearly 8,300, and in volume of business from less than \$10,000 per year to almost \$6,000,000.

Enterprises of all degrees of success were included, ranging from those conspicuously successful to a few which had encountered such difficulties that their members voted to liquidate the enterprise in 1948.

Age of Associations

The oldest of the 233 nonfarm distributive associations reporting as to age was a 43-year-old store cooperative formed in 1905. Nine (3.9 percent) were started before 1910; 23 (9.9 percent) began their existence between 1911 and 1919; 20 (8.6 percent) between 1920 and 1929; 82 (35.2 percent) between 1930 and 1939; and 99 (42.5 percent) between 1940 and 1948. The average of the whole reporting group was slightly over 14 years.

TABLE 3.—Trend of operations of retail store and petroleum cooperatives, 1942-47¹

Item	Store associations						Petroleum associations					
	1947	1946	1945	1944	1943	1942	1947	1946	1945	1944	1943	1942
Membership:												
Percent of increase over preceding year.....	13.4	11.6	15.9	25.6	13.6	8.3	9.6	10.8	11.4	14.4	23.9	9.5
Percent reporting—												
Increase over preceding year.....	80.9	72.8	82.9	98.8	77.4	75.5	80.2	77.5	78.2	79.9	74.5	73.8
Decrease from preceding year.....	19.1	27.2	17.1	1.2	22.7	24.5	19.8	22.5	21.8	20.1	25.5	26.2
Amount of business:												
Percent of increase over preceding year.....	39.9	30.8	11.5	19.6	28.8	30.8	26.3	27.9	10.7	22.6	19.1	13.6
Percent reporting—												
Increase over preceding year.....	80.8	90.5	72.9	80.3	84.7	90.8	89.7	94.1	86.3	89.4	71.5	78.9
Decrease from preceding year.....	19.2	9.5	27.1	19.7	15.3	9.2	10.3	5.9	13.7	10.6	28.5	21.1
Net earnings:												
Percent going from—												
Gain to loss.....	19.4	5.8	4.2	6.4	6.8	5.4	2.4	.....	.8	.7	.4	2.0
Loss to gain.....	3.7	9.1	10.7	4.2	5.3	4.9	1.0	.9	.....	.9	1.8	1.2
Percent reporting—												
Loss in both current and preceding years.....	9.1	3.3	8.4	2.0	1.9	2.2	.5	.....	.5	.....	.....	.4
Increase in gain over preceding year.....	30.8	62.5	49.4	62.3	51.7	69.5	55.3	88.0	78.9	74.5	60.3	64.7
Decrease in gain from preceding year.....	37.0	19.2	27.2	25.1	34.3	17.9	40.8	11.1	20.3	23.3	37.5	31.7

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

Membership

With very few exceptions, the reporting distributive associations practice the principle of open membership and admit anyone who can make use of the services of the cooperative. Among the store associations, nine go somewhat farther and, in order to insure that the member shall be an active patron, admit only persons residing in the vicinity served by the cooperative. Two associations refuse a vote to members under 21 years of age, although the age of admission is 18 years. Three refuse to admit private dealers in businesses that compete with the cooperative. In two Italian associations, the applicant must be of Italian descent, and in one of these, he must be a descendant of a native of the Lombardy region of Italy. Two associations have occupational restrictions; one admits only railroad workers, and the other only owners of fishing vessels. In one cooperative, the applicant must be a member of a "bona fide labor organization" or, if not, must show that he is not eligible for membership in such an organization. Three associations restrict membership to residents of the housing project in which the cooperative is situated. One cooperative admits only "persons believing in the democratic form of government" and another (a coal miners' association) accepts United States citizens only.

A number of the campus cooperative stores serve only employees and students at the college or university, and a few of these limit their membership to the veteran students. In the campus cooperative rooming and boarding houses, not only is membership limited to persons living or eating at the cooperative, but also the cooperatives usually provide for discontinuance of membership of those who prove uncongenial or who do not fit into the group.

About a sixth of the cooperatives reporting on membership had fewer than 100 members. Most common were those with between 100 and 250 members (26.7 percent) and between 250 and 500 members (24.4 percent). Another sixth had over 500 but fewer than 750 members. Only 13.4 percent had 1,000 members or more, and only 3.2 percent 3,000 members or more. The average was 532 for the stores and 1,137 for the petroleum associations.

To an inquiry as to main occupational groups in their membership, many associations replied either that there were no outstanding groups, that the cooperative membership was a miscellany of the entire community, or that they were not informed on this point. Table 4 shows the occupations which constituted a significant part of the membership in the reporting associations. The figures should not be totaled, as some associations reported several occupational groups.

TABLE 4.—*Predominant occupational groups in nonfarm cooperatives, 1947*

Occupational group	Number of associations reporting	Occupational group	Number of associations reporting	Occupational group	Number of associations reporting
Automobile workers.....	2	Foundry and machine-shop trades.....	4	Professional people—Continued	
Bakery workers.....	1	Housewives.....	1	University or college personnel.....	11
Building-trades workers:		Laborers:		Professional, not specified.....	13
Carpenters.....	7	Beet workers.....	1	Public employees:	
Other crafts.....	4	Farm laborers, general.....	1	Teachers.....	6
Bus and/or truck drivers.....	3	Skilled laborers.....	1	Other municipal employees.....	2
Electrical workers.....	4	Laborers, not specified.....	4	State and Federal Government employees.....	8
Employees of single plant or employer.....	3	Longshore workers.....	1	Railroad workers.....	15
Factory or mill workers:		Miners:		Shipyards workers.....	2
Clothing factory.....	2	Coal.....	8	Steel workers.....	7
Paper mill.....	3	Copper.....	1	White-collar workers:	
Sawmill.....	3	Iron.....	6	Clerks, retail and other.....	3
Shoe factory.....	1	Oil-field workers.....	1	Office workers.....	4
Textile mill.....	6	Packing-house workers.....	2	Other, not specified.....	3
Wood-products factory.....	1	Professional people:		Warehouse workers.....	1
Type of plant not specified.....	11	Chemists.....	1	Woodsmen.....	1
Farmers.....	40	Clergymen.....	1		
Fishermen and oystermen.....	3	Scientists, not specified.....	1		

Business and Operating Results

Size in terms of business done averaged \$217,000 and \$254,000 for the stores and for the petroleum associations respectively. Thirty percent of all the reporting nonfarm associations had a business of less than \$50,000 in 1947 (i. e., less than \$1,000 a week). Another 30 percent had a volume of between \$100,000 and \$250,000. Ten percent had done between \$250,000 and \$500,000. The business of 3 percent (9 associations) exceeded a million dollars in 1947; this group included 6 cooperatives operating stores, 2 operating creameries, and 1 operating a chain of 6 cafeterias and 6 food stores.

In comparison with the entire group of reporting farm and nonfarm consumers' cooperatives upon which the Bureau's annual estimates are based,² this selected group of nonfarm associations showed significant variations from the "norm." The urban store associations, for most of which groceries (a low-margin line) constitute the main business, had operating results considerably below the level of the whole group of store associations (see table 5). Those of the petroleum associations, on the other hand, were substantially above the total group of farm and nonfarm petroleum cooperatives.

TABLE 5.—Operating results of nonfarm cooperatives, 1947, compared with all farm and nonfarm cooperatives

Item	All farm and nonfarm	Nonfarm only
Amount of business, average:		
Stores.....	\$367,015	\$217,000
Petroleum associations.....	252,880	254,000
Net losses on operations, of those with losses:	<i>Percent of sales</i>	<i>Percent of sales</i>
Stores.....	3.2	3.3
Petroleum associations.....	2.5	2.8
Net earnings, of those with earnings:		
Stores.....	4.1	2.1
Petroleum associations.....	7.9	10.4
Patronage refunds of those returning such:		
Stores.....	3.5	1.9
Petroleum associations.....	5.5	10.2

The operating results of 1947 in comparison with 1946 are shown in table 6 for the entire group of farm and nonfarm cooperatives and for the nonfarm associations alone. Here again the nonfarm associations make a somewhat poorer showing than the total group.

² See tables 1 (p. 2) and 3 (p. 4):

TABLE 6.—Comparison of operations of nonfarm stores with total group of store associations, 1946 and 1947

Item	All store associations	Nonfarm only
<i>1947 compared with 1946</i>		
Membership:		
Percent of increase.....	13.4	40.2
Percent reporting—		
Increase.....	80.9	73.7
Decrease.....	19.1	13.2
No change.....	(1)	13.0
Amount of business:		
Percent of increase.....	39.9	23.6
Percent reporting—		
Increase.....	80.8	77.1
Decrease.....	19.2	22.9
Net earnings:		
Percent going from—		
Gain to loss.....	19.4	20.2
Loss to gain.....	3.7	5.1
Percent reporting—		
Loss in both years.....	9.1	8.1
Increase in gain.....	30.8	21.2
Decrease in gain.....	37.0	45.5

¹ Less than 0.05 percent.

Financial Status

It appears, from the figures shown in table 7, that the nonfarm associations are seriously undercapitalized. Capital per member averaged only \$44 in the stores and \$34 in the oil associations. Even 15 years ago, \$25 per member was regarded by cooperative leaders as the very least amount of capital for *beginning* a cooperative enterprise. The minimum figure for a new association would be at least double that amount today, and preferably triple; but the reporting associations have been in existence an average of 14 years. During their existence some of them have built up, from earnings, sizable reserves, but others had deficits at the end of 1947. For the whole group of reporting stores the average net worth was half again as large as the capital, and the total assets more than twice as large. Even so, assets averaged only \$98 per member for the stores and \$92 for the petroleum associations.

It is evident that many associations do not really own their businesses. Thus, among the reporting store associations, in 11 percent the net worth (capital, reserves, and undivided earnings) constituted less than 25 percent of the total assets, and in nearly 40 percent, net worth was less than 50 percent of the assets. In nearly 30 percent, the net worth amounted to over 50 but under 75 percent of the assets and, in nearly a fourth, to over 75 but under 90 percent. About a sixth of the associations had a net worth of 90 percent or more.

Fortunately, there is a growing awareness of the necessity for adequate financing. Many newly formed associations are postponing the opening of their enterprise until sufficient funds are obtained to enable the cooperative to do a good job.

TABLE 7.—Average capitalization of reporting retail cooperatives 1947

Item	Store associations	Petroleum associations
Average per association:		
Share capital.....	\$23,463	\$33,116
Total assets.....	53,167	90,233
Net worth.....	37,908	56,080
Average per member:		
Share capital.....	44	34
Assets.....	98	92

Cooperative Production

Generally speaking, cooperative production in the United States is carried on by federations rather than by retail associations. Only 14 of the reporting local nonfarm distributive associations³ were doing any manufacturing in 1947. The productive enterprises reported consisted of bakeries (6 associations), dairies (6 associations), slaughtering or meat-processing plants (6 associations), and a tailor shop (1 association). Of the grand total produced by 12 of the associations in 1947—\$7,960,647—bakery goods accounted for \$332,699, dairy products for \$6,652,073, ice cream for \$611,534, meat products for \$363,591, and tailoring for \$750. One large dairy association accounted for 75 percent of the above total.

Education and Publicity

A considerable variety of educational media was reported. The methods most commonly reported were meetings (weekly, monthly, quarterly, semiannual, and annual membership meetings, public "rallies," and meetings of small groups in members' homes); regular or occasional publication of a co-op "house organ"; personal contacts with members and nonmembers at the store or at their homes; recreational events, including "social meetings" (2 associations reporting such meetings operate clubhouses), concerts, summer camps, showing of co-op and other films; study and dis-

³ Of course, many farmers' cooperatives operate feed mills in connection with farm-supply stores, or meat-processing plants in connection with cold-storage lockers; these, however, were not included in this study of nonfarm cooperatives, and information on the value of their products is not available.

cussion groups, and speakers. Some associations depended entirely on the cooperative press (usually papers published by the regional wholesales) to educate members in the philosophy and aims of the cooperative movement; their means for reaching nonmembers were not reported. About a fifth of the total associations reporting stated that they had an active educational committee. Others depended on occasional volunteer workers. Only one association reported having a full-time educational director. Some associations use a variety of the above methods, others only one or two.

Of 171 store associations reporting on their educational work, 10 said that none was done, 1 reported that "very little" was done, and 1 stated that almost nothing was being carried on in this line and that the methods used (not specified in the report) were "very poor."

For publicity, 55 percent of the associations reporting depended upon advertisements in local papers. About 20 percent made use of flyers, leaflets, window posters, and circular letters (either alone or in addition to newspaper "ads"). One association makes donations toward recreational activities in the city parks, with attendant publicity for the cooperative. About 3 percent put on demonstrations of "co-op label" and other products carried by the store. Twelve associations did some advertising over local radio. About 5 percent stated that they did no advertising of any kind, depending for publicity on such factors as word-of-mouth reporting of payment of patronage, low prices, quality merchandise, and good service.

Other reported avenues of information to members and the public included mailed material, distribution of cooperative literature at the stores and at meetings, and news bulletins issued at weekly, quarterly, and irregular intervals. One association places cooperative literature in school libraries and one places it in the public library.

Working Conditions and Wages

In 1947, the 257 nonfarm cooperatives reporting as to employment and pay roll had 3,265 full-time workers to whom they paid \$6,718,218. For associations reporting both employment and pay roll, the average per employee per year was \$2,086 (about \$40 per week); all types of labor are included in these figures.

Slightly over two-fifths of the associations had fewer than 5 employees each, about 35 percent had 5 but fewer than 10, about 14 percent had 10 but fewer than 25, and about 5 percent had 25 but fewer than 50. Only 2 associations had over 100 employees. Seven associations each had an annual pay roll of \$100,000 or more.

Only 42 store associations reported that their employees were organized into unions; in 2 additional associations the butchers were members of the union; and in another association the workers were organizing at the time of the report. Of these cooperatives, 33 had written collective agreements with the unions to which their employees belonged, and in another association an agreement was in process of negotiation. Many of the associations whose employees were not organized explained that there was no retail clerks' union in the vicinity for the workers to join.

In four of the nine reporting "other distributive" associations the employees were unionized and were covered by collective agreement.

Union Labor and Nonfarm Cooperatives

Some of the oldest nonfarm cooperatives in the United States were started with the assistance or support of labor organizations, but a larger proportion of the new than of the established cooperatives were thus formed. A study made by the Bureau of Labor Statistics, in an endeavor to learn to what extent organized labor is participating in cooperatives, indicated that, on the whole, comparatively few associations had the assistance of unions during the promotion period. In many instances, however, although unions as such took no part, their members were leaders in the project.

Most of the interest in cooperatives manifested during the year 1947 by organized labor was occasioned by the sharply increasing cost of living (particularly the price of food). Numerous new cooperatives have resulted, and some older associations report that unionists have joined or are patronizing the cooperative in varying numbers. Other reports indicate, however, that in many cases the interest died before anything concrete resulted.

The assistance received from the unions has taken various forms. These include promoting

cooperatives in talks at union meetings, holding joint labor-cooperative meetings, endorsing cooperatives (or individual associations) in union resolutions, encouraging union members to join and patronize cooperatives, carrying articles regularly or occasionally in the union papers, helping to organize new associations (through volunteer or hired workers), and even lending or investing union funds in new or established cooperatives.

Many labor organizations were mentioned in the reports from the cooperatives as having provided one or more of the above types of help. Of these unions, slightly over 50 percent were AFL, about 30 percent were CIO, and about 20 percent were independent. The organizations whose members or locals were most frequently mentioned were (in descending order of frequency) the following:

International Union of United Automobile, Aircraft & Agricultural Implement Workers of America (CIO)

United Steelworkers of America (CIO)

United Brotherhood of Carpenters and Joiners of America (AFL)

International Brotherhood of Electrical Workers of America (AFL)

International Association of Machinists (independent)

International Union of Mine, Mill & Smelter Workers (CIO)

American Federation of State, County & Municipal Employees (AFL)

Textile Workers Union of America (CIO)

Amalgamated Clothing Workers of America (CIO)

Many cooperatives are in localities where there are no labor unions. That would account in part for the fact that in 21.7 percent of the associations reporting on membership composition there were no members of labor organizations. In 27.9 percent of the associations, unionists formed a tenth or less of the membership. At the other extreme were the associations—31.0 percent of the total—half or more of the members of which belonged to unions. Generally, in associations with any sizable proportion of union members, the composition of the board of directors reflected roughly the same proportion.

Union Assistance in Organizing

Only a small proportion of these cooperatives had been started with the help of unions. The proportions were largest among the petroleum associations (3 of 13), the "other distributive" (2 of 9), the medical-care (2 of 4), and the burial associations (2 of 6). Of the 254 stores and buying clubs, only 37 had the support of labor organizations in getting started. None of the associations providing rooms and/or meals, and none of the housing, cold-storage, or "other service" associations had such help. Thus, in only 46 of the 347 associations of all types had unions been interested at the start; a large proportion of these were the younger associations, formed within the past few years.

In the case of one new association, Negaunee (Mich.) Cooperative Services, the idea of forming the cooperative undoubtedly was born when the iron miners who constitute the main body of its members received financial assistance, during their strike in the spring of 1947, from a cooperative in a neighboring town and from the regional cooperative wholesale. Within a month after the strike was settled, representatives of five CIO locals started a campaign which culminated in the opening of a cooperative store 9 months later. At the time of the association's report to the Bureau, union interest was being maintained by reports on the store's progress, which were a regular feature at local union meetings.

Three other newly organized associations—two in Michigan and one in Minnesota—had free publicity, assistance in organizing, and financial help from unions, especially from the automobile workers. In all of them, CIO and AFL locals united in promoting the cooperative. The Michigan associations opened outlets of the warehouse type in Detroit and Pontiac, respectively, selling the goods directly from the cases in which they were shipped. In these cooperatives, unionists form 70 and 75 percent of the membership.

Another outstanding example of joint labor-cooperative effort is the Peninsula Cooperative Association in Hampton, Va. In a drive begun by an independent union, Peninsula Shipbuilders Association, share subscriptions to the cooperative were collected (with the consent of the employing company) by means of a voluntary salary check-off. Within 6 months (in January 1948) a com-

plete food store, stocked largely with "co-op label" goods, was opened. Its first 3 days' sales totaled nearly \$19,000; its sales for a month amounted to \$64,700. About 90 percent of the 3,200 members belong to the labor organization which sponsored the project. The president and business manager of the union were serving as president and treasurer, respectively, of the cooperative.

In the formation of a Negro association, Cooperative Commonwealth, Inc., in Gary, Ind., the steel workers' locals (CIO), to which a large proportion of the members belonged, helped with publicity and some funds. This association profited by the mistakes of a previous cooperative (which went out of business in 1941), and its formation was preceded by several years of intensive educational and promotional work among the prospective members. Funds were raised, little by little over a long period, through collectors who made periodic calls upon subscribers. Much of the construction on the building for the combination grocery-drugstore-lunchroom enterprise which was opened at the end of 1946 was done by the members.

The Crane (Tex.) Cooperative Association, organized in 1947, received wide publicity from eight local unions, which also gave time for cooperative speakers at their meetings. The president of the plumbers' union became one of the cooperative's directors. At the time of its report, however, "only a small percentage of union labor had actually signed up" for membership.

Some of the oldest associations also were started by unions or their members. These include two funeral associations, in Christopher and Gillespie, Ill., the capital for which was provided in the early 1920's by local unions of the United Mine Workers. The largest consumers' cooperative creamery in the United States, Franklin Cooperative Creamery Association, Minneapolis, was started by striking milk-wagon drivers, with the support of the unions.

One of the urban petroleum associations, Cooperative Services, the headquarters of which are now in St. Paul, Minn., started operations in Minneapolis in 1933, with the endorsement of the Central Labor Union of the city, in a station leased from the Labor Temple Association. Its organizers were all union men. During its 15-year existence it has had the support of the local labor unions

generally. The association, which operates four gasoline stations and a repair garage in the Twin Cities, is currently receiving publicity and support from 15 different locals, some of which invested funds in the cooperative.

Labor Interest and Support

Improved Support. Among the store associations, only a small number (82 in all) reported any increase in support from unions or their members since the formation of the cooperative. Of these one noted that the increase was "very slight," and another stated that the interest expressed itself mostly in "talk" and not in patronage of the store.

In Massachusetts, "50 percent of the union members in one bakery" joined the greater Boston Cooperative Society; other unions, the members of which also have joined the cooperative in varying proportions, are those of the teachers and of State, county, and municipal workers (both AFL). At the end of 1947, however, unionists constituted only about 18 percent of its 575 members. One Pennsylvania cooperative was witnessing "the beginning of a rather spasmodic support" by individual unionists, mostly members of the longshoremen's union (AFL).

The United Cooperative Society, Maynard, Mass., which started over 40 years ago, before the local woolen mill was unionized, reported that support from unionists (though not from unions themselves) was increasing. About 50 percent of its 2,567 members belonged to the union (CIO) at the end of 1947. A cooperative in Michigan, the membership of which contains large groups of factory workers, office employees, and teachers, reported an access of interest by both CIO and AFL locals, but "no one union has put any concerted effort behind cooperatives." Sixty percent of its members are unionists.

The Cloquet (Minn.) Cooperative Society, one of the largest in the United States, was started in 1910, long before labor organizations appeared in the community. Its employees were the first in town—and for some years, the only store employees—to be unionized. Assistance to striking sawmill and paper-mill workers in 1920 and 1922 won continued union gratitude and good will. Members of these unions were conducting a stock-selling campaign and educational drive

for the cooperative, among factory workers, at the time of the association's report to the Bureau. This association lost its store and goods in a forest fire in 1918 which destroyed the whole town. Since that year, however, it has never sustained an operating loss. It has returned to its members in refunds on purchases the sum of \$1,006,675, in addition to \$100,808 in interest on their share capital. It is outstanding in the variety of goods and services provided. At the end of 1947, about 30 percent of its members were unionists.

The Janesville (Wis.) Consumers Cooperative Association, started just before World War II by CIO and AFL union members who combined forces for the purpose, had lately noticed more pronounced labor interest. The AFL Central Labor Union (with 23 affiliated unions) and the CIO Automobile Workers had each appointed a standing committee on cooperatives, and the latter union had become a fraternal member of the association. Organized workers formed 60 percent of this association's membership in 1947.

In Illinois, an association which had had no support from unions as such found that "union members join readily" when approached; members of organized labor formed 50 percent of the cooperative membership in 1947. A California association, started in 1936, states: "Now, after 12 years, we do have union members but no active support or sponsorship; however, labor support is growing. The local newspaper of the AFL Central Labor Union gives us bimonthly articles."

An iron miners' cooperative in Minnesota, which began operations in 1926, reported that recently members of the barbers' and steel workers' unions (both CIO) and railroad workers (AFL) had become interested. Another association in this State reported that the Trades and Labor Assembly was promoting cooperatives through a series of labor-cooperative conferences. A third Minnesota association, formed just before the war by members of the longshoremen's union (AFL), stated that several union locals, both AFL and CIO, had recently formed cooperative committees. Sixty percent of the cooperative's membership belong to labor organizations.

In a Pacific Coast association started by AFL union shipyard workers, members of unions still constituted 90 percent of the membership. After 8 years of operation its membership had reached only 250, but new members had recently been

coming in from the teamsters' and teachers' unions (AFL).

The Racine (Wis.) Consumers Cooperative Association, also started by unionists, began in 1933 with a single gasoline service station. Members of labor organizations form 75 percent of its 2,700 members. The greatest support has come from CIO automobile workers (automobile manufacture is the largest single industry in the city), but AFL unionists are now reported to be participating actively also. The association has 2 food stores, 4 gasoline stations, a coal yard, and an insurance agency.

A Pennsylvania association reported that one local union ran articles on cooperatives in its paper for a whole year; many union leaders were reported to be members of this cooperative. In an Ohio city, an AFL union had been issuing "certificate dollars" to be spent at the cooperative store. Investment of union funds in shares of the cooperative or in loans to the association was reported from Indiana, Michigan, Minnesota, and New York; and an association in New York State, the members of which are from 28 local unions, had one local join the cooperative as a member.

Cooperative Services, Indianapolis—a coal cooperative in the starting of which unions had a hand—reported increased patronage from unions buying coal to heat union halls, and considerable publicity and endorsement at union meetings by both CIO and AFL locals. A milk-distributing cooperative in Michigan, although not started by unionists, has since been aided by a small amount of union funds, and the CIO locals have encouraged their members to join; in 1947, 80 percent of the members were unionists.

One of the recreation cooperatives—a symphony orchestra—reports that "union leaders have become patron members and have supported and participated in concerts." Another association, which operates a meeting hall equipped with snack bar, and promotes recreational events, was started by members of the unions of dining-car employees and marine cooks and stewards (both CIO). The Pullman-car porters and their ladies' auxiliaries (AFL) had become interested also.

No Improvement in Support. Other cooperatives reported less encouraging situations. The manager of a new association in the Midwest stated that unions had not cooperated as they promised while

the store was being started; the local union of electrical workers (AFL) "was the only one that really helped." An eastern seaboard cooperative reported "obstruction" by the AFL local unions. An Illinois association had held meetings with certain AFL unions, but had "no real support."

In one city in New York, "membership in the cooperative has been urged by labor leaders, but only a few [union members] have joined." A Pennsylvania cooperative reported only "lukewarm" support, and one in Washington State noted "some interest but no very active support." In a Connecticut town, a local CIO union "started to boost it [the cooperative] for a while but it soon died out." A Massachusetts cooperative noted that union members had "expressed interest, but few have joined"; unionists formed only 10 percent of the total membership at the end of 1947. A similar situation existed in an Ohio city, where the cooperative had been the object of interest by the AFL and CIO central labor organizations, but had only "negligible" support in terms of purchases at the store. In a Pennsylvania association the only evidence of union interest occurred when a "small group" of CIO textile workers joined; only 5 percent of its members in 1947 were unionists.

Unionists in Membership and in Directorship

Cooperatives do not ordinarily set out deliberately to accord labor organizations or their members representation on the board of directors. The usual criteria for nomination are membership in the cooperative and ability to perform the duties of the office. The number of unionists on a cooperative board is usually, therefore, the result of chance (or composition of the membership) rather than of design.

It appears, nevertheless, that on the whole, union representation on the board of directors of the cooperatives reporting in this study corresponds rather closely with the proportion of unionists in the membership. Members of labor unions constituted 50 percent or more of the cooperative membership in 31.0 percent of the associations reporting, but only 10 percent or less in 49.6 percent of them. In 51.2 percent of the associations which had unionists on the board of directors, half or more of the cooperative's members belonged to labor unions; in 23.0 percent,

unionists constituted 10 percent or less of the cooperative membership. On the other hand, among the associations that had no directors belonging to labor unions, unionists form 10 percent or less of the membership in 85.2 percent of the associations (in this group, 53.3 percent had no union members at all).

Rural-Urban Cooperation

Farmer-nonfarmer contacts within the cooperative movement have been increasing in recent years. Farmers' purchasing cooperatives, in growing numbers, have been admitting nonfarm people to membership, although to do so means forfeiting eventually their farmers' exemptions under the Federal income tax. In numerous places farm and village or city people have joined in the formation of new cooperatives, and in the operations of existing ones. A recent survey by the United States Bureau of Labor Statistics revealed numerous ways in which farmers and industrial workers are cooperating.⁴

Cooperation Within Cooperatives

The membership composition of the reporting associations indicates in itself collaboration of farm and nonfarm consumers within the same association, to supply their families with commodities and services. Although there have been numerous scattered instances previously, such joint effort has become common only in comparatively recent years.

Mixed farm and nonfarm membership seems to be more common among the distributive associations (stores, gasoline stations, etc.) than among the service associations. However, in Nebraska a cooperative cold-storage association was organized by farmers and townspeople acting together, and now serves both. A new cooperative hospital association in Texas, the membership of which consists mostly of farmers, reports that a number of carpenters "have expressed a desire to become members, and want to earn their membership by doing construction work on our buildings." Some

⁴The Bureau's study was based on returns from 392 associations, which fell into three classes: (1) Cooperatives predominately nonfarm in membership (324 associations); (2) cooperatives the membership of which consists about equally (within a range of 40-60 percent) of farm and nonfarm people (40 associations); and (3) cooperatives in which the nonfarm members are a factor (constituting at least 25 percent) but which are predominately of farmer membership (28 associations).

of the new hospital associations in the Pacific Northwest, also, are sponsored by both farm organizations and labor unions and have individuals of both groups as members.

Among the distributive associations, several Wisconsin cooperatives, predominantly of farmer membership, report that both union and nonunion townspeople are beginning to join. In the Tomah Cooperative Oil Association, AFL railroad workers form about 5 percent of the membership; in Cloverbelt Cooperative Services (Wausau), factory workers constitute 8 to 10 percent. Organized truck drivers and metalworkers form about 5 percent of the membership of the Burlington Consumers Cooperative; this association states that "the cooperative is frequently used by the unions during emergencies."

A store association in Crescent City, Calif., was assisted in organizing by the field representatives of two cooperative wholesales (one an urban and the other a farmer organization). Farmers comprise about 60 percent of the cooperative's current membership; about 10 percent are unionists. Farmers and members of a local machinists' union (in the proportions of 2 to 3) form the membership of a buying club in Defiance, Ohio. It was reported, in the fall of 1947, that in an Oklahoma oil-field area, a new cooperative had been organized by farmers and oil-field workers which would ultimately also take over for operation an existing farmers' petroleum cooperative. In Ogden, Utah, a farmers' supply cooperative and a grocery cooperative were reported to have merged. A substantial proportion of the members of a carpenters' local union in Pasco, Wash., was reported to have joined a local farmers' cooperative.

The Fort Bragg Cooperative Mercantile Corp., the oldest consumers' cooperative store association in California, exemplifies farmer-nonfarmer cooperation within one association over a long period. Formed in 1923 by a group of Finnish sawmill workers and woodsmen, it was financially successful from the start. By 1929 it had opened a bakery (still in operation) as an adjunct to its general store. In 1947, its business reached an all-time peak of \$648,128. From earnings of \$17,450 for that year, a patronage refund of \$10,814 was returned. Farmers in increasing numbers have joined the association. Of its 1947 membership of 461 (the town's population is only about 3,500), farmers constituted about half, unionists about a

fourth. The association's continuing labor sympathies are shown by the fact that, during the lumber workers' strike in the spring of 1946, the cooperative contributed \$100 a month to the strikers' relief fund. The association obtains its produce, etc., directly from farmers' cooperatives as much as possible; it is also a local agent for the Poultry Producers of Central California.

Cooperation Between Cooperatives

The recent attacks upon the cooperative movement (particularly the farmers' cooperatives) by private business groups have had the effect of drawing the two branches of the movement closer together in some cases. Thus, in a number of places in the Midwest, as well as in at least one New England State, cooperative councils have been formed in which both urban and rural cooperatives of all kinds participate. The purpose of these councils is not only defense, but also the exchange of experience and ideas and the further promotion of the cooperative movement.

On the national level, of the 17 regional wholesales in the United States which are members of National Cooperatives,⁵ all but 3 are primarily of farmer membership. The Cooperative League of the United States of America, which is the national educational organ of the cooperative movement, was until the early 1930's almost entirely composed of urban associations. It recently reported that 80 percent of its membership is rural and only 20 percent urban.

Direct Trading with Farmers' Cooperatives. In the United States, practically all of the regional wholesales which handle groceries and produce make it a practice to obtain their supplies from farmers' marketing and processing associations. These products include canned and fresh fruits and vegetables, butter, etc. Because of the large quantities involved, it is usually more feasible for such transactions to be carried on by the wholesales rather than the retail cooperatives. Nevertheless, nearly 27 percent of the 370 associations reporting in the Bureau's study used farmers' cooperatives as a source of supply, obtaining from them such things as milk, butter, eggs, and produce, and even meat products. The greater the proportion of farmers in the membership, the more common was the practice of direct trading. Even among the strictly

nonfarm associations, over 21 percent reported such a policy; many others explained either that there were no farmers' cooperatives near enough to make it practicable or that their farm products were obtained through the regional wholesale.

In Indianapolis, Ind., Cooperative Services, Inc., which operates several coal yards, is a member of the regional cooperative wholesale, Indiana Farm Bureau Cooperative Association, and obtains its supplies through that organization. One of the retail cooperative's directors is a member of the Indiana Farm Bureau.

Early in 1948 an organization was formed in Pontiac, Mich., to facilitate the purchase of produce directly from farmers, for sale in the new cooperative stores in Pontiac and nearby cities. The organizing group is reported to have included representatives of the Michigan Farmers Union, the Pontiac Consumers Cooperative, the Michigan CIO Council, and the automobile workers' union (UAW-CIO). It is reported, also, that a cooperative of small citrus-fruit growers has been formed in Florida, which will sell directly to CIO-sponsored cooperatives in the North.

The United Cooperative Society, in Maynard, Mass., is an example of direct trading and cooperation with other cooperatives. Formed in 1907, the association is one of the oldest as well as one of the five largest nonfarm store cooperatives (as regards volume of business) in the United States. Its air-conditioned department store is a cooperative "show place." In addition, it operates two branch food stores, a gasoline station, and a coal and grain department. Its business in 1947 reached a peak of \$1,390,384, as compared with \$1,169,273 in 1946. Earnings in these years were \$42,010 and \$37,094, respectively, from which \$27,641 and \$29,623 were returned in patronage refunds. In its 40 years of operation, only 1 year (1920) showed an operating loss. Membership in 1947 stood at 2,567 (the town's population is less than 7,000). About 50 percent of these members belong to labor unions; about 10 percent are farmers.

For over 30 years the association has traded directly with dairy farmers, obtaining its supplies of milk from them and paying them higher-than-current rates. Its feeds, poultry, and eggs are purchased from a farmers' cooperative in Fitchburg, and vegetables in season from nearby farmers. Although the association has found that

⁵ It also has seven affiliates in Canada.

the farmers usually join the cooperative only if it buys their products, on the basis of its long experience the association feels "that there is no irreconcilable conflict of interest between the farmers and the urban consumers; and that both of these important social elements can work together in consumers' cooperatives for a just and fair solution of their common problems, to the complete satisfaction of both."

The Maynard cooperative was a charter member of the Cooperative League of the USA, formed in 1915, and also of the regional cooperative wholesale, now Eastern Cooperatives, Inc., formed in 1928.

A single association reported having discontinued the practice of direct trading because of unfavorable experiences. Numerous reports from other associations indicated that such relationships were both practicable and satisfactory, when both parties to the transaction were reasonable in their expectations and demands.

Combined Trading and Membership

Certain cooperatives have worked out techniques combining membership and business relationships with farmers and the latter's cooperatives, and have devised ingenious methods for sharing the economic savings (resulting from the elimination of the middleman) between the producer-suppliers and member-consumers.

Cooperative Trading, Inc., Waukegan, Ill., is the largest nonfarm consumers' cooperative in the United States. It was started in 1910 as a buying club by a group of housewives, in protest against a 2-cent rise in the price of milk (then selling at 6 cents a quart). The next year the cooperative bought a small dairy, obtaining its supplies directly from local farmers—a practice since continued without change. Continuous expansion has made the cooperative the largest retail milk distributor in the city. In addition, it operates 8 food stores and meat markets, a gasoline service station, an electrical-appliance store (which also provides repair service), an ice cream plant, a bakery, a sausage plant, and a lunchroom. All these facilities have been financed from earnings.

Its own plants produced, in 1947, commodities valued at \$1,068,480. The total sales in that year amounted to \$2,751,468 (\$1,752,750 in 1946) on which the net savings amounted to \$46,551

(\$64,105 in 1946). In the 36 years of its existence, the association has sustained operating losses only in 4 years (1911, 1916, 1917, and 1918). Altogether, its 6,000 members have received from the association over half a million dollars in patronage refunds, besides interest on share capital.

The farmer-suppliers constitute a "rural district" of the cooperative and about 2 percent of its total membership. They have one representative on its board of 12 directors. These farmer members receive the current rate for their milk, and, in addition, a "premium" at one-third of the rate returned on customers' purchases from the association. Thus, if a 3-percent patronage refund is returned, the premium to the farmer amounts to 1 percent on the value of the total milk marketed by him through the cooperative.

The Consumer-Farmer Milk Cooperative, Inc., Long Island City, N. Y., was started in 1938, without share capital or assets, by a group of urban welfare workers and religious and labor leaders, as a joint enterprise with local dairy farmers' cooperatives. Its aim, as stated by the president, was "to develop an efficient, economical method of distributing milk, as a means of increasing milk consumption and giving the farmers a larger share of the consumers' milk dollar." Producers who supplied milk, and the members of each producers' cooperative which entered into a contract to supply milk, automatically became voting members of the Consumer-Farmer Cooperative, on payment of a membership fee equivalent to 25 cents a farmer member. Individual consumers likewise were admitted, on payment of a 25-cent membership fee and a promise to buy from the association at least \$5 worth of milk a year. Each member in both of these classes of membership was entitled to one vote in the affairs of the association.

The farmers receive for their products the highest prevailing price in the area where produced.

Evidence of the patron's purchase is a coupon printed on the side of the paraffined container. These coupons are cut out and sent in for redemption in quantities of 100 or more.

From association earnings, a sum equal to 15 cents per 100 quarts of milk handled is divided among the farmer-suppliers and the consumer-patrons. One-third of this sum is returned as a bonus on the milk supplied and two-thirds are

returned to patrons on their purchases. The remainder of the association's earnings is used for expansion.

The organization currently owns two country milk-receiving and cooling plants, one of which is equipped also for the manufacture of cheese, cream, condensed milk, etc. It also has a part interest in a farmers' cooperative milk plant. In addition to supplying the dealer-operated agencies which distribute its milk at retail, the association operates a number of "milk depots" in settlement houses, housing projects, and churches, where the milk is sold at several cents below the prevailing retail price.

At the end of 1947, this cooperative was serving about 25,000 consumers, of whom 6,431 were member-patrons in Greater New York. Its business in that year totaled \$1,863,641, as compared with \$1,601,466 in 1946; net earnings amounted to \$24,435 and \$49,366, respectively. In the last 10 years of its operations, besides financing all its new facilities, the association has returned to the producer and consumer members in refunds a total of \$141,963. In the year 1947, it paid to producer-members premiums amounting to \$74,576, in addition to the bonus noted above.

From the beginning, the cooperative has operated with union labor, and its 45 workers are protected by collective-bargaining agreements.

The bylaws provide for a board of 15 directors, of whom 6 may be nominated by farm groups. Actually, at the end of 1947, the cooperative had 3 farmer directors (1 representing each group supplying milk); 9 directors were consumers.

Consumer-Sponsored Farmers' Markets. A very recent development is the sponsoring of farmers' markets by urban consumers' cooperatives. The advantages claimed for these markets are fresher produce at lower-than-current prices for the purchaser and, for the farmer, a channel for disposing of his products at more than would be realized through the usual channels of distribution.⁶ All of those which have come to the attention of the Bureau are in California—in San Jose, Santa Monica, Oakland, and Los Angeles.

⁶ In some places in the United States (notably in Ohio, Indiana, and New York) farmers' marketing associations have opened retail outlets for their products; in such cases the patron may benefit under a profit-sharing arrangement but has no vote on policies and never becomes a member. Such enterprises were not included in the present study.

In 1947 Consumers Cooperative of San Jose offered a site to be used for direct selling by farmers to consumers. At that time prices offered to the growers were below production costs, whereas the retail prices asked had risen sharply. An association of farmers was formed, the members of which voted to assess themselves to finance the erection of permanent sheds to house the market, on the cooperative's proffered land. The local labor unions publicized the project among their members.

The market days began on October 18, being held first only on Saturday and then on Wednesday as well. According to a report of the farmers' association,⁷ some 4,000 customers are served each market day. Operation of the market has enabled the farmers to dispose of products that would otherwise have "rotted in storage," and in many cases has "meant the difference between financial embarrassment and realizing a small profit on the year's crop." It has meant fresher vegetables and fruit, as well as substantial savings for the housewife. It is claimed, additionally, that the market has acted as a "check against unreasonable prices." In the first 19 market days, the farmers made sales totaling about \$40,000, and the purchasers realized savings estimated at about \$15,000.

Some 60 farmers have been certified as entitled to use the market; an average of 35 use the facilities on any one day. Those who contributed for the construction of the sheds became members of the sponsoring cooperative. About 10 percent of the latter's members are farmers; unionists form the largest group of members (80 percent).

The market, which is a department of the Consumers Cooperative of San Jose, has received the endorsement of a number of local CIO and AFL labor organizations, as well as of the Grange and the Farm Bureau.

A similar market has been opened by the Consumers Cooperative Society of Santa Monica. Sheds for a farmers' market were constructed on the 3-acre site of that association's new store in West Los Angeles. The market is open every Saturday. A feature of the new facilities is a play area for children of patrons, staffed by volunteer supervisors.

⁷ San Jose Farmers Cooperative Market. Report of operations, October 18-December 18, 1947.

In Oakland, Consumers Cooperative Enterprises (a petroleum cooperative with a "food canteen") is reported to have sponsored a farmers' market on its land adjoining the gasoline station. The market is under the management of a committee composed of cooperative, farmer, and labor representatives.

A farmers' market was started in Los Angeles in the fall of 1947, on land owned by the local machinists' union (independent). Later, a small store built by volunteer labor was opened under the sponsorship of that union, and the unions of oil and automobile workers (both CIO).

Central Organizations

Summary figures showing membership, business, earnings, and patronage refunds for the various types of central business organizations are shown in table 8. All of these items show substantial progress as compared with 1946.

The 66 central organizations reported a total membership of 5,661 associations. These should not be assumed to be 5,661 different associations, as this figure includes a great deal of duplication. This duplication is not so great among the regional wholesales (although in a few cases retail associations are members of more than one regional), but probably the majority of the affiliates of the *district* wholesales are also members of the *regional* wholesale which serves the territory in which they are situated. Likewise, the members of the service and productive federations (especially the latter) may belong not only to several federations but also to the regional wholesale.

Wholesale Associations

Membership

Two additional Canadian regional wholesales became affiliated with National Cooperatives, Inc., in 1947. These were Coopérative Fédérée (Quebec) and Maritime Cooperative Services (New Brunswick). Not being in the United States, statistics for neither of these organizations are included here.

National Cooperatives estimated that the 5,529 retail members of its 24 regional affiliates (7 of which are in Canada) were serving 1,709,000 individual members at the end of 1947. Of the 23 regional wholesales in the United States which reported to the Bureau of Labor Statistics, 20 estimated that their 3,847 local member associations had 1,450,700 individual members in 1947; 13 of these (with 3,392 affiliated associations having an estimated membership of 1,261,600) were members of National Cooperatives.

Altogether, 4,134 local associations were members of the 23 regional cooperative wholesales reporting (table 9), representing (for associations reporting for both 1947 and 1946) a 9.3-percent increase.

Distributive Facilities⁸

Among the regional wholesales, Associated Cooperatives of California dropped the dealer-agent program which had been adopted to accelerate the organization of cooperatives in farm areas.⁹ The reason given was that the arrange-

⁸ For information on expansion of service and productive facilities of wholesales, see pp. 20 and 22.

⁹ See Bureau of Labor Statistics Bulletin No. 904, p. 17.

TABLE 8.—Summary of operations of cooperative wholesales and service and productive federations, 1946

Item	All federations	Wholesales			Service federations	Productive federations
		Interregional	Regional	District		
Number of federations reporting.....	66	1	23	10	16	16
Number of member associations.....	5,661	24	4,134	166	951	386
Total business.....	\$325,373,546	\$10,581,140	\$253,990,790	\$5,568,841	\$1,492,062	\$53,740,713
Wholesale distributive.....	312,875,773	10,581,140	243,249,008	5,304,912	-----	53,740,713
Retail distributive.....	6,478,525	-----	6,478,525	-----	-----	-----
Service.....	6,019,248	-----	4,263,257	263,929	1,492,062	-----
Value of own production.....	128,420,887	1,746,382	78,345,967	1,153,381	-----	47,175,137
Net earnings, all departments.....	18,520,108	¹ 16,632	15,347,688	246,779	67,096	2,875,177
Patronage refunds, all departments.....	14,650,986	-----	12,225,345	171,795	40,226	2,213,620

¹ Loss.

ment had become unnecessary because of the rate at which rural cooperatives, independent of the dealer program, had developed. In 1947, Central States Cooperatives (Illinois) decided to open a branch warehouse in Detroit to supply cooperatives and unions in that area, when sufficient capital had been subscribed locally. By early November, nine local trade-unions had subscribed \$13,560 toward a goal of \$30,000. The marketing of poultry, eggs, and wool was begun in 1947 by Indiana Farm Bureau Cooperative Association. Because of the rapid expansion of the propane ("liquefied") gas department of Farmers Union Central Exchange (Minnesota), that association by the end of the year had constructed three bulk gas plants and had nearly completed a fourth. Minnesota Farm Bureau Service Co. added bag-unloading facilities, to expedite its work, and Consumers' Cooperative Association (Missouri) purchased a site in Denver for a new warehouse.

The annual meeting of the Farmers Union State Exchange (Nebraska) held in February, directed the board to obtain a jobbing agency for lumber.

A new bag conveyor was installed by the Ohio Farmers Grain & Supply Association, to facilitate truck and car loading of feed and fertilizer. With its new facilities and expanded lines of merchandise, the association expected to be able, shortly, to "offer a complete line of feeds for every purpose." Utah Cooperative Association reported that it had added to its staff a full-time instructor to train the appliance-service men of the local associations. Consumers Cooperatives Associated (Texas) added a million-gallon gasoline terminal at Dumas, Tex.; also a warehouse in Little Rock, Ark., to supply the growing number of affiliates in that State. At the end of 1947, the association was doing business in Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas.

Pacific Supply Cooperative (Washington) announced that it would build a branch warehouse in Spokane to serve associations in Idaho and eastern Washington. Central Cooperative Wholesale (Wisconsin) opened a branch warehouse in Escanaba, Mich., to serve the upper peninsula of that State; it also obtained a new warehouse in Superior, Wis., for farm machinery and building supplies.

In addition to a new warehouse, Wisconsin Cooperative Farm Supply began to carry light hardware; it discontinued handling whole grains.

Among the district wholesales, Northland Cooperative Federation (Michigan) announced plans for a bulk distributing plant in Nadeau, using a nearby cooperative as retailer; also for a bulk plant at Chatham as soon as materials and tanks became available. It discontinued handling farm machinery and insulation materials, as these are being sold by the retail associations in its area. Fox River Valley Cooperative Wholesale (Wisconsin) and Trico Cooperative Oil Association (Minnesota) each added a new warehouse and the latter also installed four 17,000-gallon storage tanks. Cooperative Services, at Maple, Wis., began the construction of a new building to house its office staff and repair shop.

At the end of 1947, only 3 regionals were running retail branches; these had a total of 20 such establishments. All but 2 wholesales were doing warehousing, operating altogether 81 warehouses. One regional had 16, one had 13, one had 11, three had 5 each, one had 4, two had 3, five had 2 each, and the other six had 1 each.

Distributive Operations

Without exception, the regional wholesales for which data are available for both 1946 and 1947, had substantial increases in volume (table 9), amounting for the whole group to 37.6 percent in distributive business and 65.5 percent in service business. Among the district wholesales the increases were 17.0 and 45.5 percent, respectively, with one of the associations reporting a decrease in volume.

Total wholesale volume amounted to \$253,990,790 in 1947. Cooperative wholesale grocery business was generally carried on at a loss in 1947. This was indicated in the operating losses of two wholesales handling groceries only or mainly and in the grocery-department losses of three other associations handling other commodities as well. Nevertheless, net earnings of the regional wholesales (all departments) exceeded 15¼ million dollars, and from this amount patronage refunds of nearly 12¼ million were returned to members.

The report of Midland Cooperative Wholesale gives evidence of the value of the productive activities. In addition to earnings from its own productive plants (making feed, insecticides, refined petroleum products, and lubricating oil) the wholesale received, from the 9 productive federations of which it is a member, patronage refunds totaling \$745,020—constituting over 60 per-

cent of its total earnings of \$1,178,847. Farmers Union Central Exchange reported that, in addition to its "cash net savings" of \$2,428,513, patronage refunds from other cooperatives totaled \$588,744. Seventy-nine percent of the total earnings of Consumers Cooperatives Associated (Texas) were attributable to the operations of its productive plants.

TABLE 9.—Distributive and service business, net earnings, and patronage refunds of cooperative wholesales, 1946 and 1947¹

[Associations marked * are members of National Cooperatives²]

Association, and location of its headquarters	Number of affiliated associations		Amount of business		Net earnings		Patronage refunds	
	1947	1946	1947	1946	1947	1946	1947	1946
All associations:								
Interregional.....	24	22	\$10,581,140	\$16,900,000	\$16,632	(⁴)	-----	(⁴)
Regional:								
Wholesale business.....	4,134	3,816	{ 243,249,008 6,478,525 4,263,267	{ 177,354,657 5,773,769 2,414,826	} 15,347,688	\$10,360,099	\$12,225,345	\$8,121,316
Retail business.....								
Service business.....								
District:								
Wholesale business.....	166	112	{ 5,304,912 263,929	{ 3,454,237 181,307	} 246,779	181,504	171,795	128,695
Service business.....								
<i>Interregional</i>								
Illinois—National Cooperatives (Chicago).....	24	22	\$10,581,140	16,900,000	\$16,632	(⁴)	-----	(⁴)
<i>Regional</i>								
California—Associated Cooperatives ⁴ (Oakland)*.....	42	31	{ 1,038,894 928,371 110,523	{ 518,609 471,538 47,071	} 17,343	15,958	2,053	11,518
Distributive business, wholesale.....								
Service business.....								
Idaho—Idaho Grange Wholesale ⁵ (Shoshone).....	13	11	766,229	335,659	67,006	22,589	67,006	22,589
Illinois—Central States Cooperatives ⁶ (Chicago)*.....	112	112	{ 1,633,392 1,615,418 17,974	{ 1,203,385 1,180,308 23,077	} 33,614	9,618	-----	5,148
Distributive business, wholesale.....								
Service business.....								
Indiana—Indiana Farm Bureau Cooperative Association (Indianapolis)*.....	86	86	{ 23,986,167 22,944,211 1,041,956	{ 18,961,538 18,478,474 483,064	} 12,627,947	11,761,742	11,627,947	11,579,914
Distributive business, wholesale.....								
Service business.....								
Iowa—								
Iowa Farm Service Co. ¹³ (Des Moines).....	(⁴)	71	4,192,461	2,846,591	(⁴)	102,079	(⁴)	100,230
Cooperative Service Co. ⁶ (Waterloo).....	34	(⁴)	132,677	(⁴)	13,733,659	(⁴)	51,896	(⁴)
Michigan—Farm Bureau Services ¹² (Lansing)*.....	153	153	{ 15,875,335 11,214,919 4,539,203 121,213	{ 11,617,848 8,257,822 3,277,324 82,702	} 277,727	377,077	277,728	334,870
Distributive business, wholesale.....								
Distributive business, retail.....								
Service business.....								
Minnesota—								
Midland Cooperative Wholesale (Minneapolis)*.....	509	440	{ 23,084,288 22,896,889 187,399	{ 15,964,436 15,793,110 171,326	} 11,178,847	11,622,554	11,822,526	11,408,416
Distributive business, wholesale.....								
Service business.....								
Farmers Union Central Exchange (St. Paul)*.....	425	400	28,517,326	20,403,330	14,228,513	15,976,130	15,891,668	15,269,476
Minnesota Farm Bureau Service Co. (St. Paul).....	74	73	3,309,979	2,216,751	18,266,521	15,135,193	15,266,521	15,134,973
Missouri—								
Consumers Cooperative Association ¹³ (Kansas City)*.....	1,195	1,015	{ 39,202,613 38,367,736 834,877	{ 26,698,547 26,069,029 629,518	} 13,806,837	11,665,299	11,254,329	11,132,700
Distributive business, wholesale.....								
Service business.....								
Farm Bureau Service Co. of Missouri ¹² (Jefferson City).....	22	-----	490,611	-----	1,916	-----	-----	-----
Nebraska—Farmers Union State Exchange (Omaha)*.....	300	338	{ 6,563,502 4,784,457 1,678,947 100,098	{ 4,850,223 3,505,931 1,341,292 (⁴)	} 381,878	219,138	289,398	184,003
Distributive business, wholesale.....								
Distributive business, retail.....								
Service business.....								
New York—Eastern Cooperatives, Inc. (New York)*.....	175	168	{ 6,327,260 6,317,818 9,442	{ 6,193,446 6,186,100 7,346	} 91,176	13,340	-----	-----
Distributive business, wholesale.....								
Service business.....								
Ohio—								
Farm Bureau Cooperative Association (Columbus)*.....	89	89	{ 37,177,490 36,375,996 801,494	{ 28,097,550 27,598,761 498,789	} 11,855,203	11,501,276	11,104,176	11,894,777
Distributive business, wholesale.....								
Service business.....								
Ohio Farmers Grain and Supply Association (Fostoria).....	215	198	{ 2,544,964 2,284,589 260,375	{ 1,872,502 1,646,681 225,821	} 114,708	84,544	94,218	66,812
Distributive business, wholesale.....								
Distributive business, retail.....								
Oregon—Oregon Grange Wholesale (Portland).....	(⁴)	14	(⁴)	1,012,376	(⁴)	70,478	(⁴)	70,237
Pennsylvania—Pennsylvania Farm Bureau Cooperative Association (Harrisburg)*.....	28	28	{ 14,569,072 14,402,019 167,053	{ 10,789,634	} 394,852	272,191	220,348	171,607
Distributive business, wholesale.....								
Service business.....								
Texas—Consumers Cooperative Association (Amarillo)*.....	252	207	{ 8,444,997 8,444,997 (⁴)	{ 5,616,409 4,687,077 929,332	} 368,226	236,788	368,226	285,555
Distributive business, wholesale.....								
Distributive business, retail.....								
Utah—Utah Cooperative Association (Salt Lake City)*.....	14	20	1,014,627	672,633	10,898	35,467	10,898	30,138

See footnotes at end of table.

TABLE 9.—Distributive and service business, net earnings, and patronage refunds of cooperative wholesales, 1946 and 1947¹—Con.

Association, and location of its headquarters	Number of affiliated associations		Amount of business		Net earnings		Patronage refunds	
	1947	1946	1947	1946	1947	1946	1947	1946
Washington—								
Grange Cooperative Wholesale ⁶ (Seattle).....			\$5,544,920	\$4,085,094				
Distributive business, wholesale.....	57	55	5,302,221	4,042,968	† 284,120	† 227,562	† 284,120	† 227,562
Service business.....			242,699	42,126				
Pacific Supply Cooperative (Walla Walla) ⁶			17,525,274	12,589,329				
Distributive business, wholesale.....	119	115	17,111,538	12,353,357	† 915,868	† 713,437	† 915,868	† 713,437
Service business.....			413,736	235,972				
Wisconsin—								
Wisconsin Cooperative Farm Supply Co. ⁶ (Madison)...	40	19	4,381,546	2,256,509	91,063	54,041	75,068	40,784
Central Cooperative Wholesale (Superior) ⁶			7,687,265	6,840,953				
Distributive business, wholesale.....	180	173	7,472,473	6,647,118	† 309,351	† 270,288	† 309,351	† 240,870
Service business.....			214,792	193,835				
<i>District</i>								
Iowa—Propane Gas Co-op ⁶ (Eagle Grove).....	24	19	70,270	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
Michigan—								
Cooperative Services (Bruce Crossing).....	7	6	115,100	203,462	9,463	13,958	7,289	(⁴)
Northland Cooperative Federation (Rock).....	8	8	542,035	537,743	† 6,850	† 12,380	† 6,850	† 12,380
Minnesota—								
Trico Cooperative Oil Association ¹¹ (Cloquet).....	18	18	375,679	278,769	28,830	23,827	(⁴)	23,827
C-A-P Cooperative Oil Association ¹² (Kettle River).....			253,887	213,560				
Distributive business.....	19	18	171,655	148,619	24,915	10,823	21,163	9,741
Service business.....			82,232	64,941				
Range Cooperative Federation (Virginia).....			2,097,811	1,746,288				
Distributive business.....	26	25	1,923,346	1,634,088	† 56,227	† 71,435	† 34,030	† 52,824
Service business.....			174,465	112,200				
Wisconsin—								
Fox River Valley Cooperative Wholesale ¹³ (Appleton)...	47	(⁴)	1,200,258	(⁴)	66,811	(⁴)	64,206	(⁴)
A & B Cooperative Association ¹⁴ (Ashland).....	4	5	220,059	155,392	18,213	12,917	3,418	† 12,917
Range Cooperative Services (Hurley).....			431,440					
Distributive business.....	6	7	424,957	283,067	11,138	14,120	12,642	(⁴)
Service business.....			6,483					
Cooperative Services ¹⁵ (Maple).....			282,302	217,273				
Distributive business.....	7	6	261,553	213,107	† 24,332	† 22,044	† 22,197	† 17,006
Service business.....			21,749	4,166				

¹ Unless otherwise indicated, data are for calendar year.

² National Cooperatives at the end of 1947 also had seven affiliates in Canada: Alberta Cooperative Wholesale, British Columbia Cooperative Wholesale, Manitoba Cooperative Wholesale, United Farmers of Ontario, Saskatchewan Federated Cooperatives, Coopérative Fédérée (Quebec) and Maritime Cooperative Services (New Brunswick). Other affiliates in the United States, not shown in this table either because not federations or because not handling consumer goods, are Farmers' Cooperative Exchange (North Carolina) and Tennessee Farmers Cooperative.

³ Loss.

⁴ No data.

⁵ 6-month period, ending June 30 (change in fiscal year).

⁶ Fiscal years ending Oct. 31.

⁷ Including service departments.

⁸ Fiscal years ending Sept. 30.

⁹ Fiscal years ending Mar. 31, 1947 and 1948.

¹⁰ Including goods marketed, to value of \$390,531.

¹¹ Including service and productive departments.

¹² Fiscal years ending Aug. 31.

¹³ Including \$47,599 in brokerage and commissions.

¹⁴ Including productive departments; does not include \$588,744 earned in stock credits in other cooperatives.

¹⁵ Including productive departments.

¹⁶ 10-month period ending Oct. 31 (change in fiscal year); including goods marketed, to value of \$413,048.

¹⁷ Fiscal years ending June 30.

¹⁸ Fiscal years ending Apr. 30, 1947 and 1948.

¹⁹ Fiscal years ending July 31.

²⁰ Fiscal years ending May 31.

²¹ Income from machinery repairs is included with distributive business.

Capital and Resources

Of the 21 regional wholesales reporting on their capital structure, 2 are nonstock organizations. Of the other 19, 16 were using both preferred and common stock to finance their operations. They reported a total of \$21,031,118 in preferred stock and \$12,592,696 in common. The 3 associations which had issued no preferred shares had common stock amounting to \$443,525. None of the reporting district wholesales had issued preferred stock. One was a nonstock association; the common stock of the other 6 totaled \$371,540.

Assets reported by 22 regionals amounted to \$106,557,433. The ratio of current assets to total assets among these associations ranged from 38.9 to 94.4 percent (in 1946 the range was from 32.0

to 96.4), with an average of 53.0 percent (52.3 in 1946). The range among the 7 district associations reporting was from 36.4 to 93.9 percent (44.2 to 75.1 in 1946), with an average of 56.4 percent (61.6 in 1946). The ratio of current assets to current liabilities was equally variable, ranging among the regional wholesales from 1.1:1 to 24.0:1, and among the district wholesales from 1.2:1 to 15.6:1.

Member equities (i. e. ratio of net worth to total liabilities) ranged among the 19 reporting regionals from 10.5 to 96.0 percent, with an average of 59.2 percent; in 1946 the range was from 1.6 to 92.3 percent and the average 51.9. Among the district wholesales the range was from 38.0 to 95.7 percent (57.6 to 91.5 in 1946) and the average 59.7 percent (69.2 in 1946).

Services of Central Cooperatives

Expansion of Services by Wholesales

The annual meeting of Central States Cooperatives (Illinois) authorized its board of directors "to begin—on an experimental basis—a complete management service to be provided by contract for those member associations which voluntarily agree to accept it." This association was already providing bookkeeping and auditing service on the same basis. Bulk-station maintenance and repair were services added during the year by Midland Cooperative Wholesale. Consumers' Cooperatives Associated (Texas) which had an appliance-service shop in Amarillo, added another in Dallas. Central Cooperative Wholesale discontinued its house-insulation service; lack of sufficient volume and the wide area to be served made this service impracticable.

Expansion of Services by Federations

Expanding business forced the Cooperative Publishing Association (Superior, Wis.) to buy additional typesetting and offset equipment. Federated Co-ops, Inc., of East Central Minnesota added propane gas and storage tanks to the lines handled. Range Cooperative Federation acquired a new mortuary in Hibbing (it was

already operating one in Virginia, Minn.), and its annual meeting authorized the purchase of land for a summer camp.

Service Business

Although the total amount of service business done has increased steadily since 1945, certain lines (such as funeral service, insurance and bonds, and transport) showed a decrease in 1947. On the other hand, a notable increase occurred in the amount of finance service; this should rise still more when the National and California finance federations get under way.

About three-fourths of the service business is done by the wholesales (table 10), and one-fourth by the service federations. About the same increase was recorded by wholesales and federations in 1947 (37.6 and 38.0 percent, respectively).

Resources of Service Federations

Most of the service federations are in lines that require little equipment or plant. For the 14 federations furnishing financial data, assets totaled \$1,378,117 or only \$99,080 per association. The finance federations were naturally among those with the largest financial resources. Net worth ranged from 8.2 to 99.4 percent of total assets.

TABLE 10.—Value of services performed by cooperative wholesales and federations, 1943-47

Type of service	1947				1946: Total		1945: Total		1944: Total		1943: Total	
	Total		Departments or subsidiaries of wholesales	Service federations	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
	Amount	Per-cent										
All services.....	\$6,019,248	100.0	\$4,527,185	\$1,492,062	\$5,485,092	100.0	\$4,285,898	100.0	\$11,652,806	100.0	\$5,163,060	100.0
Repairs (autos, machinery, appliances, etc.)..	236,300	3.9	236,300	-----	154,870	2.8	153,183	3.6	126,295	1.1	77,981	1.5
Funeral service.....	120,335	2.0	64,518	55,867	168,358	3.1	97,337	2.3	93,412	.8	104,073	2.0
Recreation.....	7,398	.1	7,398	-----	-----	-----	4,846	.1	4,752	(1)	4,864	.1
Insurance, bonds, etc.....	167,488	2.8	167,488	-----	350,667	6.4	246,083	5.8	68,498	.6	49,912	1.0
Auditing, accounting, tax service.....	292,745	4.9	142,893	149,852	242,832	4.4	167,583	3.9	137,274	1.2	154,357	3.0
Financing and credit.....	1,100,414	18.3	91,570	1,008,844	321,828	5.9	130,412	3.0	136,275	1.2	178,884	3.5
Store services (management, planning, advertising, etc.).....	429,973	7.1	385,139	44,834	217,669	4.0	60,585	1.4	53,226	.5	15,496	.3
Transport (truck, pipeline, tank car, etc.)..	2,934,713	49.6	2,906,438	78,275	3,977,795	72.6	3,103,882	72.4	10,486,685	90.0	3,964,808	76.8
Millwright service.....	4,995	.1	4,995	-----	3,139	.1	3,029	.1	-----	-----	-----	-----
Printing (purchase only).....	65,241	1.1	-----	65,241	25,172	.5	16,412	.4	-----	-----	333	(1)
House insulation.....	89,149	1.5	-----	89,149	22,762	.4	-----	-----	-----	-----	-----	-----
Cold storage.....	19,853	.3	19,853	-----	-----	-----	-----	-----	-----	-----	-----	-----
Other (not specified).....	500,594	8.3	500,594	-----	-----	-----	302,546	7.1	546,389	4.7	612,352	11.9

¹ Less than 0.05 percent.

TABLE 11.—Service activities of central cooperative organizations, 1946 and 1947

SERVICE DEPARTMENTS OF WHOLESALERS

State, association, and kind of service	Amount of service business (gross income)		State, association, and kind of service	Amount of service business (gross income)	
	1947	1946		1947	1946
Total	\$4,527,186	\$2,596,133	Missouri—Consumers Cooperative Association	\$834,877	\$629,518
Regional wholesales.....	4,263,257	2,414,826	Auditing.....	53,979	36,717
District wholesales.....	263,929	181,307	Management.....	9,704	.....
California—Associated Cooperatives.....	110,523	47,071	News.....	53,010	.....
Auditing and accounting.....	5,527	302	Trucking.....	718,184	592,801
Insurance (agency).....	104,894	46,622	Nebraska—Farmers Union State Exchange:	.....	(1)
Trucking.....	102	147	Trucking.....	100,098	.....
Illinois—Central States Cooperatives: Account-	.....	.....	New York—Eastern Cooperatives.....	9,442	.....
ing.....	17,974	23,077	Insurance (agency) and bonds.....	8,040	7,346
Indiana—Indiana Farm Bureau Cooperative	.....	.....	Bookkeeping.....	514	.....
Association.....	1,041,956	483,064	Housing information and advice.....	888	.....
Auditing.....	22,824	19,715	Ohio—Farm Bureau Cooperative Association.....	801,494	498,789
Insurance (agency).....	53,805	60,500	Trucking.....	453,456	303,627
Finance (credit).....	91,570	95,446	Store plans and specifications.....	348,038	195,162
Automobile and machinery repair.....	24,818	25,125	Pennsylvania—Pennsylvania Farm Bureau	.....	.....
Trucking.....	402,561	282,278	Cooperative Association: Trucking.....	167,053	.....
Other.....	446,378	.....	Washington—	.....	.....
Michigan—Farm Bureau Services.....	121,214	82,702	Grange Cooperative Wholesale.....	242,699	42,126
Management.....	7,377	7,668	Auditing.....	1,243	1,491
Millwright.....	4,995	3,139	Trucking.....	241,138	40,635
Trucking.....	108,842	71,695	Other.....	318	.....
Minnesota—	.....	.....	Pacific Supply Cooperative.....	413,736	235,972
Midland Cooperative Wholesale.....	187,399	171,326	Automobile repair.....	50,957	30,836
Appliance repair.....	8,514	8,889	Trucking.....	362,779	205,136
Bulk-station repair.....	2,955	.....	Wisconsin—	.....	.....
Trucking.....	34,831	28,975	Cooperative Services.....	749	4,166
Pipe-line and tank-car service.....	141,099	138,462	Insurance (agency).....	749	.....
Range Cooperative Federation.....	174,465	112,200	Machinery repair.....	(2)	4,166
Automobile repair and service.....	82,696	59,752	Central Cooperative Wholesale.....	214,792	193,835
Mortuary.....	64,518	46,249	Auditing.....	40,832	33,392
Cold-storage locker service.....	19,853	.....	Trucking.....	147,463	123,042
Recreation.....	7,398	6,199	Appliance repair.....	6,477	.....
C-A-P Cooperative Oil Association.....	82,232	64,941	House insulation.....	.....	22,762
Automobile repair.....	59,883	44,690	Advertising.....	20,020	14,639
Trucking.....	22,349	20,351	Range Cooperative Services: Trucking.....	6,483	(1)

SERVICE FEDERATIONS

State, association, and kind of service	Member associa-		Amount of business (gross income)		Net earnings		Patronage refunds	
	1947	1946	1947	1946	1947	1946	1947	1946
Total	951	890	\$1,492,062	\$514,948	\$67,096	\$36,619	\$40,226	\$21,264
Illinois—Coop. Federation of Chicago: Supervisory and planning service.	9	.....	7,679	.....	184	.....	.....	.....
Iowa—Business Service Assn. ³ (Des Moines): Auditing, bookkeeping, tax service, and business analysis.....	164	120	20,167	16,607	31	111	.....	.....
Maryland—Federated Cooperatives of Maryland (Frederick): Financing, collections, statistics, management.....	4	4	37,155	33,077	14,552	10,800	14,552	10,800
Minnesota—	.....	.....	.....	.....	.....	.....	.....	.....
Cooperative Auditing Service ⁴ (Minneapolis): Auditing, accounting, tax service, business advice.....	444	439	90,321	77,278	2,178	3,101	1,960	2,791
Midland Credit Corp. (Minneapolis): Loans to cooperatives.....	31	33	⁵ 739,268	(1)	3,018	2,185	⁶ 850	⁶ 725
Farmers Union Coop. Credit Assn. (St. Paul): Loans to cooperatives.....	169	163	⁵ 232,559	165,171	7,598	5,013	⁶ 6,804	.....
Federated Co-ops, Inc. ⁷ (Cambridge): Insurance, insulation, propane gas, trucking.....	23	22	89,149	74,570	4,954	4,435	4,025	3,800
Northland Co-op Mortuary ⁸ (Cloquet): Funeral service.....	21	21	27,605	14,525	5,135	346	.....	.....
Cooperative Press ⁹ (Minneapolis): Collective purchase of office supplies and printing.....	14	11	65,241	¹⁰ 25,172	3,227	¹⁰ 1,212	2,862	¹⁰ 1,057
Montana—Farmers Union Carriers ³ (Froid): Trucking.....	16	15	¹¹ 10,244	9,094	¹¹ 4,368	5,298	4,368	.....
Nebraska—	.....	.....	.....	.....	.....	.....	.....	.....
Farmers Union Non-Stock Coop. Transport Assn. ³ (Dodge): Trucking.....	2	2	11,129	9,784	652	1,056	652	1,056
Farmers Nonstock Transport Assn. ¹² (Milford): Trucking.....	4	4	13,609	11,570	1,653	710	¹³ 800	(1)
Farmers Union Coop. Transport Assn. (Ravenna): Trucking.....	4	(1)	43,293	(1)	12,705	(1)	(1)	(1)
South Dakota—Equity Audit Co. ⁹ (Aberdeen): Auditing, accounting, and tax service.....	39	39	39,364	34,253	2,077	1,173	721	435
Wisconsin—	.....	.....	.....	.....	.....	.....	.....	.....
Valley Cooperative Services ¹⁴ (Appleton): Burial service.....	5	5	28,262	19,526	4,473	953	2,632	600
Central Finance, Inc. (Superior): Financing sales contracts.....	2	2	⁸ 37,017	⁸ 24,321	291	226	.....	.....

¹ No data.² Included with machinery sales (table 9).³ Fiscal years ending Sept. 30.⁴ Fiscal years ending Nov. 30.⁵ Amount of loans made.⁶ Dividends paid on share capital.⁷ Fiscal years ending June 30.⁸ Fiscal years ending Mar. 31, 1947 and 1948.⁹ Fiscal years ending Oct. 31.¹⁰ 10 months.¹¹ Second half of year.¹² Fiscal years ending Aug. 31.¹³ Approximate.¹⁴ Fiscal years ending July 31.

Production by Central Cooperatives

Expansion of Facilities by Wholesales

National Cooperatives took over the operation of Cooperative Mills (formerly owned jointly by several cooperative wholesales), the mill becoming a productive department of National.

Indiana Farm Bureau Cooperative Association constructed an acidulating plant, with an annual capacity of 50,000 tons of superphosphate. This association distributes over 20 percent of the fertilizer used on Indiana farms, and about 50 percent of the high-analysis fertilizer. Oil property with 80 wells producing an estimated 1,700 barrels daily, owned by the wholesale, was sold to a private company to "get capital for further oil exploration." These "explorations" resulted in five new wells in Indiana toward the end of the year. The wholesale will have the right to all of the output of these wells as long as they produce. It will also have additional output from the same company, amounting to nearly 25 percent of the previous supply. The wholesale purchased, in December, 44 producing oil wells and leases on undeveloped oil property in southern Illinois, raising the association's oil capacity by nearly 1,100 barrels daily. The association's feed mill at Lafayette, Ind., was discontinued. Its sawmill at Pine Bluff, Ark., was also sold, with some timber tracts; the reason was the declining availability of good pine timber in the area. Having become part owner (with Midland and Ohio Farm Bureau wholesale) of coal-mining property in Kentucky, this wholesale likewise disposed of its part interest in another mine in the same State.

The chief concern of Midland Cooperative Wholesale in 1947 was to obtain sufficient crude oil to keep its refineries operating at capacity. Drilling on its leased oil land in Oklahoma netted the association 10 producing oil wells, bringing the total to 35 by the end of November 1947. The association also had 7 natural-gas wells. Midland announced its intention of selling its property in Burkhardt, Wis., purchased in 1944, as the expansion of Northwest Cooperative Mills' feed facilities had made the Burkhardt mill "unnecessary and obsolete."

Farmers Union Central Exchange reported that 42 percent of the "light ends" handled by the

cooperative in 1947 came from its petroleum refinery at Laurel, Mont. The association was looking forward to the possibility of manufacturing propane gas in the refinery, and to the manufacture of tractors. The Exchange joined with National Cooperative Refinery Association in "wildcat" drilling on the 7,000 acres jointly leased by them in northern Montana. Farm Bureau Services (Mich.) began the construction of a fertilizer-mixing and acidulating plant at Saginaw, and completed it in April 1948.

Consumers' Cooperative Association (Missouri) bought the aviation-gasoline refinery it had operated for the Federal Government at Coffeyville, Kans., making it the first cooperative to produce high-octane fuel and bringing to four the number of petroleum refineries owned by the association. Several months later it completed the construction of a furfural unit adjacent to the new plant. As a result of the purchase of a private oil corporation (including 151 oil wells and leases on 15,398 acres of land in Kansas), Consumers' Cooperative Association owned, by November 1947, 955 oil wells and controlled more than 140,000 acres of oil land. Its wells were reported to be producing about 50 percent of the crude oil needed by its refineries. Not including the octane plant, in 1947 its petroleum plants were producing at the rate of 225 million gallons of refined fuels annually. A contract for a 1½-million dollar dewaxing unit to be built at the association's Coffeyville, Kans., refinery was signed early in December. A plant to produce protein for feed was nearing completion at Eagle Grove, Iowa, at the end of 1947, and construction on a commercial-fertilizer plant was started in December. A shortage of boxcars forced a 2-week shut-down of its lumber mill in Oregon. Although some 70 percent of the goods distributed to members was produced either in CCA's own plants or in those in which it is a part owner, the association reported that it was planning not only to increase its production of crude oil but also to enter additional lines of manufacture.

The Farmers Union State Exchange, in Nebraska, bought a privately owned oil-compounding plant which had been its source of supply for lubricating oil for years. Ohio Farm Bureau Cooperative Association acquired a new chick hatchery in Jackson Center. In the same State, Ohio Farmers Grain and Supply Association

added new equipment for its feed and fertilizer plants, as well as a new pellet mill and hammer-mill.

Pennsylvania Farm Bureau Cooperative bought a farm near Harrisburg, to be used for poultry improvement. A new branch warehouse at Greensburg was completed during 1947 and one was purchased at Florin. The Utah Cooperative Association, which had not previously been a producer, made plans to enter petroleum production.

Difficulties in transporting crude oil from its 28 producing wells were solved by Consumers' Cooperatives Associated (Texas) by laying a pipeline into the field, allowing the wells to be operated nearly at capacity. During the year, three additional wells were brought in. The association (which also manufactures feed) is exploring the possibilities of further production.

Range Cooperative Federation bought a privately owned milk-bottling plant containing 500 cold-storage lockers and space for the construction of as many more.

Two new productive federations went into operation in 1947—the Central Farmers Fertilizer Co. and the Millers Creek Coal Cooperative. The former is owned by 15 regional associations, the latter by the Indiana and Ohio Farm Bureau Cooperative Associations and Midland Cooperative Wholesale. Late in 1947, the Central Farmers Fertilizer Co. purchased over 2,000 acres of land containing phosphate deposits, in southeastern

Idaho. North Iowa Cooperative Processing Association constructed a new warehouse; Cooperative Fertilizer Service opened a branch plant at Culpeper, Va.; and Cooperative Mills (Glendale, Ohio) installed new storage bins and a corn dryer.

Expansion of Facilities by Federations

National Farm Machinery Cooperative, owned by 12 regional wholesales, built a large addition to its cultivator plant at Bellevue, Ohio, and authorized the erection of a foundry building.

The National Cooperative Refinery Association, owned by 5 regional wholesales, purchased control in a company from which it had previously been buying some of its crude oil. The addition of the more than 200 wells thus acquired, plus a number of new wells brought in later, raised the association's total to about 300 by October 1947. It expected to add thereafter two to four new wells a month.¹⁰ By mid-1947 it was reported to own or control 60 percent of its crude-oil sources.¹¹ Its refinery was handling about 20,000 barrels of crude oil a day. A desulphurization unit was added late in 1947, to make possible a greater production of high-octane gasoline.

The Millers Creek Coal Cooperative, organized by three wholesales in 1946, was, by fall of 1947, producing 1,000 tons a day at one mine and was starting production at another.

¹⁰ Nebraska Cooperator (Omaha), Oct. 1, 1947.

¹¹ Cooperative Builder (Superior, Wis.), Aug. 14, 1947.

TABLE 12.—Value of manufactures of cooperative wholesales and federations, 1943-47

Commodity group	1947				1946: Total		1945: Total		1944: Total		1943: Total	
	Total		Departments or subsidiaries of wholesales	Productive federations	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
	Amount	Per cent										
All products.....	\$128,420,867	100.0	\$81,245,730	\$47,175,137	\$95,583,814	100.0	\$80,577,789	100.0	\$48,999,183	100.0	\$29,431,499	100.0
Food products.....	2,712,314	2.1	2,712,314	-----	4,285,504	4.5	2,120,517	3.5	2,073,482	4.2	1,958,036	6.6
Crude oil.....	4,323,115	3.4	3,866,717	456,398	2,693,007	2.8	1,438,027	2.4	721,050	1.5	31,340	.1
Refined petroleum products.....	47,481,961	37.0	37,676,000	9,805,861	36,392,061	38.1	25,852,711	42.7	21,165,002	43.2	6,743,901	22.9
Lubricating oil.....	6,284,424	4.8	6,284,424	-----	4,891,432	5.1	4,369,325	7.2	4,659,465	9.5	1,358,479	4.6
Grease.....	323,716	.3	323,716	-----	191,210	.2	183,023	.3	226,374	.5	223,864	.8
Paint.....	272,845	.2	272,845	-----	119,074	.1	71,380	.1	81,689	.2	1,351,782	4.6
Lumber and shingles.....	1,973,207	1.5	802,907	1,170,300	309,059	.3	693,598	1.1	1,361,666	2.8	360,502	1.3
Printing and printing products.....	443,692	.3	148,948	294,744	321,491	.3	249,239	.4	192,793	.4	326,959	1.1
Coal.....	109,570	.1	-----	109,570	-----	-----	59,610	.1	29,274	.1	-----	-----
Chemical products (cosmetics, household supplies, insecticides).....	452,591	.4	452,591	-----	930,742	1.0	182,714	.3	136,034	.3	(1)	(1)
Poultry and poultry products.....	486,486	.4	486,486	-----	298,749	.3	321,306	.5	369,296	.8	246,247	.8
Feed, seed, fertilizer.....	57,557,781	44.8	26,922,940	30,634,841	42,673,541	44.7	22,505,054	37.1	16,102,495	32.9	16,781,157	57.1
Farm machinery.....	4,760,897	3.7	939,433	3,771,464	2,353,630	2.5	2,473,036	4.1	1,868,809	3.8	-----	-----
Other.....	1,238,868	1.0	306,909	931,959	124,314	.1	60,249	.1	11,574	(2)	49,232	.2

¹ No data.

² Less than 0.05 percent.

Northwest Cooperative Mills (owned by four cooperatives) opened two new productive units during 1947—a feed mill and research laboratory in St. Paul and a fertilizer plant at Winona, Minn.

Goods Produced

Refined petroleum products and feed, seed, and fertilizer continued to account for over four-fifths (in value) of the total output of the cooperative plants. The dollar volume of both foods and chemical products declined as compared with 1946 (table 12); for all the other groups, a sizable increase was shown.

A 46.4-percent increase in the output of productive federations was shown, as compared with 28.3 percent for the productive departments of the wholesales. The latter, however, still accounted for 63.2 percent of the total output in 1947.

Whereas in 1946 one federation had an operating loss of over \$100,000, the year of 1947 was one of uniformly profitable operation (table 13). From net earnings of \$2,875,177 (5.3 percent on total business), \$2,213,620 was paid to member associations on their patronage. The earnings of the wholesales' productive departments are included in the total shown in table 9.

TABLE 13.—Productive activities of central cooperative organizations, 1946 and 1947

PRODUCTIVE DEPARTMENTS OF WHOLESALERS

State, association, and goods produced	Value of goods produced		State, association, and goods produced	Value of goods produced	
	1947	1946		1947	1946
Total	\$81,245,730	\$62,191,304			
Interregional wholesale.....	1,746,382	516,304			
Regional wholesales.....	78,345,967	60,682,594			
District wholesales.....	1,153,381	992,406			
California—Associated Cooperatives: Mime-					
ographing	400	335			
Illinois—National Cooperatives	1,746,382	1,516,304			
Flour.....	447,984	1,516,304			
Chemicals.....	15,546	(¹)			
Milking machines and coolers.....	989,433	(²)			
Hot-water heaters.....	293,419	(²)			
Indiana—Indiana Farm Bureau Cooperative					
Assn	10,214,793	8,188,597			
Crude oil.....	308,003	735,975			
Refined petroleum products.....	6,261,318	4,140,378			
Printing.....	41,081	44,372			
Chicks and eggs.....	215,931	217,912			
Feed.....	332,201	412,133			
Fertilizer.....	3,056,259	2,637,827			
Michigan—Northland Cooperative Federa-					
tion	424,093	455,129			
Butter.....	44,276				
Cheese.....	379,817				
Minnesota—					
Midland Cooperative Wholesale	4,624,247	4,218,228			
Crude oil.....	329,041	286,189			
Refined petroleum products.....	3,192,051	2,756,229			
Lubricating oil.....	641,328	555,192			
Fly spray.....	5,482	12,308			
Feed.....	456,345	608,310			
Farmers Union Central Exchange	7,455,714	5,128,959			
Crude oil.....	192,106	97,798			
Refined petroleum products.....	6,338,304	3,914,078			
Lubricating oil.....	925,304	1,117,083			
Minnesota Farm Bureau Service Co.	2,195,078	1,502,771			
Feed.....	798,081	610,545			
Fertilizer.....	1,396,997	892,226			
Range Cooperative Federation	729,288	537,277			
Meat products.....	71,371	125,867			
Butter.....	200,580	104,980			
Cheese.....	432,744	306,430			
Milk (bottling).....	24,593				
Missouri—Consumers Cooperative Associ-					
ation	\$22,432,741	\$19,832,477			
Canned goods.....	320,469	828,853			
Soft drinks.....	13,490	13,444			
Crude oil.....	2,655,806	1,493,531			
Refined petroleum products.....	11,370,242	10,718,280			
Lubricating oil.....	4,717,792	3,219,157			
Grease.....	323,716	191,210			
Lumber.....	802,907	309,059			
Paint.....	272,345	119,074			
Printing.....	92,763	69,810			
Feed.....	1,857,211	2,870,059			
Nebraska—Farmers Union State Exchange					
Feed and seed.....	385,947	(³)			
Poultry and eggs.....	220,104				
New York—Eastern Cooperatives, Inc					
Coffee (roasted).....	115,843	172,326			
Duplicating and offset printing.....	238,747	164,196			
Duplicating and offset printing.....	224,043	8,130			
Duplicating and offset printing.....	14,704				
Ohio—					
Farm Bureau Cooperative Association	8,562,774	7,303,709			
Refined petroleum products.....	4,616,226	3,989,000			
Chicks.....	89,315	80,837			
Fertilizer.....	3,857,233	3,233,872			
Ohio Farmers Grain and Supply Association	519,435	479,457			
Feed.....	345,993	375,765			
Fertilizer.....	173,442	103,692			
Pennsylvania—Pennsylvania Farm Bureau					
Cooperative Association	3,837,379	3,269,853			
Feed and seed.....	3,784,628	3,233,443			
Insecticides and fungicides.....	37,354	36,410			
Chicks.....	65,397				
Texas—Consumers Cooperatives Associated					
Crude oil.....	6,517,300	2,609,761			
Refined petroleum products.....	381,761	79,514			
Feed.....	5,891,859	2,530,247			
Fertilizer.....	243,680				
Washington—Pacific Supply Cooperative					
Feed.....	7,837,093	5,947,656			
Fertilizer.....	6,940,473	5,243,941			
Insecticides.....	502,411	394,209			
Insecticides.....	394,209	703,715			
Wisconsin—Central Cooperative Wholesale					
Bakery products.....	3,524,319	2,028,465			
Coffee (roasted).....	305,182	261,939			
Coffee (roasted).....	261,255	166,644			
Feed.....	2,957,882	1,599,882			

¹ Goods produced by Cooperative Mills (productive federation taken over as department of National Cooperatives in 1947).

² No data.

³ Including dehydrated potatoes.

TABLE 13.—Productive activities of central cooperative organizations, 1946 and 1947—Continued

PRODUCTIVE FEDERATIONS

State, association, and product	Member associations		Value of own production		Total amount of business		Net earnings		Patronage refunds	
	1947	1946	1947	1946	1947	1946	1947	1946	1947	1946
Total	386	239	\$47,175,137	\$32,181,784	\$53,740,713	\$33,325,819	\$2,875,177	\$1,031,796	\$2,213,620	\$926,123
Canada—International Lumbering Association (Vancouver, B. C.): Shingles and logs.....	11	11	1,170,300	486,957	1,170,300	491,200	20,612	25,464	-----	13,746
Illinois—Central Farmers Fertilizer Co. ⁴ (Chicago): Fertilizer.....	15	-----	4,066,337	-----	4,066,337	-----	59,578	-----	48,078	-----
Indiana—Coop. Plant Foods ⁵ (Schererville): Fertilizer.....	4	4	1,219,788	1,104,209	1,219,788	1,104,209	53,515	50,543	53,515	50,543
Iowa—North Iowa Cooperative Processing Association ⁶ (Manley): Feed.....	31	30	1,950,521	1,287,411	1,950,521	1,287,411	248,565	124,105	200,136	102,591
Crude soybean oil.....			1,018,562	795,563						
Kansas—Nat'l Coop. Refinery Assn. ⁷ (McPherson): Crude oil.....	5	5	10,262,259	8,343,849	10,908,680	8,343,849	767,355	129,184	697,802	-----
Refined petroleum products.....			456,398	8,343,849						
Kentucky—Millers Creek Coop. (Paintsville): Coal.....	3	-----	109,570	-----	109,570	-----	7,458	-----	-----	-----
Maryland—Coop. Fertilizer Service ⁸ (Baltimore): Fertilizer.....	3	3	4,352,946	3,261,358	5,806,508	3,719,567	494,013	246,157	433,148	213,708
Fertilizer Mfg. Coop. ⁹ (Baltimore): Fertilizer.....	3	3	1,781,068	1,644,525	1,781,068	1,644,525	70,158	17,377	70,158	17,377
Minnesota—Northwest Coop. Mills ¹⁰ (St. Paul): Fertilizer.....	4	4	2,429,002	937,194	2,753,434	937,194	28,398	2,065	28,398	2,065
Seeds.....			436,158	535,748						
Soybean meal and oil.....			724,823	401,446						
Coop. Printing Association ¹¹ (Minneapolis): Printing.....	125	(²)	45,000	(²)	45,000	(²)	4,500	(²)	(²)	(²)
Ohio—Nat'l Farm Mch'y. Coop. ¹² (Bellevue): Farm machinery.....	13	13	3,771,464	2,353,630	7,388,738	3,001,252	501,349	86,330	231,525	-----
Cooperative Mills ¹³ (Cincinnati): Feed.....	4	4	13,450,140	11,066,384	13,973,828	11,066,384	524,055	569,247	370,593	491,340
Farm Bur. Chemical Coop. (Glendale): Fertilizer.....	2	2	820,917	757,041	820,917	791,002	3,513	23,437	263	20,187
Oklahoma—Producers Cooperative Oil Mill ¹⁴ (Oklahoma City): Feed.....	46	46	1,496,081	740,382	1,496,280	740,382	82,182	8,512	70,442	7,159
Cottonseed oil.....			472,687	278,387						
Cotton linters.....			781,533	337,681						
Washington—Grange Coop. Printing Assn. ¹⁵ (Seattle): Printing.....	13	12	81,479	70,194	81,479	70,194	6,498	7,407	6,498	7,407
Wisconsin—Coop. Publishing Assn. (Superior): Printing.....	104	102	168,265	128,650	168,265	128,650	3,428	336	3,064	-----
Publications.....			79,917	59,086						
Books, office forms, etc.....			66,276	52,462						
			22,072	17,102						

⁴ Fiscal year ending Mar. 31, 1948.⁵ Fiscal year ending June 30.⁶ Fiscal year ending Aug. 31.⁷ Loss.⁸ Fiscal years ending Apr. 30, 1947 and 1948.⁹ Fiscal year ending July 1.¹⁰ Fiscal year ending Oct. 31.

Resources of Productive Federations

All of the 16 productive federations furnished financial data. Assets totaled \$32,191,922, or an average of \$2,011,995 per association. Net worth totaled \$11,298,012 and ranged from 9.4 to 94.2 percent of total assets, with an average of 37.2 percent.

Employment and Earnings in Central Cooperatives

Some 7,600 workers were employed by the 56 central cooperatives which reported on this point (table 14). The annual pay roll totaled \$18,314,581. For those reporting both employment and

pay rolls, average annual earnings per employee were \$2,466 or about 9.5 percent above the 1946 average. It should be pointed out that these figures cover a wide range of occupations, from office clerks to executives and include productive as well as distributive jobs. As in 1946, the highest average earnings reported were in the service federations; National Cooperatives showed the lowest average.

The widest range in employment was shown in the regional wholesales. Three associations had fewer than 10 employees. At the other end of the scale were the large organizations which had gone into production and employed large numbers in both productive plants and distributive ware-

houses. Four associations had over 400 employees each; of these, one had over 500 and one nearly 2,000.

No correlation appeared to exist between earnings and either the size or the geographical location of the business, in the case of the wholesales and service federations.

Per capita annual earnings of employees of the productive federations averaged \$2,341, or slightly over those in 1946. There seemed to be little or

no occupational or geographical pattern. For example, in the fertilizer industry in which annual earnings ranged from \$1,204 to \$2,894, with an average of \$2,055, the average annual payment per wage earner of two plants in the same State varied by over \$1,100. Average earnings were lowest in coal mining and highest in feed manufacture. In the printing industry, earnings ranged from \$1,809 to \$4,073 (a Pacific Coast plant) and averaged \$2,316.

TABLE 14.—*Employment and earnings in central cooperative organizations, 1943-47*

Type of organization	Number of associations reporting	Total employees, 1947	Total payroll, 1947	Average earnings per employee in—				
				1947	1946	1945	1944	1943
All reporting federations	56	7,603	\$18,314,581	\$2,466	\$2,252	\$2,160	\$2,064	-----
Wholesales:								
Interregional	1	231	438,001	1,900	2,478	-----	-----	-----
Regional	22	5,429	13,345,381	2,508	2,294	2,124	2,037	\$2,024
District	7	137	261,625	2,422	2,049	1,963	1,808	1,502
Service federations	10	61	184,832	3,123	2,710	2,459	1,997	1,893
Productive federations	16	1,745	4,084,742	2,341	2,313	2,364	2,259	-----

Bureau of Labor Statistics Publications on Consumers' Cooperatives¹

Bulletin 665. Organization and management of consumers' cooperatives and buying clubs. 25 cents.

Bulletin 821. Developments in consumers' cooperative movement in 1944. 10 cents.

Bulletin 843. Operations of consumers' cooperatives in 1944. 10 cents.

Bulletin 850. Activities of credit unions in 1944. 10 cents.

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Bulletin 942. Cooperatives in postwar Europe: Survey of developments in Scandinavian countries and eastern, central and western Europe. 15 cents.

Serial No. R. 1942. Operations of credit unions in 1947. (Free on request, from U. S. Bureau of Labor Statistics.)

¹ For sale by Superintendent of Documents at prices noted. How to order publications: Address order to Superintendent of Documents, Government Printing Office, Washington 25, D. C., with remittance in check or money order; currency is sent at sender's risk; postage stamps not acceptable.