

Consumers' Cooperatives: Operations in 1948

**A Report on Membership,
Business, and Operating Results**

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Maurice J. Tobin, *Secretary*
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Ewan Clague, *Commissioner*



Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., December 7, 1949.

The SECRETARY OF LABOR:

I have the honor to transmit herewith the Bureau's annual report on the operations of consumers' cooperatives in 1948. 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 cooperatives and carry on manufactures of numerous kinds.

A feature of this report is the analysis of the nonfarm cooperatives in comparison with the whole group of associations (farm and nonfarm) on which the Bureau's estimates are based.

The bulletin was prepared by Florence E. Parker, of the Bureau of Labor Statistics staff.

EWAN CLAGUE, *Commissioner.*

Hon. MAURICE J. TOBIN,
Secretary of Labor.

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Operations of Consumers' Cooperatives in 1948

Progress in 1948

Consumers' cooperatives handling consumer goods or providing consumer services reached new peaks in 1948, both as to membership and volume of business, in spite of an unusually large number of dissolutions. For the first time, however, there was a reduction in the total number of associations. The business of the retail associations approached 1¼ billion dollars and that of the local service cooperatives exceeded 29 millions.

Among the store associations the large increase in business occurred notwithstanding the fact that a larger proportion of the associations than in the previous year (27.0 percent as compared with 19.2 percent) had a decline in volume of goods handled. Operating results were not entirely satisfactory, but showed an improvement over 1947 (the worst year for a long time), with only 20.8 percent of those reporting in 1948 operating at a loss compared with 28.5 percent in 1947. Further, a greater proportion of the associations with earnings had larger earnings in 1948 than in 1947.

Cooperative petroleum associations, as a group, have been expanding at a consistently lower rate than the stores; this continued to hold true in 1948 as regards membership, but their business in that year grew much faster than that of the stores. Operating results for 1948 were somewhat less satisfactory than for the year before; 3.2 percent had losses on the year's operations, the highest proportion since 1941. Well over half of the petroleum associations reporting earnings for both 1947 and 1948, however, had larger earnings in the latter than in the former year.

For the stores, average earnings (for those with earnings) were slightly higher than in 1947, whereas for the oil associations they were lower; losses for both types (for those with losses) were somewhat lower than in 1947.

Over 4,800 retail cooperatives were affiliated

with the regional wholesales at the end of 1948,¹ a gain of over 600. In turn, 24 of the regionals were members of the Nation-wide buying agency, National Cooperatives, Inc.

The regional and district wholesales had a combined distributive and service business of nearly 328 million dollars—an increase of more than 25 percent over 1947. Of 25 regionals reporting, only 2 sustained losses on the year's operations and both of these were associations dealing mainly in food. Among the others, all but 6 had larger earnings than in 1947.

Patronage refunds to member associations by the regional wholesales rose from less than 12¼ million dollars in 1947 to over 17½ million dollars in 1948.

Value of goods produced by central organizations set another record in 1948, reaching a total of nearly 173 million dollars, nearly 35 percent above that of 1947. Relatively more was produced by the productive federations in 1948 than in 1947 (over two-fifths, as compared with slightly over one-third) and relatively less by the regional wholesales (about 56 and over 60 percent, respectively). Refined petroleum products held first place among the goods produced, accounting for two-fifths of the total and reflecting the increasing preoccupation of the cooperative movement with the problem of obtaining adequate supplies in a tightening market. Although food products exceeding 3¼ million dollars in value were manufactured by central cooperatives in 1948, this group of goods is still insignificant in the total.

Services exceeding 3¼ million dollars were performed for local associations by the service federations in 1948, as compared with 1¼ millions in 1947. The reporting associations returned over \$17,000 in patronage refunds on the year's business.

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 handling producer goods only, and hence not covered in this Bureau's figures.

Estimates of membership and business of consumers' cooperatives for 1948 are shown in table 1. It should be pointed out that this table shows the number of associations, not the number of establishments operated. As a great many cooperatives have one or more branches or departments, the number of stores or service stations operated would be considerably greater than the number of associations of either type shown in the table. Also, the table does not show the volume of business done in any particular line, as the associations are there classified according to their main line of business; they may also operate in one or more other lines.

The figures in table 1 include not only continental United States but also Alaska and, for the first time, Puerto Rico. No data were available for Hawaii. The data for Alaska were obtained directly from the cooperatives there. The information for Puerto Rico was furnished by the Office of the Inspector of Cooperatives of Puerto Rico. According to his report, there was as of June 30, 1948, a total of 50 distributive associations there (48 groceries, 1 farm-supply cooperative, and 1 gasoline cooperative) with a combined membership of 6,774 and an annual business of \$3,147,000. In addition, there were 2 housing associations and 29 credit unions. No operational figures were available for the credit unions, for the credit union law was passed only July 1, 1947, and no association had had a full year's operation.

Operations of Local Associations

Membership of reporting associations averaged 850 for the store associations and 714 for the petroleum associations; average volume of business done was \$434,569 and \$298,073, respectively. Net earnings for the store associations with earnings averaged 4.2 percent on total business done; losses for those which ended the year "in the red" averaged 2.7 percent of sales. (The corresponding figures for 1947 were 4.1 and 3.2 percent.) For the petroleum associations, earnings averaged 6.7 percent and losses 2.2 percent (7.9 and 2.5 percent, respectively, in 1947).

The amounts paid in patronage refunds by local associations (available for 363 associations) totaled \$4,264,164. Based on the total business of these associations, refunds were at the rate of 2.6 percent for the stores, 5.0 percent for the

TABLE 1.—Estimated membership and business of consumers' cooperatives in 1948, by type of association

Type of association	Total number of associations	Number of members	Amount of business
<i>Local associations</i>			
Retail distributive.....	3,890	2,354,000	\$1,229,500,000
Stores and buying clubs.....	2,400	1,356,000	828,000,000
Petroleum associations.....	1,350	960,000	385,000,000
Other ¹	80	38,000	16,500,000
Service.....	786	395,290	29,223,900
Rooms and/or meals.....	180	22,000	6,000,000
Housing.....	125	13,000	3,000,000
Medical and/or hospital care:			
On contract.....	60	120,000	2,225,000
Own facilities.....	70	78,000	8,600,000
Burial: ²			
Complete funeral.....	29	25,500	435,000
Caskets only.....	2	590	5,900
Burial on contract.....	10	4,200	60,000
Cold storage ³	185	107,000	7,100,000
Other ⁴	125	25,000	1,800,000
Electric light and power ⁵	805	2,403,676	137,016,260
Telephone (mutual & cooperative).....	33,000	675,000	10,000,000
Credit unions ⁶	9,329	3,748,628	633,783,555
Insurance associations.....	2,000	11,300,000	10,207,500,000
<i>Federations¹¹</i>			
Wholesales:			
Interregional.....	2	77	12,265,635
Regional.....	26	4,846	320,340,390
District.....	20	298	7,337,960
Service.....	19	1,685	3,276,500
Productive.....	16	302	83,739,000
Electric light and power ¹²	10	77	7,399,287

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

² Gross income.

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

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

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

⁶ Data furnished by Rural Electrification Administration. By error, the figures given last year, for 1947, included all REA borrowers, cooperative and noncooperative. The correct figures were 830 associations, 1,953,425 patrons, and \$105,454,020 business.

⁷ Number of patrons.

⁸ Actual figures, not estimates; not including 29 credit unions in Puerto Rico, none of which had yet had a full year's operation.

⁹ Number of policy holders.

¹⁰ Premium income.

¹¹ Figures include an allowance for nonreporting associations.

¹² Includes wholesale distributive, retail distributive, and service business.

¹³ Data furnished by Rural Electrification Administration. Corresponding figures for 1947 were 9 federations, 64 member associations, and \$4,355,370 business.

gasoline cooperatives, 1.8 percent for the "other distributive," and 3.7 percent for the service cooperatives. It should be noted that these refunds include not only the earnings made in the operations of the local cooperatives, but also refunds received by them on their purchases from the wholesales. The latter are becoming an increasingly important factor, and in many cases amount to as much as or more than the local association makes on its distributive business.

A total of 22 local cooperatives reported carrying on productive activities and, of these, 14 reported the dollar value of the goods produced. Over three-fourths of this was the output of a single, large dairy association. The value, by product, is shown on the following page:

	Number of associations	Value of product
All products-----	14	\$8, 290, 881
Bakery products-----	7	403, 145
Meat products-----	7	105, 708
Dairy products-----	5	7, 104, 936
Ice cream-----	2	677, 092

Reports from the housing associations, especially the older ones operating apartment buildings, indicate that monthly "rentals" (supposed to cover amortization, maintenance, and other expenses) need to be reexamined in the light of present-day costs. Some of these associations appear to be sustaining losses year after year, endangering the members' equity and the associations' financial stability.

Dissolutions of consumers' cooperatives continued to be so numerous in 1948 as to more than offset the number of newly formed associations, resulting in a net decline in total number.²

Leading Consumers' Cooperatives

Among the nonfarm consumers' cooperatives reporting to the Bureau for 1948 were 15 associations having 3,000 or more members and 13 whose business exceeded a million dollars. These are listed in table 2.

² This situation is, of course, not peculiar to cooperatives. In all businesses, a steadily increasing number of failures have occurred since the end of the war.

TABLE 2.—Leading consumers' cooperative associations, 1948

Type and name of association	Mem- ber- ship, 1948	Amount of business, 1948
<i>Distributive associations</i>		
Consumers Cooperative Society of Palo Alto, Calif.	1,697	\$1, 189, 828
Rochdale Cooperative, Washington, D. C.	3,630	680, 566
Cooperative Trading, Inc., Waukegan, Ill.	6,509	2, 746, 000
Greenbelt Consumers Services, Greenbelt, Md.	2,506	1, 881, 510
Harvard Cooperative Society, Cambridge, Mass.	26,380	3, 400, 425
United Cooperative Society, Fitchburg, Mass.	3,000	1, 097, 220
United Cooperative Society, Maynard, Mass.	2,644	1, 445, 973
Cloquet Cooperative Society, Cloquet, Minn.	4,134	1, 857, 461
Franklin Cooperative Creamery Association, Minneap- olis, Minn.	3,409	6, 337, 686
Princeton University Store, Princeton, N. J.	10,000	1, 092, 074
Consumer-Farmer Milk Cooperative, Long Island City, N. Y.	6,679	2, 340, 040
The New Cooperative Co., Dillonvale, Ohio	2,151	2, 117, 304
University of Oregon, Cooperative Association, Eugene, Oreg.	3,200	489, 648
University Cooperative Society, Austin, Tex.	16,500	807, 235
Shipbuilders Cooperative, Newport News, Va.	3,718	702, 903
<i>Service associations</i>		
La Société Française de Bienfaisance Mutuelle, San Fran- cisco, Calif.	8,616	1, 157, 002
Group Health Association, Washington, D. C.	6,542	615, 409
Beneficencia Asturiana, Tampa, Fla.	5,498	(1)
Consumers Cooperative Services, New York, N. Y.	(2)	2, 049, 839

¹ No data.

² No data; members in 1947 totaled 8,291.

Trend of Development, 1941-48

Improved operating results in 1948 as compared with 1947 are indicated in table 3. To some extent this may have been due to the disappearance of the failing associations which, having been in dire straits for some time, finally went out of business and therefore had no influence on the year's operating averages. A real improvement, however, is indicated by the rise from 71.5 to 79.2 percent of the proportion having earnings—which was considerably more than could be accounted for by the absence of the failures.

TABLE 3.—Trend of operations of retail store and petroleum associations, 1942-48, and of local service associations, 1948

Item	Store associations							Petroleum associations							Service associa- tions, 1948
	1948	1947	1946	1945	1944	1943	1942	1948	1947	1946	1945	1944	1943	1942	
Membership:															
Percent of increase over preceding year-----	8.4	13.4	11.6	15.9	25.6	13.6	8.3	6.5	9.6	10.8	11.4	14.4	23.9	9.5	1.9
Percent reporting—															
Increase over preceding year-----	77.5	80.9	72.8	82.9	93.8	77.4	75.5	76.9	80.2	77.5	78.2	79.9	74.5	73.8	76.0
Decrease from preceding year-----	22.5	19.1	27.2	17.1	1.2	22.7	24.5	23.1	19.8	22.5	21.8	20.1	25.5	26.2	24.0
Amount of business:															
Percent of increase over preceding year-----	11.3	39.9	30.8	11.5	19.6	28.8	30.8	23.2	26.3	27.9	10.7	22.6	19.1	13.6	10.9
Percent reporting—															
Increase over preceding year-----	73.0	80.8	90.5	72.9	80.3	84.7	90.8	93.2	89.7	94.1	86.3	89.4	71.5	78.9	78.8
Decrease from preceding year-----	27.0	19.2	9.5	27.1	19.7	15.3	9.2	6.8	10.3	5.9	13.7	10.6	28.5	21.1	21.2
Net earnings:															
Percent going from—															
Gain to loss-----	9.0	19.4	5.8	4.2	6.4	6.8	5.4	2.9	2.4	-----	.8	.7	.4	2.0	12.6
Loss to gain-----	3.3	3.7	9.1	10.7	4.2	5.3	4.9	1.8	1.0	.9	-----	.9	1.8	1.2	15.8
Percent reporting—															
Loss in current and preceding years-----	11.8	9.1	3.3	8.4	2.0	1.9	2.2	.3	.5	-----	-----	.5	-----	.4	13.7
Increase in gain over preceding year-----	37.0	30.8	62.5	49.4	62.3	51.7	69.5	54.8	55.3	88.0	78.9	74.5	60.3	64.7	27.4
Decrease in gain from preceding year-----	38.9	37.0	19.2	27.2	25.1	34.3	17.9	40.2	40.8	11.1	20.3	23.3	37.5	31.7	30.5

Nonfarm Associations in 1948

Comparison of the nonfarm cooperatives with the whole group of associations (farm and nonfarm) on which the Bureau's annual estimates are based indicates (table 4) that, as in 1947, the associations of predominantly nonfarm membership fell slightly behind those in which farmers predominated. Earnings of the former group were somewhat less and losses somewhat greater.

TABLE 4.—Operating results of nonfarm cooperatives, 1948, compared with all consumers' cooperatives (farm and nonfarm)

Item	All farm and nonfarm	Nonfarm only
Average membership:		
Store associations.....	850	843
Petroleum associations.....	714	756
Average amount of business:		
Store associations.....	\$434, 569	\$238, 383
Petroleum associations.....	298, 073	400, 939
Net earnings, of those with earnings:	<i>Percent of sales</i>	<i>Percent of sales</i>
Store associations.....	4.2	3.1
Petroleum associations.....	6.7	6.5
Net losses, of those with losses:		
Store associations.....	2.7	2.8
Petroleum associations.....	2.2	4.2
Patronage refunds of those returning such:		
Store associations.....	2.6	2.4
Petroleum associations.....	5.0	6.1

The same was true as regards operating results for 1948, shown in table 5. Among the stores, increases in both membership and business were substantially less for the urban than for the whole group of associations, and the proportions reporting increases were smaller. Also, a considerably greater proportion of the urban associations (34.5 percent as compared with 20.8 percent) sustained losses on the year's operations. Operating results of the nonfarm associations showed some deterioration from 1947, the proportion with losses having risen from 28.3 percent in that year to 34.5 percent in 1948, and twice as many of the nonfarm associations as of all associations (22.6 percent as compared with 11.8 percent) had losses in both years.

Among the petroleum associations, losses were much more common among the nonfarm organizations than among farm and nonfarm combined. Among those which had gains, however, a larger proportion had increases in earnings.

In connection with this point it should be noted that the showing of many local associations was improved, or was even shifted from red to black figures, by the patronage refunds received from

the wholesales to which they were affiliated. This was of especial importance in the case of associations of farmer membership. The urban associations, on the other hand (a very large proportion of which handle groceries only or mainly), did not have this advantage to the same extent, for the grocery wholesales were the very ones which themselves were in difficulty and either unable to return refunds at all or able to pay only small amounts.

TABLE 5.—Comparison of operations of nonfarm store and petroleum associations with all associations, 1948

Item	Store associations		Petroleum associations	
	All	Non-farm only	All	Non-farm only
<i>1948 compared with 1947</i>				
Membership:				
Percent of increase.....	8.4	4.9	6.5	0.6
Percent reporting—				
Increase.....	77.5	70.9	76.9	81.2
Decrease.....	22.5	29.1	23.1	18.8
Amount of business:				
Percent of increase.....	11.3	8.2	23.2	24.3
Percent reporting—				
Increase.....	73.0	65.8	93.2	85.7
Decrease.....	27.0	34.2	6.8	14.3
Net earnings:				
Percent going from—				
Gain to loss.....	9.0	11.9	2.9	23.1
Loss to gain.....	3.3	4.0	1.8	15.4
Percent reporting—				
Loss in both years.....	11.8	22.6	.3	7.7
Increased gain.....	37.0	30.0	54.8	30.8
Decreased gain.....	38.9	31.6	40.2	23.0

Central Organizations

In the 1948 data, several central organizations are covered for the first time. These include Cuna Supply Cooperative, a national organization serving 53 member State Credit Union Leagues with office supplies, forms, etc., used by local credit unions; Cooperative Wholesale Association, formed in 1948 to supply affiliates of the Ohio Farm Bureau Cooperative Association with groceries and other purely consumer goods; and several district wholesales dealing in propane or butane gas and appliances for utilizing such gas.

Summary data on membership, business, earnings, patronage refunds, and own production are given in table 6. All represent substantial increases over 1947.

The 75 federations reported a total of 6,508 affiliated local cooperatives. These should not be assumed to be 6,508 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.

TABLE 6.—Summary of operations of cooperative wholesales and service and productive federations, 1948

Item	All federations	Wholesales			Service federations	Productive federations
		Interregional	Regional	District		
Number of federations reporting.....	75	2	25	18	15	15
Number of member associations.....	6,508	77	4,841	285	1,015	290
Total business.....	\$421,461,447	\$12,265,635	\$316,840,388	\$6,717,960	\$1,948,470	\$83,688,994
Wholesale distributive.....	323,029,149	12,265,635	304,586,242	6,177,272		
Retail distributive.....	7,795,063		7,795,063			
Service.....	6,948,241		4,459,083	540,688	1,948,470	
Value of own production.....	172,823,405	3,389,446	96,449,001	1,065,475		71,919,483
Net earnings, all departments.....	30,827,949	378,817	23,314,076	308,764	27,064	7,556,862
Patronage refunds, all departments.....	24,837,681		17,657,946	260,472	17,167	6,902,096

¹ Loss.

Wholesale Associations

Membership

The membership of National Cooperatives remained unchanged during the year, with 24 regional wholesales, but that of Cuna Supply Cooperative increased slightly over 1947, i. e., from 51 to 53.

Of the 25 regional wholesales in the United States reporting to the Bureau of Labor Statistics, 19 estimated that their 4,036 local member associations had 1,490,200 individual members in 1948; 12 of these regionals (with 3,529 affiliated associations having an estimated membership of 1,199,500) were members of National Cooperatives.

Altogether, as indicated in table 7, 4,841 retail associations were members of the 25 regional wholesales, representing (for those reporting for both 1947 and 1948) an increase of 14.0 percent.

Distributive Facilities³

In California, Associated Cooperatives added, as new lines, fertilizer (produced by one of its affiliates) and insecticides. It decided to sell the land in Maywood (Los Angeles), purchased as the site for a branch warehouse, and to rent space instead; local building restrictions and high costs of construction were given as the reasons therefor.

³ For information on expansion of service and productive facilities of whole sales; see pp. 8 and 10.

By vote of its member associations, Indiana Farm Bureau Cooperative Association took over the Indiana Grain Cooperative (a marketing association); the marketing of eggs has been carried on by the wholesale since the end of World War II.

Farm Bureau Services (Michigan) completed the construction of a garage for servicing transport trucks and started the building of a new warehouse.

The Minnesota Farm Bureau Service Co. acquired a new storage warehouse. Farmers Union Central Exchange (Minnesota) built a new branch warehouse at Billings, Mont., and started the construction of a machinery warehouse in South St. Paul, Minn.

Consumers Cooperative Association (Missouri) leased additional office space in Kansas City and let the contracts for the construction of a branch warehouse in Denver.

Oregon Grange Wholesale announced in May 1948 the opening of a retail branch store at Klamath Falls, raising to 7 the number of its retail branches.

Central Cooperative Wholesale (Wisconsin) opened a branch warehouse in Wadena, Minn., as well as one (for building supplies and machinery) in Superior, Wis.

Among the district wholesales, C-A-P Cooperative Oil Association disposed of its repair garage in 1948; it was explained that, as it was a local facility only, it did not work out well with the petroleum distribution which is on an area basis. Cooperative Services (Maple, Wis.) erected a new

building containing office, showroom, and repair garage. The facilities of Trico Cooperative Oil Association were expanded by the addition of four 17,000-gallon storage tanks.

Distributive Operations

With the exception of two grocery wholesales which have been experiencing difficult times, all of the regional wholesales reporting showed increased business in 1948 as compared with 1947. For the whole group reporting for both years, the increase in the distributive business amounted to 21.4 percent, in service business to 16.8 percent, and in retail business to 74.1 percent. Among the district wholesales as a whole, business increased 11.2 percent, although three associations had a de-

crease. In the latter group, Range Cooperative Federation reported that, although the tonnage increased, it had a \$40,000 decrease in sales caused by declines in prices of goods it handles (butter, cheese, petroleum products, and forest products).

For the whole group of regional associations, earnings were 53 percent above those of 1947. In several associations, however, earnings were lower than in 1947; smaller gross margins and increased operating expense ratios were frequently the cause. Only two associations suffered losses.

The business of all kinds done by the reporting regional and district wholesales in 1948 exceeded 323½ million dollars, as compared with 264 millions in 1947 (table 7). Net earnings totaled over 23½ million dollars and, of this amount, nearly 18 millions were returned in patronage refunds.

TABLE 7.—Distributive business, net earnings, and patronage refunds of cooperative wholesales, 1947 and 1948 ¹

[Associations marked (*) are members of National Cooperatives, Inc.]

Association	Affiliated associations		Amount of business		Net earnings		Patronage refunds	
	1948	1947	1948	1947	1948	1947	1948	1947
All associations:								
Interregional.....	77	75	\$12,265,635	\$10,747,217	\$378,817	\$5,159		\$6,147
Regional:								
Wholesale business.....			304,586,242	249,504,326				
Retail business.....	4,841	4,127	7,795,063	5,058,651	23,314,076	14,987,688	\$17,657,946	11,892,769
Service business.....			4,459,083	3,816,879				
District:								
Wholesale business.....			6,177,272	5,366,602				
Service business.....	285	215	540,688	353,078	308,764	268,460	260,472	192,664
<i>Interregional</i>								
Illinois—National Cooperatives ⁴ (Chicago).....	24	24	12,028,576	\$10,581,140	\$401,259	\$16,632		
Wisconsin—Cuna Supply Cooperative ⁸ (Madison).....	53	51	237,059	166,077	22,442	11,473	(?)	6,147
<i>Regional</i>								
California—Associated Cooperatives ⁹ (Oakland)*.....			1,473,238	1,038,894				
Distributive business, wholesale.....	46	42	1,335,400	928,371	\$30,606	\$17,343	\$13,636	\$2,053
Service business.....			137,838	110,523				
Idaho—Idaho Grange Wholesale ¹⁰ (Shoshone).....	13	13	1,148,243	756,229	82,654	67,006	(?)	67,006
Illinois—Central States Cooperatives ¹¹ (Chicago)*.....			1,594,489	1,633,392				
Distributive business, wholesale.....	250	112	1,538,468	1,615,418	\$29,971	\$33,614		
Service business.....			56,021	17,974				
Indiana—Indiana Farm Bureau Cooperative Association (Indianapolis)*.....			37,058,827	29,801,106	\$2,916,151	\$2,627,947	\$2,916,151	\$2,627,947
Distributive business, wholesale.....	86	86	36,230,550	29,205,529				
Service business.....			828,277	595,577				
Iowa—								
Iowa Farm Service Co. ¹² (Des Moines).....	40	(?)	6,052,955	4,192,461	146,907	(?)	135,922	(?)
Cooperative Service Co. ³ (Waterloo).....	35	34	161,776	132,677	29,792	73,659	54,064	51,896
Michigan—Farm Bureau Services ¹³ (Lansing)*.....			18,544,424	15,875,335	243,148	277,727		
Distributive business, wholesale.....	159	153	12,600,548	11,214,919	225,025	240,478	\$206,616	277,728
Distributive business, retail.....			5,785,797	4,539,203	60,188	69,380		
Service business.....			158,079	121,213	\$38,213	\$32,131		
Minnesota—								
Midland Cooperative Wholesale (Minneapolis)*.....			29,816,678	23,084,288				
Distributive business, wholesale.....	600	509	29,549,972	22,896,889	\$2,276,928	\$1,178,847	\$1,712,933	\$822,526
Service business.....			266,706	187,399				
Minnesota Farm Bureau Service Co. ¹⁵ (St. Paul).....	78	74	4,325,616	3,309,979	279,218	266,521	250,276	266,521
Farmers Union Central Exchange (St. Paul)*.....	425	425	36,410,143	28,517,326	\$4,747,595	\$2,428,513	\$2,998,597	\$1,891,668
Missouri—								
Farm Bureau Service Co. of Missouri ¹³ (Jefferson City).....	22	22	1,664,259	480,611	27,347	1,916	12,963	
Consumers Cooperative Association ¹³ (Kansas City)*.....			55,441,018	39,202,613				
Distributive business, wholesale.....	1,411	1,195	54,174,404	38,367,736	\$8,320,206	\$3,806,837	\$6,172,606	\$2,546,329
Distributive business, retail.....			580,126	834,877				
Service business.....			1,266,614	8,107,391				
Nebraska—Farmers Union State Exchange (Omaha)*.....			8,107,391	6,563,502				
Distributive business, wholesale.....	350	300	6,212,270	4,784,457	638,919	381,878	\$540,000	289,398
Distributive business, retail.....			1,810,121	1,678,947				
Service business.....			85,000	100,098				

See footnotes at end of table.

TABLE 7.—Distributive business, net earnings, and patronage refunds of cooperative wholesalers, 1947 and 1948¹—Continued[Associations marked (*) are members of National Cooperatives, Inc.²]

Association	Affiliated associations		Amount of business		Net earnings		Patronage refunds	
	1948	1947	1948	1947	1948	1947	1948	1947
New York—Eastern Cooperatives, Inc. (New York)*.....	172	175	\$6,180,543	\$6,327,260	\$84,939	\$91,176		
Distributive business, wholesale.....			6,151,512	6,317,818				
Service business.....			29,031	9,442				
Ohio—								
Cooperative Wholesale Association (Columbus).....	77		719,329		14,545		\$4,604	
Farm Bureau Cooperative Association (Columbus)*.....			45,124,056	37,177,490				
Distributive business, wholesale.....	89	89	44,617,136	36,375,996	\$1,442,908	\$1,855,203	\$1,183,962	\$1,104,176
Service business.....			506,920	801,494				
Ohio Farmers Grain & Supply Association (Fostoria).....			2,614,053	2,544,964	93,688			
Distributive business, wholesale.....	225	215	2,414,908	2,284,589	\$93,579	\$114,703	\$71,029	\$94,218
Distributive business, retail.....			199,145	260,375	109			
Oregon—Oregon Grange Wholesale (Portland).....	20	(?)	1,701,122	(?)	(?)	(?)	(?)	(?)
Pennsylvania—Pennsylvania Farm Bureau Cooperative Association (Harrisburg)*.....			18,086,759	14,569,072				
Distributive business, wholesale.....	30	28	17,843,220	14,402,019	\$280,950	\$394,852	\$88,908	\$272,191
Service business.....			243,539	167,063				
Texas—Consumers Cooperatives Associated ³ (Amarillo)*.....	269	252	10,320,243	17,844,997	\$615,691	\$368,226	\$473,940	\$368,226
Utah—Utah Cooperative Association (Salt Lake City)*.....	15	14	1,357,504	1,014,527	\$59,812	10,898	21,953	10,898
Washington—								
Grange Cooperative Wholesale ⁴ (Seattle).....			6,915,317	5,544,920				
Distributive business, wholesale.....	57	57	6,592,808	5,302,221	374,983	284,120	374,983	284,120
Service business.....			322,509	242,699				
Pacific Supply Cooperative ⁴ (Walla Walla)*.....			10,631,171	17,525,274				
Distributive business, wholesale.....	124	119	10,652,544	17,111,538	\$435,696	\$915,868	\$424,803	\$915,868
Service business.....			259,827	413,736				
Wisconsin—								
Wisconsin Cooperative Farm Supply Co. ¹⁰ (Madison).....	59	40	5,999,502	4,381,546	51,540	91,063	33,815	75,068
Central Cooperative Wholesale (Superior)*.....			9,710,732	7,687,265				
Distributive business, wholesale.....	189	173	9,412,010	7,472,473	\$319,702	\$309,351	\$211,182	\$309,351
Service business.....			298,722	214,792				
District								
Colorado—Co-op Services, Inc. (Haxton).....	9	(?)	94,473	(?)	10,703	(?)	9,698	(?)
Iowa—Propane Gas Cooperative ¹³ (Eagle Grove).....	24	21	122,987	70,270	\$3,953	1,010		
Michigan—								
Cooperative Services (Bruce Crossing).....			134,712	115,500				
Distributive business.....	8	7	128,571	115,500	4,060	9,463	2,287	7,289
Service business.....			8,141	(?)				
Northern Cooperatives ⁸ (Hancock).....			12,403,807					
Distributive business.....	8	6	12,349,858	326,000	3,373	13,300	3,373	13,300
Service business.....			53,849					
Minnesota—								
Federated Co-ops, Inc. ⁴ (Cambridge) ²¹			171,259					
Distributive business.....	23	22	98,256	89,149	11,704	4,954	9,936	4,025
Service business.....			73,003					
Trico Cooperative Oil Association ⁴ (Cloquet).....	17	18	510,980	375,679	32,798	28,830	26,827	(?)
C-A-P Cooperative Oil Association ²² (Kettle River).....			232,347	253,887	27,132			
Distributive business.....	19	19	192,404	171,655	22,267	24,915	23,630	21,163
Service business.....			39,943	82,232	4,865			
Range Cooperative Federation (Virginia).....			1,737,924	2,097,811				
Distributive business.....	24	26	1,378,854	1,923,346	\$40,366	\$56,227	\$29,459	\$34,030
Service business.....			359,070	174,465				
Nebraska—Consumers Cooperative Propane Co. ⁸ (Sutton).....	10	10	140,502	85,897	12,134	8,972	10,862	8,972
Oklahoma—Farmers Cooperative Gas Association ¹³ (Enid).....	15	(?)	211,252	(?)	9,699	(?)	8,711	(?)
South Dakota—								
Consolidated Propane Gas Cooperative ²³ (Aberdeen).....	10	10	87,393	24,796	9,421	671		
Propane Service Cooperative ¹³ (Apena).....	4	5	99,592	33,006	14,044	\$3,149	9,696	
Farmers Propane Gas Cooperative Association ¹³ (Arlington).....	42	(?)	51,459	(?)	7,583	(?)	6,370	(?)
Farm Gas Co-op Association ¹³ (Lennox).....	7	7	68,439	44,477				
Wisconsin—								
Fox River Valley Cooperative Wholesale ²⁴ (Appleton).....	48	47	1,630,125	1,200,258	86,598	66,811	85,516	64,206
A & B Cooperative Association ²³ (Ashland).....	4	4	289,884	220,059	13,098	18,213	4,755	4,840
Range Cooperative Services (Hurley).....			394,769	431,440				
Distributive business.....	6	6	393,393	424,957	3,361	11,138	,609	12,642
Service business.....			1,376	6,483				
Cooperative Services ¹⁰ (Maple).....			336,056	262,302				
Distributive business.....	7	7	330,750	261,553	25,743	24,332	25,743	22,197
Service business.....			5,306	749				

¹ Data are for calendar year, unless otherwise indicated.² National Cooperatives at the end of 1948 also had 7 affiliates in Canada: Alberta Cooperative Wholesale, British Columbia Cooperative Wholesale, Manitoba Cooperative Wholesale, United Cooperatives of Ontario, Saskatchewan Federated Cooperatives, Cooperative Federee (Quebec), and Maritime Cooperative Services (New Brunswick). Other affiliates in the United States, not shown in this table either because not federations of local cooperatives or because not handling consumer goods, are Farmers' Cooperative Exchange (North Carolina) and Tennessee Farmers Cooperative.³ Loss.⁴ Fiscal years ending June 30.⁵ 6 months.⁶ Fiscal years ending February 28, 1948 and 1949.⁷ No data.⁸ Fiscal years ending October 31.⁹ Including productive business.¹⁰ Fiscal years ending September 30.¹¹ Fiscal years ending March 31, 1948 and 1949.¹² Including marketing business.¹³ Fiscal years ending August 31.¹⁴ Not including merchandise sold on commission.¹⁵ Fiscal years ending November 30.¹⁶ Approximate.¹⁷ 10-month period resulting from change in fiscal year; includes marketing business.¹⁸ 10-month period; includes productive business.¹⁹ 6-month period resulting from change in fiscal year.²⁰ 6-month period; includes productive business.²¹ The classification of this association was changed from that of service federation, because its wholesale distributive business now exceeds its service business.²² Fiscal years ending April 30, 1948 and 1949.²³ Fiscal years ending May 31, 1948 and 1949.²⁴ Fiscal years ending July 31.

Capital and Resources

Of the 23 regional wholesales furnishing information on their capital structure, 2 were nonstock associations. Among the other 21, both common and preferred stock were used by 19 organizations, to a total of \$17,689,725 in common and \$29,559,952 in preferred. The two associations which had no shares of the latter type⁴ had common stock amounting to \$13,275; in each, most of the operations and expansion had been financed from the association's earnings rather than from investment by the member associations.

Only 2 of the 16 reporting district wholesales had preferred stock; this totaled \$34,910 and the common \$12,090. The common stock of the other 14 associations totaled \$824,844.

Assets, reported by 22 regional and 16 district organizations, amounted to \$149,476,531 and \$2,211,704 respectively. Among the regionals the ratio of current assets to total assets ranged from 36.9 to 97.4 percent (in 1947 the range was from 38.9 to 94.4 percent), with an average of 56.5 percent (53.0 percent in 1947). In 6 of the 22 associations, 70 percent or more of the assets were current, but in 3, less than 45 percent were current. In general, the associations which have gone most heavily into production, with consequent "freezing" of capital in buildings and equipment, were the least liquid.

Among the 12 reporting district wholesales current assets ranged from 34.4 to 91.4 percent of total assets (36.4 to 93.9 percent in 1947) and the average was 52.6 percent (56.4 in 1947).

The ratio of current assets to current liabilities ranged, among the regionals, from 0.9:1 to 15.7:1, with an average of 2.0:1. In five associations, current assets were three or more times as large as the current liabilities. Among the district associations the range was from 0.5:1 to 19.0:1, and the average was 2.5:1.

Member equities (i. e., ratio of net worth to total liabilities) ranged, for the 22 regionals reporting, from 13.3 to 93.8 percent and averaged 58.4 percent; in 1947 the range was from 10.5 to 96.0 percent, with an average of 59.2 percent. In 10

⁴ But the 1948 membership meeting of one of these—Pacific Supply Cooperative—voted to authorize the issuance of preferred stock to finance expansion into new lines and into production.

of the organizations, the member ownership in 1948 was 60 percent or more, and in 2 of these was over 80 percent. Among the district wholesales the range was from 27.6 to 97.0 percent and the average 62.0 percent.

Services of Central Cooperatives

Expansion of Services by Wholesales

Associated Cooperatives (California) put its new management service, announced in 1947, into operation. Consumers Cooperative Association (Missouri) reported that the Cooperative Finance Association, a wholly owned subsidiary of the wholesale, which was formed in 1943 but did not get into operation until February 1948, had in the 6-month period ending August 31, 1948, made loans to 10 local associations amounting to \$69,750. Northland Cooperative Federation (Rock, Mich.), which in addition to its distributive business operates a cooperative summer camp at Marquette, built six new cabins there.

Expansion of Services by Federations

Late in 1948 the Cooperative Finance Corporation was started in California to assist in the financing of cooperative enterprises; two associations had already joined when the year ended. A similar organization, Central Agricultural Credit Corporation, for the specialized purpose of financing purchases of farm machinery by local cooperatives, was started in Wisconsin late in 1948 as an auxiliary to Central Cooperative Wholesale. There is also a general finance organization, Central Finance, Inc., in this region.

Service Business

The substantial increase in service business of wholesales and service federations which occurred in 1948 was to a considerable extent due to the very large expansion in the business of one large federation doing financing. In a number of others, the volume declined. Funeral service decreased in amount in 1947 and 1948. Store services (merchandising, management service, etc.) in 1948 fell to less than half of the 1947 figure (table 8).

TABLE 8.—Value of services performed by cooperative wholesales and federations, 1943-48

Type of service	1948				1947	1946	1945	1944	1943
	Total		Departments or subsidiaries of wholesales	Service federations					
	Amount	Per cent							
All services.....	\$6,948,241	100.0	\$4,999,771	\$1,948,470	\$5,572,870	\$5,485,092	\$3,983,352	\$11,106,417	\$4,550,708
Repairs (autos, machinery, appliances, etc.).....	193,373	2.8	193,373	-----	236,300	154,870	153,183	126,295	77,981
Funeral service.....	102,614	1.4	65,511	37,103	120,385	168,358	97,337	93,412	104,073
Recreation.....	10,548	.2	8,505	2,043	7,398	-----	4,846	4,752	4,864
Insurance, bonds, etc.....	210,725	3.0	210,725	-----	167,488	350,667	246,083	68,498	49,912
Auditing, accounting, tax service.....	311,104	4.5	144,233	166,871	292,745	242,832	167,583	137,274	154,357
Financing and credit.....	1,701,216	24.5	124,984	1,576,232	1,100,414	321,828	130,412	136,275	178,884
Store services (store lay-out, management, planning, advertising, etc.).....	173,076	2.5	155,115	17,961	429,973	217,669	60,585	53,226	15,496
Business analysis and advice.....	8,144	.1	-----	8,144	-----	-----	-----	-----	-----
Transport (truck, pipe-line, tank car, etc.).....	3,781,022	54.4	3,712,563	68,459	2,984,713	3,977,795	3,103,882	10,486,685	3,964,808
Millwright service.....	4,821	.1	4,821	-----	4,995	3,139	3,029	-----	-----
Printing (purchase only).....	68,177	1.0	-----	68,177	65,241	25,172	16,412	-----	333
House insulation.....	25,523	.3	25,523	-----	89,149	22,762	-----	-----	-----
Cold storage.....	282,747	4.1	282,747	-----	19,853	-----	-----	-----	-----
Other.....	75,151	1.1	71,671	3,480	54,216	-----	-----	-----	-----

Some of the service federations set their charges at levels not expected to yield earnings; nevertheless, for the whole group of federations a net gain

of \$27,064 was realized, in spite of losses (3 associations) aggregating \$1,402. Patronage refunds to the amount of \$17,167 were declared (table 9)

TABLE 9.—Service activities of central cooperative organizations, 1947 and 1948¹

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)	
	1948	1947		1948	1947
Total.....	\$4,999,771	\$4,169,957	Missouri—Consumers Cooperative Association ¹	\$1,266,614	\$834,877
Regional wholesales.....	4,459,083	3,816,879	Auditing.....	77,693	53,979
District wholesales.....	540,688	353,078	Management.....	6,957	9,704
California—Associated Cooperatives ²	137,838	110,523	News.....	69,725	53,010
Accounting.....	9,834	5,527	Trucking.....	1,112,239	718,184
Insurance (agency).....	128,004	104,894	Nebraska—Farmers Union State Exchange:.....	—	—
Trucking.....	—	102	Trucking.....	85,000	100,098
Illinois—Central States Cooperatives ³	56,021	17,974	New York—Eastern Cooperatives, Inc.....	29,031	9,442
Auditing and accounting.....	27,671	17,974	Insurance (agency).....	1,625	8,040
Management services.....	28,350	—	Supervisory service.....	9,217	—
Indiana—Indiana Farm Bureau Cooperative Association.....	828,277	595,578	Refrigeration repair service.....	18,189	—
Auditing.....	27,805	22,824	Bookkeeping.....	—	514
Insurance (agency).....	67,417	53,805	Housing information and advice.....	—	888
Finance (credit).....	124,984	91,570	Ohio—Farm Bureau Cooperative Association.....	506,920	801,494
Automobile and machinery repair.....	27,158	24,818	Trucking.....	506,920	453,456
Trucking.....	580,913	402,561	Store plans and specifications.....	—	348,038
Michigan—.....	—	—	Pennsylvania—Pennsylvania Farm Bureau Cooperative Association: Trucking.....	243,539	167,053
Cooperative Services: Automobile repair.....	8,141	—	Washington—.....	—	—
Farm Bureau Services ⁴	158,079	121,214	Grange Cooperative Wholesale ⁵	322,509	242,699
Management.....	7,770	7,377	Auditing.....	1,230	1,243
Millwright.....	4,821	4,995	Trucking.....	321,279	241,138
Trucking.....	145,488	108,842	Other.....	—	318
Northern Cooperatives: Cold storage.....	53,849	(⁶)	Pacific Supply Cooperative ⁷	259,827	413,736
Minnesota—.....	—	—	Truck repair.....	21,125	50,957
Midland Cooperative Wholesale.....	266,706	187,399	Trucking.....	238,702	362,779
Appliance and bulk-station repair.....	29,495	11,469	Wisconsin—.....	—	—
Trucking.....	41,221	34,831	Cooperative Services ⁸	5,306	749
Pipeline and tank-car service.....	195,990	141,099	Insurance (agency).....	—	749
Range Cooperative Federation.....	359,070	174,465	Machinery repair.....	4,756	(⁹)
Automobile repair.....	56,706	82,696	Recreation.....	—	550
Mortuary.....	65,511	64,518	Central Cooperative Wholesale.....	298,722	214,792
Cold-storage locker service.....	228,898	19,853	Auditing.....	—	40,832
Recreation.....	7,955	7,398	Trucking.....	184,547	147,463
Federated Co-ops of East Central Minnesota ¹	73,003	—	Appliance repair.....	9,408	6,477
House insulation.....	25,523	89,149	Advertising.....	27,994	20,020
Insurance (agency).....	13,679	—	Store lay-out.....	74,827	—
Transport of goods.....	33,801	—	Other.....	1,946	—
C-A-P Cooperative Oil Association ⁴	39,943	82,232	Range Cooperative Services: Trucking.....	1,376	6,483
Automobile repair.....	18,395	59,883	—	—	—
Trucking.....	21,548	22,349	—	—	—

See footnotes at end of table.

TABLE 9.—Service activities of central cooperative organizations, 1947 and 1948—Continued

SERVICE FEDERATIONS

State, association, and kind of service	Member associations		Amount of business (gross income)		Net earnings		Patronage refunds	
	1948	1947	1948	1947	1948	1947	1948	1947
Total.....	1,015	964	\$1,948,470	\$1,367,757	\$27,064	\$42,440	\$17,167	\$31,033
Illinois—Cooperative Federation of Chicago Area ³ (Chicago): Supervisory service.....	11	9	1,613	7,679	¹⁰ 187	184	-----	-----
Iowa—Business Service Association ⁹ (Des Moines).....	184	164	22,961	20,167	103	31	-----	-----
Auditing.....			20,319					
Tax and other service.....			2,642					
Maryland—Federated Cooperatives of Maryland (Frederick).....			28,961					
Collection service.....	4	4	3,480	37,155	5,162	14,552	5,162	14,552
Finance and credit.....			9,133					
Management service.....			16,348					
Minnesota—								
Northland Co-op Mortuary ³ (Cloquet): Funeral service.....	20	21	20,925	27,605	1,267	5,135	429	-----
Mesabe Range Cooperative Park Association ⁴ (Hibbing): Recreation.....	52	52	2,043	1,235	¹⁰ 366	¹⁰ 976	-----	-----
Cooperative Auditing Service ¹¹ (Minneapolis).....			103,777					
Auditing.....			73,900					
Bookkeeping and accounting.....	449	444	16,100	90,321	4,398	2,178	3,958	1,960
Business analysis.....			1,518					
Business advice.....			6,626					
Tax service.....			5,633					
Cooperative Press ² (Minneapolis): Collective purchase of office supplies and printing.....	11	14	68,177	65,241	3,566	3,227	3,163	2,862
Midland Credit Corporation (Minneapolis): Financing and credit.....	33	31	1,179,911	739,268	5,009	3,018	¹² 1,429	¹² 850
Farmers Union Cooperative Credit Association (St. Paul): Loans to cooperatives.....	194	169	¹³ 312,576	232,559	2,107	7,598	2,107	6,804
Nebraska—								
Farmers Union Non-stock Cooperative Transport Association ³ (Dodge): Trucking.....	2	2	9,402	11,129	1,968	652	-----	652
Farmers Union Cooperative Transport Association (Kearney): Trucking.....	4	4	41,944	12,146	(⁶)	(⁶)	(⁶)	(⁶)
Farmers Nonstock Cooperative Transport Association (Milford): Trucking.....	4	4	17,113	13,609	1,222	(⁶)	(⁶)	(⁶)
South Dakota—Equity Audit Co. ² (Aberdeen): Auditing and tax service.....	40	39	48,277	39,364	2,411	2,077	910	721
Wisconsin—								
Valley Cooperative Services ¹⁴ (Appleton): Funeral service.....	5	5	16,178	28,262	¹⁰ 849	4,473	-----	2,632
Central Finance (Superior): Loans to cooperatives and discounting of contracts.....	2	2	74,612	37,017	1,253	291	-----	-----

¹ Data are for calendar year, unless otherwise indicated.² Fiscal years ending October 31.³ Fiscal years ending March 31, 1948 and 1949.⁴ Fiscal years ending August 31.⁵ Fiscal years ending February 28, 1948 and 1949.⁶ No data.⁷ Fiscal years ending June 30.⁸ Fiscal years ending April 30, 1948 and 1949.⁹ Fiscal years ending September 30.¹⁰ Loss.¹¹ Fiscal years ending November 30.¹² Dividends paid on share capital.¹³ Amount of loans made.¹⁴ Fiscal years ending July 31.

Resources of Service Federations

Thirteen service federations reported assets totaling \$1,215,748, or an average of \$93,519 per association. Members' equities ranged, in the individual associations, from 21.0 to 97.1 percent of total assets and averaged 84.7 percent.

Production by Central Cooperatives

Expansion of Facilities by Wholesales

Three regional wholesales—Pennsylvania Farm Bureau Cooperative Association, Cooperative G. L. F. Exchange, and Southern States Cooperative—in the autumn of 1948 together purchased a controlling interest in a petroleum refinery and topping plant in Texas. A new corporation, Petrol Refining, Inc., was formed which immediately bought three tanker ships with a reported

capacity of over 5 million gallons each. These will transport crude oil from Venezuela as well as domestic refined products. The total refinery capacity was expected to be 30,000 barrels daily.

In mid-1948 another group of wholesales (Midland, Farmers Union Central Exchange, and Illinois Farm Supply Co.) acquired "a substantial interest" in five refineries (four in Texas and one in Louisiana) with a combined daily capacity of 22,500 barrels of crude oil, which had been owned by Premier Petroleum Co. It was said that the purchase would not "immediately" add very much to the wholesales' present supply of petroleum products (presumably because of prior commitments).

Business reverses and operating losses forced National Cooperatives to make drastic personnel reductions and to curtail its activities. By the end of 1948, the chemical-products factory had been sold back to its original owner. The flour

mill, milking-machine plant, and hot-water heater factory, however, were still being operated by the organization, as well as the major commodity-purchasing departments (groceries, appliances, and tires).

Of the regional wholesales, Associated Cooperatives (California) purchased and took over the operation of the lumber mill at Eureka of which it was already part owner. Illinois Farm Supply Co. bought a petroleum refinery at Pana, Ill., with a capacity of 4,000 barrels a day.

Indiana Farm Bureau Cooperative Association completed an expansion program which had increased the capacity of its refinery at Mount Vernon, Ind., from 2,000 to 8,000 barrels per day and the capacity of its "cracking" plant from 2,500 to 3,500 barrels per day. It acquired a plant for the manufacture of hog-cholera serum and virus, as well as two poultry-processing plants.

Farm Bureau Services (Michigan) completed the construction of its new fertilizer mixing and acidulating plant at Saginaw. Because of the threatened shortage of petroleum products, the membership meeting authorized steps to obtain a source of supply for crude oil. A new organization, Farmers Petroleum Cooperative, was incorporated as a subsidiary of the Michigan Farm Bureau Federation to take over from the wholesale the whole petroleum program.

Midland Cooperative Wholesale made another advance toward self-sufficiency when, early in 1948, it bought leases on Oklahoma land with 100 producing wells and "first call" on any additional production obtained. This raised the output of its refinery at Cushing, Okla., to capacity (5,000 barrels daily) for the first time in several years; a later addition to the plant increased the capacity to 6,000 barrels. At the end of 1948 Midland controlled 8,780 acres of oil-producing land, and its crude-oil reserves were calculated at 2,731,636 barrels. Its production of crude was over 4 times that of 1947. The wholesale drilled or participated in the drilling of 14 wells, 12 of which resulted in gushers and one in a gas well; thus, at the end of the year, the association operated or controlled 141 producing wells. (This association also obtained supplies from National Cooperative Refinery Association, of which it is a member.)

The tractor plant of the Farmers Union Central Exchange made its first run—500 tractors—early

in 1948 and was expected to go on full-time production thereafter. It was reported that this wholesale and four others had bought the Illinois Mid-Continent Co., a crude-oil producing company, thus assuring increased petroleum supplies for the five organizations.

Consumers Cooperative Association (Missouri) constructed additional pipe line between Coffeyville (the location of one of its refineries) and Valley Center, Kans. The wholesale already owned 912 miles of line. In August 1948, contracts were concluded with an Iranian oil company for the importation into the United States of a cargo of oil from the Middle East. Ground was broken at Coffeyville for a new solvent dewaxing plant, expected to be completed early in 1949. Expansion and modernization of the refinery made possible a 30-percent increase in throughput and greater production of higher quality tractor fuel, kerosene, and distillate burner fuels. The refineries at Coffeyville and Phillipsburg, Kans., and Scottsbluff, Nebr., handled 20 percent more crude oil than in the preceding year. Two of the three operated above rated capacity throughout the year.

During the 1948 fiscal year, oil properties were bought in Kansas which included 242 producing wells with a daily capacity of 4,600 barrels; also a 2,000-barrel refinery in Wyoming. These acquisitions, with wells brought in on other properties, raised CCA's total to 994 active wells, not including 94 in which CCA holds a controlling interest. Leases were also acquired on some 115,000 acres of undeveloped land in Colorado, Kansas, New Mexico, Oklahoma, Texas, and Wyoming. The association also owns a one-seventh interest in the refinery of Utah Cooperative Association at Jensen, Utah, and is a member of National Cooperative Refinery Association.

A fertilizer mixing and acidulating plant was bought in St. Joseph, Mo.; in Muskogee, Okla., construction was begun on another fertilizer mixing plant. The CCA printing plant in Kansas City, damaged by fire, was closed for 2 months.

Goods produced in CCA factories constituted over half of the commodities supplied to patrons during the year. The president of the wholesale pointed out at the annual meeting that the member associations saved more through the operations (distributive and productive) of the wholesale than they made on their local operations.

On the average, by patronizing CCA they saved \$1.70 for every dollar saved locally; for petroleum products the figure was \$2.70. The oil wells owned by the wholesale are returning, annually, 42 percent on the amounts invested in them. The total invested in CCA's productive plants is repaid by the latter, from their earnings, $2\frac{1}{2}$ times every $4\frac{1}{2}$ years.

The members of the Farmers Union State Exchange (Nebraska) were told, early in 1948, that the two independent suppliers from which the wholesale obtained its petroleum products had terminated the arrangement, leaving the Exchange with only the supplies obtainable from the National Cooperative Refinery Association, of which it is a member.

The Ohio Farmers Grain & Supply Association completed the construction of a fertilizer plant. In the same State, the Farm Bureau Cooperative Association announced an arrangement with a private manufacturer for the production of a new fireproof and verminproof building panel which, it was thought, would considerably reduce the cost of house construction.

In Texas, the refinery subsidiary of Consumers Cooperatives Associated took over the operation of a number of oil wells in New Mexico, raising to 37 the number operated by it. A new fertilizer plant was also added by this association in 1948.

The Utah Cooperative Association, almost 50 percent of whose business is in petroleum products, lost its source of supply and was forced to buy a refinery. The refinery, at Jensen, Utah, is a topping plant with a daily capacity of 700 barrels. Management of the plant was taken over in September and shortly thereafter the plant began operating at capacity.

Expansion of Facilities by Federations

Among the productive federations, the International Lumbering Association added a new shed for the storage of shingles, Cooperative Plant Foods opened a new rock mill, and the North Iowa Cooperative Processing Association added storage space for 110,000 bushels of feed.

Cooperative Fertilizer Service opened a branch at Winchester, Ky., in March. Northwest Cooperative Mills acquired a new plant at St. Paul for the manufacture of animal feeds and also a fertilizer plant at Winona. National Farm Machinery

Cooperative enlarged its forge shop and started construction of new plants at both Shelbyville, Ind., and Bellevue, Ohio. Producers Cooperative Oil Mill bought two storage tanks of 6,000 tons capacity each.

The Cooperative Printing Association (Minneapolis) bought a new automatic press, and the Cooperative Publishing Association (Superior, Wis.) added to its equipment an offset press and another automatic press.

The refinery of National Cooperative Refinery Association at McPherson, Kans., ran at about capacity throughout the year and handled 6,440,239 barrels of crude oil, or 29.5 percent more than in the previous year. This association completed the construction of a 5,000-barrel catalytic reforming unit. Its 229-mile pipeline for refined products was extended 25 miles, from Council Bluffs, Iowa, to Irvington, Nebr., where a new petroleum terminal was built. Properties with 43 producing wells (but from which NCRA received no oil because of previous contracts) were sold to a private company. Later purchases in Kansas (99 wells) and in Texas raised its total to 401 producing wells by the end of 1948, in addition to leases in three sections of Texas on which were 32 active wells.

Petroleum Production Capacity in 1948

The location and capacity of cooperative producing and refining properties owned by consumers' cooperatives in 1948 are shown in table 10.

TABLE 10.—*Cooperative refineries and oil wells owned by cooperative central organizations, 1948*¹

Owner association	Location of refinery	Daily crude capacity	Oil wells owned
		Barrels	
Illinois Farm Supply Co.....	Pana, Ill.....	4,000	-----
Indiana Farm Bureau Cooperative Association.....	Mt. Vernon, Ind.....	4,000	-----
National Cooperative Refinery Association.....	McPherson, Kans.....	17,500	433
Midland Cooperative Wholesale.....	Cushing, Okla.....	6,500	146
Farmers Union Central Exchange.....	Laurel, Mont.....	10,000	9
Consumers Cooperative Association.....	Phillipsburg, Kans.....	3,400	946
	Scottsbluff, Nebr.....	1,500	
	Coffeyville, Kans.....	20,000	
	Newcastle, Wyo.....		
Farm Bureau Cooperative Association (Ohio).....	Louisville, Ky.....	6,000	21
Consumers Cooperatives Associated.....	Levelland, Tex.....	7,000	-----
Premier Petroleum Co.....	Longview, Tex.....	4,000	-----
	Ft. Worth, Tex.....	7,500	-----
	Arp, Tex.....	5,500	-----
	Cotton Valley, La.....	3,000	-----
	Baird, Tex.....	2,500	-----
Petrol Refining, Inc.....	Texas City, Tex.....	30,000	-----
Utah Cooperative Association.....	Jansen, Utah.....	700	-----

¹ Data are from Pacific Northwest Cooperator, February 1949.

Goods Produced

The outstanding feature of table 11, showing the value of commodities produced by central cooperatives in 1948, is the doubling of the output of crude oil in that year, and the nearly 45-percent rise in refinery output. These figures reflect the great additions to oil-bearing land and to refinery plant made in recent years, now beginning to show results.

A 52.7-percent increase in output over 1947 was attained by the productive federations; the corresponding figure for the productive departments of wholesales was 24.2 percent. As a result, the federations accounted for 43.4 percent of the total in 1948, as compared with 36.8 percent in 1947 and 34.1 percent in 1946. Two federations sustained operating losses in 1948; in 1947 all had been "in the black." Nevertheless, the group was able to return patronage refunds amounting to over 6.9 million dollars—an increase of over 200 percent over 1947 (table 12). Data on the earn-

ings of the wholesale productive departments are not available separately.

Resources of Productive Federations

Combined assets of the 14 productive federations reporting on this point amounted to \$37,906,141, or \$2,707,581 per association. Member ownership (net worth) ranged from 10.6 to 94.9 percent of total liabilities and averaged 40.3 percent.

Employment and Earnings in Central Cooperatives

Employment in central cooperatives showed little change from the preceding year—7,630 employees as compared with 7,603. Total pay roll, however, rose from 18.3 million dollars to 22.8 million dollars. Average annual earnings per employee rose from \$2,466 to \$2,860 (see table 13, p. 15).

TABLE 11.—Value of manufactures of cooperative wholesales and federations, 1943-48

Commodity group	1948				1947	1946	1945	1944	1943
	Total		Departments or subsidi- aries of wholesales	Productive federations					
	Amount	Percent							
All products.....	\$172, 823, 405	100. 0	\$100, 903, 922	\$71, 919, 483	\$128, 420, 867	\$95, 583, 814	\$60, 577, 789	\$48, 999, 183	\$29, 431, 499
Food products.....	3, 816, 287	2. 2	3, 816, 287	-----	2, 725, 804	4, 285, 504	2, 120, 517	2, 073, 462	1, 958, 036
Crude oil.....	10, 953, 136	6. 3	8, 479, 621	2, 473, 515	4, 323, 115	2, 693, 007	1, 438, 027	721, 050	31, 340
Refined petroleum products.....	70, 281, 530	40. 7	53, 224, 389	17, 057, 141	47, 481, 861	36, 392, 061	25, 852, 711	21, 165, 002	6, 743, 901
Lubricating oil.....	8, 754, 656	5. 1	8, 754, 656	-----	6, 284, 424	4, 891, 432	4, 369, 325	4, 659, 465	1, 358, 479
Grease.....	361, 357	. 2	361, 357	-----	323, 716	191, 210	183, 023	226, 374	223, 864
Paint.....	228, 209	. 1	228, 209	-----	272, 345	119, 074	71, 380	81, 689	1, 351, 782
Lumber and shingles.....	2, 375, 381	1. 4	1, 437, 981	937, 400	1, 973, 207	309, 059	693, 598	1, 361, 866	360, 502
Printing and printing products.....	419, 341	. 2	168, 672	250, 669	443, 692	321, 491	249, 239	192, 793	326, 959
Coal.....	315, 356	. 2	-----	315, 356	109, 570	-----	59, 610	29, 274	-----
Chemicals (cosmetics, household supplies, insecticides, serum).....	506, 116	. 3	506, 116	-----	452, 591	930, 742	182, 714	136, 034	(¹)
Poultry and poultry products.....	434, 725	. 3	434, 725	-----	486, 486	298, 749	321, 306	369, 296	246, 247
Feed, seed, fertilizer.....	62, 732, 634	36. 3	21, 495, 388	41, 237, 246	57, 557, 781	42, 673, 541	22, 503, 054	16, 102, 495	16, 781, 157
Vegetable oils and meal.....	3, 890, 618	2. 3	-----	3, 890, 618	-----	-----	-----	-----	-----
Farm machinery and equipment.....	7, 107, 689	4. 1	1, 565, 181	5, 542, 508	4, 760, 897	2, 353, 630	2, 473, 036	1, 868, 809	-----
Hot-water heaters.....	431, 340	. 2	431, 340	-----	931, 959	-----	-----	-----	-----
Other.....	215, 030	. 1	-----	215, 030	293, 419	124, 314	60, 249	11, 574	49, 232

¹ No data.

TABLE 12.—Productive activities of central cooperative organizations, 1947 and 1948 ¹

PRODUCTIVE DEPARTMENTS OF WHOLESALERS

State, association, and goods produced	Value of goods produced		State, association, and goods produced	Value of goods produced	
	1948	1947		1948	1947
Total.....	\$100,903,922	\$80,821,637	Missouri—Coasumers Cooperative Association ⁴	\$33,250,899	\$22,432,741
Interregional wholesales.....	3,389,446	1,746,382	Canned goods.....	225,545	320,469
Regional wholesales.....	96,449,001	78,345,967	Soft drinks.....	13,180	13,490
District wholesales.....	1,065,475	729,288	Crude oil.....	4,881,405	2,655,806
California—Associated Cooperatives ²	92,842	400	Refined petroleum products.....	16,322,262	11,376,242
Mimeographing.....		400	Lubricating oil.....	7,000,426	4,717,792
Lumber.....	92,842		Grease.....	361,357	323,716
Illinois—National Cooperatives ³	3,389,446	1,746,382	Lumber.....	1,845,139	802,907
Flour.....	1,355,911	447,984	Paint.....	228,209	272,345
Chemicals and their products.....	37,014	15,546	Printing.....	113,109	92,763
Milking machines and coolers.....	1,565,181	989,433	Feed.....	2,553,625	1,857,211
Hot-water heaters.....	431,340	293,419	Fertilizer.....	206,642	
Indiana—Indiana Farm Bureau Cooperative Association.....	14,576,717	10,214,793	Nebraska—Farmers Union State Exchange.....	\$ 135,000	335,947
Crude oil.....	2,129,960	308,003	Feed and seed.....	\$ 100,000	220,104
Refined petroleum products.....	9,550,969	6,261,318	Poultry and eggs.....	\$ 35,000	115,843
Printing.....	41,296	41,081	New York—Eastern Cooperatives, Inc.....	338,985	238,747
Meat products.....	95,766		Coffee (roasted).....	324,718	224,043
Chicks.....	175,990	215,931	Duplicating and offset printing.....	14,267	14,704
Feed.....		332,201	Ohio—		
Fertilizer.....	2,449,001	3,056,259	Farm Bureau Cooperative Association.....	10,430,601	8,562,774
Serum and virus.....	133,735		Refined petroleum products.....	6,052,376	4,616,226
Michigan—Farm Bureau Services ⁴	817,811		Chicks.....	119,537	89,315
Fertilizer.....	792,705		Fertilizer.....	4,258,688	3,857,233
Insecticides.....	25,106		Ohio Farmers Grain and Supply Association.....	540,834	519,435
Minnesota—			Feed.....	375,994	345,993
Midland Cooperative Wholesale.....	6,282,896	4,624,247	Fertilizer.....	164,840	173,442
Crude oil.....	847,559	329,041	Pennsylvania—Pennsylvania Farm Bureau Cooperative Association.....	4,053,903	3,887,379
Refined petroleum products.....	4,753,026	3,192,051	Feed and seed.....	3,899,810	3,784,628
Lubricating oil.....	671,352	641,328	Insecticides.....	49,895	37,354
Feed.....	5,204	456,345	Chicks.....	104,198	65,397
Insecticides.....	5,755	5,482	Texas—Consumers Cooperatives Associated ²	5,701,231	6,517,300
Minnesota Farm Bureau Service Co. ⁵	2,977,303	2,195,078	Crude oil.....	620,697	381,761
Feed.....	853,845	798,081	Refined petroleum products.....	5,080,534	5,891,859
Fertilizer.....	2,123,458	1,396,997	Feed.....	(?)	243,680
Farmers Union Central Exchange.....	12,123,312	7,455,714	Utah—Utah Cooperative Association: Refined petroleum products.....	424,788	
Crude oil.....		192,106	Washington—Pacific Supply Cooperative ³	\$ 2,617,194	7,837,093
Refined petroleum products.....	11,040,434	6,338,304	Feed.....	\$ 2,024,921	6,940,473
Lubricating oil.....	1,082,878	925,304	Fertilizer.....	\$ 337,662	502,411
Range Cooperative Federation.....	1,065,475	729,288	Insecticides.....	\$ 254,611	394,209
Meat products.....	77,805	71,371	Wisconsin—Central Cooperative Wholesale.....	2,084,685	3,524,319
Butter.....	414,937	200,580	Bakery products.....	322,295	305,182
Cheese.....	341,952	432,744	Coffee (roasted).....	322,088	261,255
Milk and cream (processed).....	230,781	24,593	Bananas (ripened).....	91,309	
			Feed.....	1,348,993	2,957,882

See footnotes at end of table.

TABLE 12.—*Productive activities of central cooperative organizations, 1947 and 1948*¹—Continued

PRODUCTIVE FEDERATIONS

State, association, and product	Member associations ²		Value of own production		Total amount of business		Net earnings		Patronage refunds			
	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947		
Total.....	290	373	\$71,919,483	\$47,093,658	\$83,688,994	\$53,659,234	\$7,556,862	\$2,868,679	\$6,902,096	\$2,207,122		
Canada—International Lumbering Association (Vancouver, B. C.).....	11	11	{ 937,400	{ 1,170,300	{ 769,000	1,170,300	{ 56,100	20,612	79,017	-----		
Shingles.....			{ 890,000	{ 834,268								
Logs.....			{ 247,400	{ 336,032								
Illinois—Central Farmers Fertilizer Co. (Chicago): Fertilizer.....	15	15	6,368,736	4,066,337	6,491,618	4,066,337	57,663	59,578	42,663	48,078		
Indiana—Cooperative Plant Foods ³ (Schererville): Fertilizer.....	4	4	1,374,368	1,219,788	1,289,731	1,219,788	9,324	53,515	9,324	53,515		
Iowa—North Iowa Cooperative Processing Association ⁴ (Manley): Feed.....	38	31	{ 2,241,818	{ 1,950,521	{ 2,241,818	1,950,521	295,152	248,565	265,561	200,136		
Crude soybean oil.....			{ 1,186,597	{ 1,018,562								
Kansas—National Cooperative Refinery Association ⁵ (McPherson): Crude oil.....			{ 1,055,221	{ 931,959								
Refined fuels.....	5	5	{ 19,530,656	{ 10,262,259	20,498,254	10,908,680	5,368,547	767,355	4,803,675	697,802		
Kentucky—Miller's Creek Coal Cooperative (Paintsville): Coal.....	{ 2,473,515	{ 456,398										
Maryland—Cooperative Fertilizer Service ⁶ (Baltimore): Fertilizer.....	{ 17,057,141	{ 9,805,861										
Fertilizer Manufacturing Cooperative ⁷ (Baltimore): Fertilizer.....	3	3	315,356	109,570	315,597	109,570	7,458	-----	-----	-----		
Minnesota—Northwest Cooperative Mills ⁸ (St. Paul): Feed.....	4	4	{ 5,173,940	{ 2,429,002	{ 5,173,940	2,753,434	26,684	28,398	26,684	28,398		
Seed.....											{ 1,387,140	{ 436,158
Fertilizer.....											{ 780,923	{ 724,823
Soybean meal and oil.....											{ 1,283,318	{ 1,268,021
Cooperative Printing Association ¹⁰ (Minneapolis): Printing.....	(7)	125	69,888	45,000	69,888	45,000	6,563	4,500	(11)	(7)		
Ohio—National Farm Machinery Cooperative ⁹ (Bellevue): Farm equipment.....	12	13	5,542,508	3,771,464	14,590,676	7,388,738	652,114	501,349	551,571	231,525		
Cooperative Mills ¹¹ (Cincinnati): Feed.....	4	4	20,252,956	13,450,140	20,825,305	13,973,828	433,914	524,055	433,914	370,593		
Farm Bureau Chemical Cooperative (Glendale): Fertilizer.....	2	2	826,452	820,917	826,452	820,917	20,974	3,513	17,724	263		
Oklahoma—Producers Cooperative Oil Mill ¹² (Oklahoma City): Feed.....	59	46	{ 2,216,373	{ 1,496,081	{ 2,216,373	1,496,280	150,487	82,182	130,528	70,442		
Cottonseed oil.....											{ 888,505	{ 472,687
Cotton linters.....											{ 1,112,838	{ 781,533
Wisconsin—Cooperative Publishing Association (Superior): Printing.....											{ 215,030	{ 241,861
Publications.....	127	104	{ 180,781	{ 168,265	{ 180,781	168,265	{ 2,980	3,428	-----	3,064		
Office forms.....			{ 86,863	{ 79,917								
			{ 71,946	{ 66,276								
			{ 21,972	{ 22,072								

¹ Data are for calendar year unless otherwise indicated.² Fiscal years ending Oct. 31.³ Fiscal years ending June 30.⁴ Fiscal years ending Aug. 31.⁵ Fiscal years ending Nov. 30.⁶ Approximate.⁷ No data.⁸ 6-month period resulting from change in fiscal year.⁹ Loss.¹⁰ Fiscal years ending Apr. 30, 1948, and 1949.¹¹ 9 1/4 percent; actual amount not reported.¹² Fiscal years ending July 1.TABLE 13.—*Employment and earnings in central cooperative organizations, 1943-48*

Type of organization	Number reporting	Total employees, 1948	Total pay roll, 1948	Average annual earnings per employee ¹ in—					
				1948	1947	1946	1945	1944	1943
All reporting federations.....	60	7,630	\$22,835,912	\$2,860	\$2,466	\$2,252	\$2,160	\$2,064	-----
Wholesales:									
Interregional.....	2	316	714,476	2,270	1,900	2,478	-----	-----	-----
Regional.....	21	5,338	16,299,572	2,851	2,508	2,294	2,124	2,037	\$2,024
District.....	15	114	295,043	2,683	2,422	2,049	1,963	1,808	1,602
Service federations.....	7	37	166,184	4,491	3,123	2,710	2,459	1,997	1,893
Productive federations.....	15	1,825	5,360,037	2,967	2,341	2,313	2,364	2,259	-----

¹ Based upon associations reporting both employees and pay roll.