PERSONAL ATTRIBUTES AND SOCIAL EXPERIENCE AS CORRELATES OF PARTICIPATION IN FARMERS' COOPERATIVES IN MICHIGAN

Thesis for the Dogree of M. A.
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Walter Erwin Book
1948



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#### thesis entitled

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#### presented by

Walter Erwin Boek

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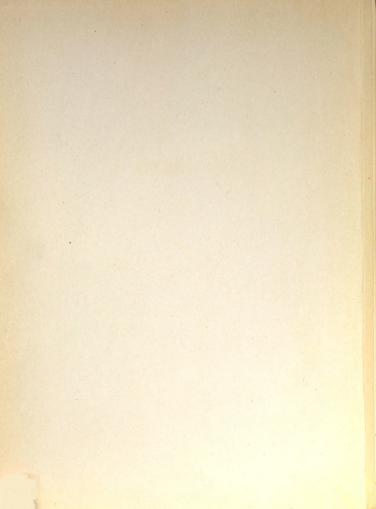
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## PERSONAL ATTRIBUTES AND SOCIAL EXPERIENCE AS CORRELATES OF PARTICIPATION IN FARMERS' COOPERATIVES IN MICHIGAN

By Walter Erwin Boek

#### A THESIS

Submitted to the School of Graduate Studies of Michigan State College of Agriculture and Applied Science in partial fulfillment of the requirements for the degree of

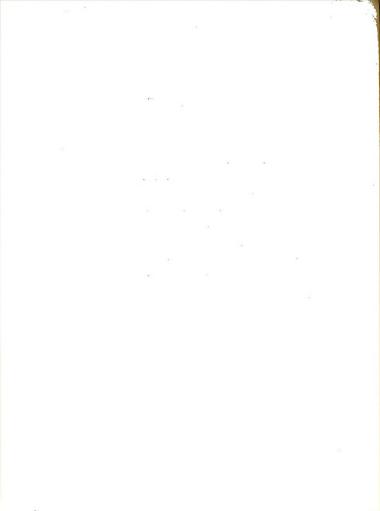
MASTER OF ARTS

Department of Sociology and Anthropology

1948

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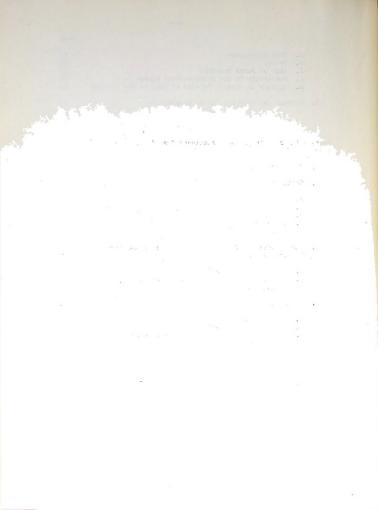
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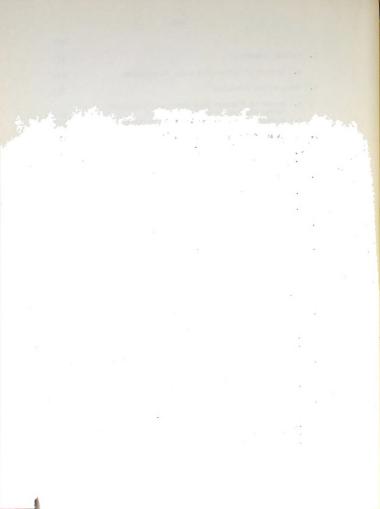
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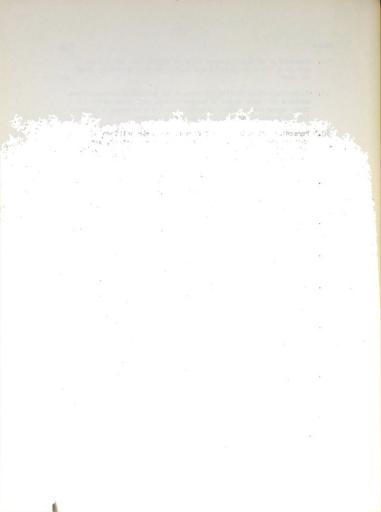


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#### Chapter I.

#### Introduction

A cooperative association is, in general, an organization in which the owners of its facilities are the producers or users of its products. The broad economic objectives of cooperatives are to lower costs, to provide higher quality products, to provide better services and to increase farmers' bargaining power.

Responsibility for the conduct of the various affairs of cooperatives is vested in boards of directors elected by the members.

Good management and adequate financing are not enough for the successful operation of a cooperative. The public attitude and the degree of government control over businesses are such that the relationships of men and cooperatives with the public are as important to their continuance in business as bank balances or credit standing. "A business cannot enjoy sound and stable prosperity unless the people with whom it comes in contact believe that it serves them effectively and on the whole honestly." A successful foundation for a cooperative is built on the individual members and their attitude toward the cooperative.

The solidarity of a cooperative group arises to a considerable extent from the grievances against existing businesses which prompted its organization and from the competition that it meets. A certain amount of solidarity is obtained by developing a feeling of loyalty to IR.W. Miller. "The Place of Public Relations in Business". Reprinted from Business Administration. New York: American Institute

of Banking, 1947. Pp. 5-6.

the principles of cooperation as an economic system and of being part of a large group of people striving toward a single goal.<sup>2</sup>

Within the cooperative association, contacts as members of the group occur only at regular business meetings which usually are held annually. However, contacts of individual members with each other and with the management occur frequently in the everyday operation of the business. Participation in the business of the association involves the willingness to occuperate in a joint risk for earnings or losses, and to this extent requires a certain degree of socialization in the attitudes of its members.

Since most cooperatives are voluntary, the strength and the effectiveness of these associations depend on the extent to which members control, understand, and support the work of the association and its officers, directors, and committees. Under cooperative conditions, one of the most important activities of the associations is the method of approach to problems involving the relationship between members and the association. The objectives of membership relations work are to maintain membership and to educate or disseminate information to members. The latter is particularly important because on it depends the ability of members to control the association judiciously and to support it in a fair and unprejudiced manner.

<sup>2</sup> Dwight Sanderson. Rural Sociology and Rural Social Organization. New York: John Wiley and Sons, 1942. P. 527.

<sup>3</sup> Ibid. P. 526.

<sup>4</sup> William C. Welden and T. G. Stitts. Milk Cooperatives in Four Ohio Markets. Washington, D. C.: Farm Credit Administration, Cooperative Division, Bulletin 16, April 1987. P. 65.

An ordinary business has three groups of people involved in its structure. One group is its stockholders, the second group is its managers and the third is its customers. Sometimes the managerial group is also the stockholders but seldom are the customers the same people that are in either of the other groups. The managerial group has the job of securing a profit for the stockholders from goods or services sold to the customers.

The stockholders generally demand that the managers secure the highest price possible from the customers without losing their business. A public relations problem in this type of organization involves a program, such as an advertising campaign, which encourages the customer to buy or to continue buying the products. Whatever the program, the aim is always to sell more of the goods or services and thus bring in more profit for stockholders.

In this sense a cooperative organization is unique because the stockholders of a cooperative are also its customers. Therefore, any program which tends to get more profit from customers only returns the profits to the same people from which the profits were secured. The managers in this situation try to please the stockholder members by running the business efficiently enough to return a small profit on their investment and also to provide a small return to them in the form of refunds on the business they did in their role as customers.

It is well known that any cooperative association can be only as successful as its membership is loyal. Loyalty of members is often easily affected by a wide variety of factors which may be tangible and justifiable or intangible and unjustifiable; based on facts or on erroneous impressions. It is the opinion of the members, whether justified

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or not, which affect their attitude, their loyalty, and their activities in general toward the association. <sup>5</sup>

A knowledge of these opinions is necessary in order to correct any unwise policies, mistakes, or injustices, or to counteract misunder-standings, rumors, or propaganda put out in opposition to the organization. To be successful, an association must know and heed the demands of the individual members and the objections of non-members.

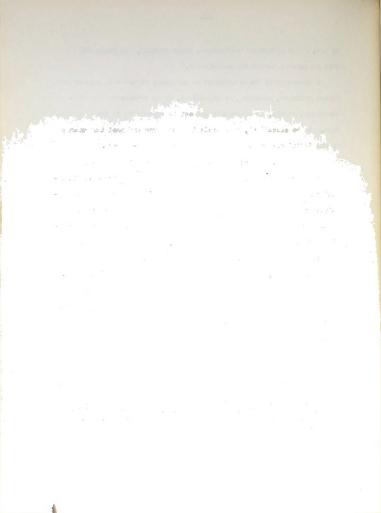
# 1. Purpose and Scope of This Study

The purpose and scope of this study was to gather first-hand information about the kinds and amount of participation by farmers in cooperatives and the opinions and attitudes of farmers toward cooperatives and cooperative practices. This study concerns the broader membership relations problems faced by cooperatives in general rather than by any one cooperative in particular. An attempt will be made to reveal information upon which future, more concentrated and pointed studies can be based.

An attempt will be made to analyze these data in relation to the following questions: (1) What is the extent of participation by farmers in cooperatives? (2) What are the individual and environmental factors affecting the extent of participation by farmers in cooperatives? (3) What are the factors inherent in farmers' attitudes toward cooperation as a system of doing business? (4) What are the characteristics of farmers affecting their opinions when comparing cooperatives with other

<sup>5</sup> John J. Scanlan. Business Analysis of the Utah Foultry Producers Cooperative Association. Washington, D. C.: Farm Credit Administration, Cooperative Division, Bulletin 19, December 1937. Pp. 32-33.

<sup>6</sup> Ibid. P. 33.



businesses? (5) What characteristic elements are there in the degree of loyalty of members to their cooperative?

#### 2. Review of the Literature

The first research in membership relations of cooperatives was published in the middle 1920's when the wave of cooperative organization, which took place between 1917-1920 in Michigan, began to make people realize some of the problems faced by a farmer's cooperative organization. However, not until 1937 and the years following did the number of studies concerning cooperative business and membership relations begin to increase.

Two milk market cooperatives, Sheffield Producers' Cooperative
Association and Dairymen's League Cooperative Association, and one farmers' purchasing and marketing cooperative, the Grange League Federation,
in New York state were some of the earliest cooperatives which began to
see the value of research in membership relations and to appropriate money
to be used for studies which would discover the attitudes and opinions
of farmers toward the cooperatives' programs and policies.

Today, because of the competition which other non-cooperative businesses provide and the opposition to the special tax privilege of cooperatives, more farm cooperatives have become aware of the importance of maintaining good relations between their organization and the farm people. The Michigan Association of Farmer Cooperatives has also realized the value of maintaining understanding and good will with the urban consumer and have appropriate money for a study of the attitudes and opinions of

<sup>7</sup> For further analysis of the data collected in this study see: J.
Howard Kauffman. The Principles of Operation of Farmers' Cooperatives
as Viewed by Michigan Farmers. Bast Lansing, Michigan: Unpublished
master's thesis, Michigan State College, 1948.

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the city people concerning the farm cooperative. This increasing interest indicates that careful research is wanted and that results will be applied to improve conditions which the farmer-owners and non-members have shown as needing changes.

One of the earliest studies in the field of membership relations of farmers' cooperatives was that of Zimmerman and Elack. They found no significant relationship between years of cooperative experience and age, income, and education. These authors concluded that, as the farmer's experience or participation in cooperatives increases, his attitude becomes more favorable. However, they imply that this experience in a cooperative that fails weakens the morale. They found a slight tendency for farmers with incomes over \$5,000 and those over 60 years of age to be less favorable toward cooperation. The geographic distance between farmers and managers was found to be negatively related to confidence in management.

An early study made by Marshall in New York state concerned the opinions which members had of their milk marketing association. Eighty-five percent of the farmers thought that the Dairymen's League had helped to give them a better price for their milk. About 85 percent of the League members and 50 percent of the non-League farmers thought

<sup>8</sup> C. C. Zimnerman and J. D. Black. The Market Attitudes of Minnesota Farmers. St. Faul, Minnesota: Minnesota Agricultural Experiment Station Technical Bulletin 45, 1926.

<sup>9</sup> John Marshall. A Study of Membership Relations and Field Service Problems of the Milk Marketing Organizations in the New York Milk Shed. Theach, New York: Unpublished master's thesis, Cornell University, 1928, in Dunnell. Gibson. Membership Relations of Farmers' Milk Marketing Organizations in New York State. Itheac, New York: Unpublished dostor's dissertation, Cornell University, 1940. Pp. 11-12.

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that the price of milk would fall if the League were eliminated. The most common sources of information about the League among its members were the <u>Dairymen's League News</u>, the local meetings, and the officers, in the order named.

Marshall pointed out that there was still an immense amount of ignorance of the structure and function of the association and that this ignorance would have to be eliminated by a complete educational program if adequate membership relations were to be maintained.

J. K. Stern, 10 in Pennsylvania, studied a centralized cooperative Association which had its main office in Pittsburg. His study was based on 902 interviews with members of the association. Most of the farmers in his study said that they joined because they believed in the organization. Many members were forced to join because of local market conditions and these members have greatly increased the membership problems of the association.

Stern reported that 23 percent of the farmers said that they had received no benefits from the organization. He said the most outstanding fact revealed by the study was that most of the trouble was traceable to lack of information or lack of understanding on the part of members and it was doubtful if the management knew enough about members and local situations. Less than one-eighth of the members spoke of the organization as though they were a part of it.

The author mentioned that the members who reported that they were receiving benefits compared to those who said they had received no benefits, were more successful, more optimistic, more intelligent, had

<sup>10</sup> J. K. Stern. Membership Problems in a Milk Marketing Organization.
State College, Fennsylvania: The Fennsylvania State College Bulletin
255, May 1930.

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better oredit rating, were more interested in community activities, and had more conveniences on their farms than the group which reported that they received no benefit.

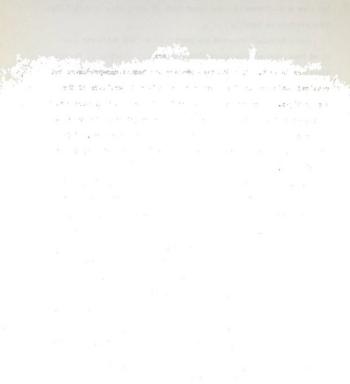
Frank Robotka<sup>11</sup> reported the results of a study which was compiled from personal interviews with managers and officials of farmers' elevators in Iowa. He found that members who became non-producers but retained their memberships increased the membership problems of the cooperatives. Improvements in membership relations usually were made when cooperatives received new charters which required taking up non-producer stock and replacing it with stock sold to producers. This study looked at the membership problems from the managerial side of the associations.

J. W. Jones 12 wrote a bulletin on aspects of membership relations and educational work of cooperatives, using data compiled from visits to 50 relatively large cooperative associations in different parts of the United States. His conclusions are general with little presentation of the statistical support for them.

Jones says that cooperative associations are characterized by a lack of uniformity in the methods used to maintain contact between membership and management. The characteristics of directors and managers and their attitude toward members are important in building satisfactory membership relations. Membership administration must be definitely planned to be successful, and supervision of local meetings and their

<sup>11</sup> Frank Robotka. Membership Problems and Relationships in Lowa Farmers' Elevators. Ames, Iowa Agricultural Experiment Station Bulletin 321, July 1934.

<sup>12</sup> J. W. Jones. Membership Relations of Cooperative Associations. Washington, D. C.: Farm Credit Administration, Cooperative Division. Bulletin 9, October 1936.



programs is necessary for smooth functioning.

Welden and Stitts 15 in their study of 652 milk producers in four cooperative milk marketing associations in Ohio found that members who had larger herds and longer memberships were more favorable to the cooperative's base-surplus plan. Of the producers, about 70 percent attributed improvements in prices and market conditions to the association. Other conclusions concerning membership attitudes related to this study which Welden and Stitts presented were apparently drawn from material not presented in their report.

Clement 14 conducted a study of two marketing and purchasing cooperatives in North Carolina using interviews with 359 farmers, both members and non-member patrons, as the basis for his work. Practically all of the farmers interviewed in his work considered the supplies handled by the association as good or better than supplies handled by non-cooperative organizations.

Between one-fifth and two-fifths of the farmers in Clement's study expressed the belief that their association could render more service in grading or marketing. However, three-fourths of the farmers said their association should not extend credit. Seven-eights of those interviewed stated that the cooperative had lowered the general level of prices of supplies and most all of the farmers thought prices would go up if the association went out of business.

Clement said that the chief source of information indicated by the farmers interviewed was written material, such as newsletters and 15 Welden and Stitts. Op. cit.

<sup>14</sup> S. L. Clement. The Organization, Fractices, and Membership Farticipation of Two North Carolina Farm Cooperatives. Raleigh,
N. C.: The North Carolina Agricultural Experiment Station Bulletin
311, July 1937.

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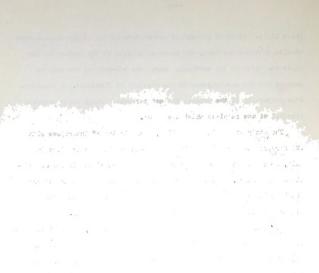
price lists. About 25 percent of the members of one of the cooperatives studied attended meetings, and about 60 percent of the members in the other one attended its meetings. More than one-half of the charter members had not participated in the election of directors. A considerable proportion of the members did not purchase through their cooperative all of the supplies which they used.

The study of Henning and Poling, 15 consisting of interviews with 326 farmers who participated in livestock marketing cooperatives in Ohio, found that tenants were more likely to participate in the associations than owners. These authors stated that one out of four members obtained information from talking with other farmers and that few members attended the annual meetings of their associations.

In their conclusions they stated that the smaller, or local associations had a better opportunity of keeping their members informed than had a large organization whose officers were many miles away from the farmer-members. Likewise, an association with local facilities, even though the main offices were some distance away, had a much better chance to keep farmers informed and educated about the cooperative program. Farmers did not have a clear-out knowledge of the associations, who operated them, and who directed them. They were poorly informed on the names of the directors and their respective territories. A very small percentage knew the director himself.

Two studies have been made by Macklin E. John, one in New York state in 1937, and one in Pennsylvania in 1943. In John's Pennsylvania

<sup>15</sup> George F. Hemning and Earl P. Poling. Attitudes of Farmers Toward Cooperative Marketing. Wooster, Ohio: Ohio Agricultural Experiment Station Bulletin 606, September 1939.



study 18 1256 Dairy farmers in 10 communities were interviewed to determine the attitudes of dairy farmers toward a cooperative milk marketing organization. The study was conducted with scales developed using Thurstone's techniques. Sixteen percent of those interviewed were classified as strongly in favor of the organization, 18 percent were mildly in favor, 53 percent were neutral, seven percent were mildly opposed, and six percent were strongly opposed. The farmers who reported, as a major advantage of the cooperative, the attainment of their particular objectives for joining were more favorable than others reporting the same benefit, but having joined for other reasons.

In this study, these factors were positively associated with favorable attitudes: amount of information, amount of schooling, age of operator, size of farm, number of organizations in which membership was held, mobility of operator, and size of dairy.

Anderson and Sanderson <sup>17</sup> published the findings of the other study made by John, and a study made by Gibson, and one by Losey in mimeograph form in 1943. These three studies made in New York state are probably the most intensive research which has been done in the membership relations field of cooperatives.

- M. E. John's 1937 study in New York state 18 consisted of interviews
- 16 Macklin E. John. Factors Influencing Farmers' Attitudes Toward a Cooperative Marketing Organization. State College, Fennsylvania. Fennsylvania Agricultural Experiment Station Bulletin 457, 1943.
- 17 W. A. Anderson and Dwight Sanderson. Membership Relations in Cooperative Organizations. Ithacs, New York: Cornell University Agricultural Experiment Station Mineograph Bulletin 9, April 1943.
- 18 Macklin E. John. Attitudes of Dairy Farmers Toward the Dairymen's League Cooperative Association. Ithaca, New York: Unpublished doctor's dissertation, Cornell University, 1937, in Anderson and Sanderson. Op. oft.

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with 534 dairy farmers to determine their attitudes toward the Dairymen's League Cooperative Association. Thirty-eight questions were used to obtain a Thurstone-type scale from, "strongly in favor" to, "strongly opposed". Supporting data concerning the characteristics of the farmers were collected.

D. L. Gibson's <sup>19</sup> study consisted of interviews with farmers in areas where the Dairymen's League, the Sheffield Producers' Cooperative, and five local milk marketing cooperatives were located. A general questionnaire was used to obtain opinions about the dairy marketing organization with regard to programs, policies, practices, and their success or failure.

The study of the Grange League Federation by Losey<sup>20</sup> obtained information from 340 farmers, both members and non-members, about the Grange League Federation's program and its policy. A series of questions dealt with the knowledge which farmers had of the cooperative form of business.

From these three studies, Anderson and Sanderson drew four general conclusions which were supported by the data reviewed and which they considered to have general significance for the success of the cooperative movement.

First of these conclusions is that there is a general lack of knowledge on the part of the members of the structure, methods of operation, and policies of their own organization. Second, they conclude

<sup>19</sup> Duane L. Gibson. Membership Relations of Farmers' Milk Marketing Organizations in New York State. Ithaca, New York: Unpublished doctor's dissertation, Cornell University, 1940.

<sup>20</sup> Edwin J. Losey. Membership Relations of a Cooperative Purchasing Association. Ithaca, New York: Unpublished dotor's dissertation, Cornell University, 1940, in Anderson and Sanderson. Op. cit.

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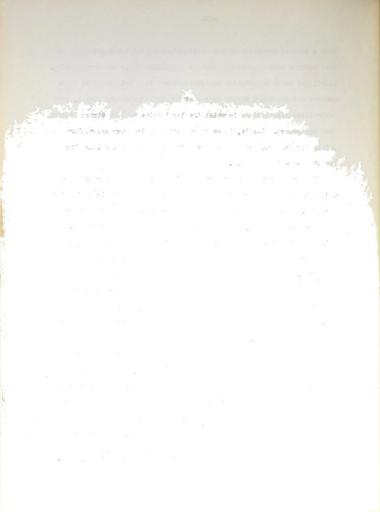
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that a lack of knowledge of the basic principles of the cooperative is more serious than lack of information concerning their own organization. Third, the local cooperative associations are less criticized by their members and command a higher degree of loyalty than do the larger, more centralized associations in which the local units have no direct control over management. Lastly, it seems evident that too many are members solely for the prospect of immediate financial advantage rather than for the long-time benefits.

The Grange League Federation<sup>21</sup> conducted a study of farmer attitudes toward its own organization and policies for use in improving its services. Personal interviews with 1139 farmers, both patron members and non-patron members, were made in seven areas of New York state. This study inferred that farmers were convinced of the value of cooperatives and thus the existence of the Grange League Federation was justified. The facts which they based this assumption on were the answers farmers gave to this question: "Do you think farmers need to cooperate?" Eighty-nine and five-tenths percent of the farmers said yes. This conclusion was used to contrast or to confirm many other conclusions in the study.

The authors of this study said that through cooperatives farmers felt they should be able to buy goods more cheaply, get more for their farm produce, safeguard the interests of agriculture, get better quality products and better service, and receive more information and greater help in planning their farm operations. About 27.1 percent of the farmers would not continue to buy through cooperatives if their prices

<sup>21</sup> Grange League Federation. Audit of Farmers' Attitudes. Report on Research Project Number 1 for Manager's Conference. July 12, 1944.



were higher than other businesses, and 41.9 percent would not sell through cooperatives if their prices for farm products were lower than other businesses.

The Grange League Federation's study stated that 94 percent of their patron-members said they received information about cooperatives from the manager. Following in importance were, circulars and letters, <u>The American Agriculturist</u>, committeemen, radio programs, and annual meetings in that order. Less than one-half of the patron-members said they strongly felt that the Grange League Federation belonged to them.

Several cooperative studies done in Michigan should be mentioned, although none of them attempted to determine either the farmers' appraisal of the successes or failures of cooperatives, or their understanding of the policies and practices of their organizations.

Clayton and Horner 22 surveyed the cooperative situation in Michigan in 1925. Data were obtained by personal visits to each of the cooperatives existing at that time. An analysis was made of the operations of the cooperatives, and these topics were treated; the types and distribution of Michigan cooperatives, legal and economic aspects, and management problems.

In 1935, a second study was made in Michigan by W. O. Hedriok<sup>23</sup> which was limited to a study of cooperative elevators and treated specifically their organizational structure, service records, supplies

<sup>22</sup> C. F. Clayton and J. T. Horner. Farmers' Cooperative Buying and Selling Organizations in Michigan. East Lansing, Michigan: Michigan Experiment Station, Special Bulletin 171, 1928.

<sup>23</sup> W. O. Hedrick. A <u>Decade of Michigan Cooperative Elevators</u>. East Lansing, Michigan: Michigan apricultural Experiment Station, Special Bulletin 317, June 1942.



handled, and business volume. Direct comparisons were made between the elevator situation in 1935 and the situation in 1925, the time of the Clayton and Horner study.

A financial study of Michigan farmers' cooperatives was made in 1937 by the St. Paul Bank for Cooperatives, 24 assisted by the Michigan State College and the Michigan Agricultural Experiment Station which collected data on all Michigan cooperatives and published a bulletin.

Later, H. E. Larzelore<sup>25</sup> prepared an analysis of the financial management of farmers' cooperatives. The general purpose was: (1) to study the nature and volume of business and the capital structure of marketing and purchasing cooperatives, (2) to compare the financial condition of Michigan cooperatives, (5) to develop selected management ratios for the use of managers and directors.

G. N. Motts<sup>26</sup> reported a study in 1942 in which fruit and vegetable cooperatives in Michigan were surveyed and analyzed. Special attention was given to the history, operating methods, organizational and financial structure, management problems, and efficiency of these cooperatives.

In addition to these five published studies, there have been three master's theses written on cooperatives in the Department of Economics at Michigan State College. In 1926, Diehl<sup>27</sup> discussed the need for crop

<sup>24</sup> Farmer Cooperatives in Michigan. St. Paul, Minnesota: St. Paul Bank for Cooperatives, 1937.

<sup>25</sup> H. E. Larzelere. Financial Management Analysis of Farmers' Cooperatives in Michigan. East Lansing, Michigan: Michigan State College Agricultural Experiment Station, Special Bulletin 315, May 1942.

<sup>26</sup> G. N. Motts. Fruit and Vegetable Cooperatives in Michigan. East Lansing, Michigan: Michigan Agricultural Experiment Station, Special Bulletin 317, June 1942.

<sup>27</sup> Wilbur W. Diehl, Jr. The Use of Crop Contracts by Producers' Cooperative Associations. East Lansing, Michigan: Unpublished master's thesis, Michigan State College, 1942.



contracts between cooperatives and their members, using court decisions as the basis for his statements.

The cost of credit extension in representative Michigan Agricultural cooperatives was studied by MacPherson<sup>28</sup> and reported as a master's thesis in 1940. He selected six marketing and purchasing cooperatives and examined the nature of their credit problems and practices. An attempt was made to measure the cost of extending credit and ways were suggested to minimize credit problems.

The third master's thesis was done by Kloman<sup>29</sup> in 1942. He discussed the revolving fund plan of cooperative financing, using as sources for his study cooperative records and opinions of managers.

Except for the studies in Michigan, the research reviewed has been that which emphasized membership relations problems of cooperatives.

Other studies of cooperatives which have as their purpose other phases of cooperatives are listed in the bibliography.

3. History of Cooperation in Michigan and of the Michigan Association of Farmer Cooperatives.

About one-third of Michigan's 175,288 farm operators 30 are marketing farm products or purchasing farm supplies through approximately 350 cooperative organizations. Michigan ranks minth among the states

- 28 Donavon Dale MacPherson. Cost of Credit Extension in Representative Michigan Agricultural Cooperatives. East Lansing, Michigan: Unpublished master's thesis, Michigan State College, 1940.
- 29 Saul B. Kloman. The Revolving Fund Plan of Cooperative Financing and its Application in Michigan. East Lansing, Michigan: Unpublished master's thesis, Michigan State College, 1942.
- 30 United States Census of Agriculture, 1945: Michigan. I, part 6, Washington, D. C.: United States Government Frinting Office, 1947. P. 10.

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in the proportion of farm products sold cooperatively with about onethird of its total farm each income moving through cooperative organizations. Cooperatives are marketing at least 25 percent of Michigan beans and grain. 31

The Frankenmuth Cheese Manufacturing Company started in 1884 and is probably the oldest operating farmers' cooperative in the state.

More Michigan cooperatives in operation today were organized in the years 1917-20 than in any other period. Much of the incentive for this increase came from Michigan State College and the agricultural extension service. The Some of the cooperatives organized during this time failed during the depression. In the years following the depression those that survived began to see the mistakes of earlier years and realize their limitations. Improved business practices and better management has tended to stabilize the cooperatives and place them on a sound financial program during the World War II inflation period.

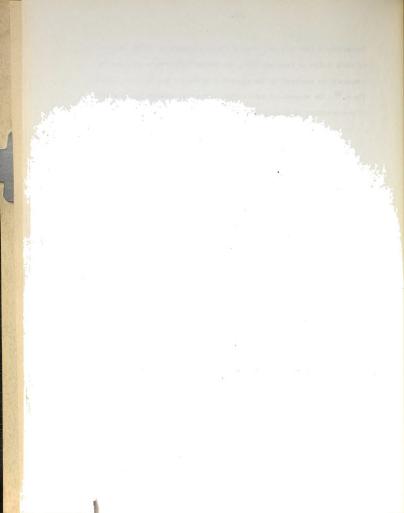
The Michigan Association of Farmer Cooperatives was organized as a division of the Michigan Farm Bureau in 1944. Its major function during its first three years of operation has been to carry on at the state level, the defense of cooperatives in the tax battle against legislation proposing taxes on cooperative income. However, other functions and purposes are: to serve cooperatives in various fields pertaining to public, patron, and employee relations; cooperative education, both among cooperative patrons and other economic groups such as city consumers, educators, and religious leaders; business research; and cooperative organization. The Michigan Association of Farmer

<sup>31</sup> Farmer Cooperatives in Michigan. Op. cit. P. ii.

<sup>32</sup> Ibid. P. 5.

Cooperatives does not deal with problems relative to buying and selling of commodities or farm supplies, but rather supplements services to cooperatives rendered by the commodity exchanges and business federations. 33 The success of this organization will enhance the position of cooperatives in Michigan.

<sup>33</sup> Annual Report. East Lansing, Michigan: Michigan Association of Farmer Cooperatives, August 1947.



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# Chapter II.

## Methodology

#### 1. Background of Study

The Michigan Association of Farmer Cooperatives was interested in studying membership relations of Michigan cooperatives. Representatives of the Association discussed the possibilities of a study with officials of the Social Research Service. 34 A plan for the study was agreed upon and funds were provided by the Michigan Association of Farmer Cooperatives. The study began with the development of a schedule of questions during the spring of 1947.

## 2. Development of Schedule

The schedule of questions to be used in the study was based on the objectives of the study as outlined by the Social Research Service and the Mich igan Association of Farmer Cooperatives. It was agreed that the primary emphasis of the study would be placed, not upon the particular problems of any one or more cooperatives which happen to fall into the area sampled, but upon the broader membership relations problems faced by cooperatives in general. An attempt was made to provide answers by questions in the schedule to these types of questions:

<sup>1.</sup> How laigh does cooperation stand with its members and with non-members as a method of doing business?

In the opinion of farmers, how do cooperatives compare with other forms
of business on such features as price, quality, service, etc?

<sup>34</sup> The Social Research Service of Michigan State College was established in the Department of Sociology and Anthropology by the State Board of Agri Culture in November, 1946, to survey public opinion and study human relations.

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- 3. What criticisms or suggestions do members and non-members have about the methods of operation and the general policies of cooperatives?
- 4. What knowledge of the principles and methods of operation of cooperatives do farmers have as a basis for the opinions which they express?
- 5. What are the sources of information about and the kinds of experience with cooperatives reported by members and non-members?
- 6. What is the extent of awareness of farmers of the state-wide and national problems facing cooperatives?

All available schedules and questionnaires which had been used in research work on cooperatives were studied to help in preparing questions. Types of questions were generally used which would make possible strictly comparable results on a quantitative basis of different workers. Categorized, multiple choice, yes-no, and simple rating types, which permitted a check mark to record the answer, and some free-response questions were used to record the farmers opinions. In general, leading questions were used to record the farmers opinions.

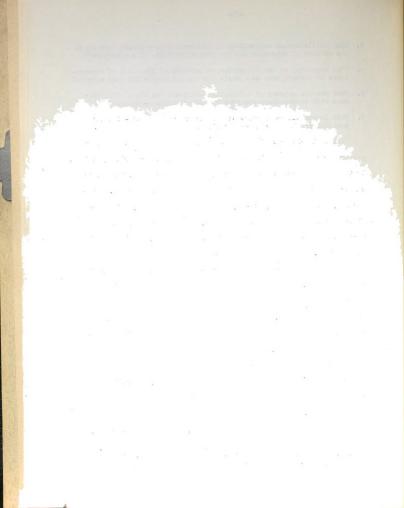
The names or addresses of the farmers were not asked or recorded on the schedule. The farmer was assured of the anonymity of his answers before the objective facts about characteristics related to him and to his farm were obtained. In order to reduce suspicion and keep better rapport these questions were not asked until all of the opinion questions.

farmers - which did not fit the classifications set up, by writing them on the cohedule near the questions which were being asked at the time of the

A group of the questions were assembled, formed into a schedule, and

<sup>35</sup> For a discussion of developing schedules and types of questions, see:

G. H. Lundberg. Social Research. New York: Longmans, Green and Company. 1942. Chapter VII.



pretested on farmers near Michigan State College. After these questions were revised and others added, the entire schedule was pretested by a different interviewer in the area near Williamston. After necessary corrections and additions were made, it was again pretested by a third interviewer near St. Johns. After eight revisions, the final schedule was prepared, and it was pretested by both the second and third interviewers in the area near Haslett.

The final schedule was adapted for easy transference of the data to International Business Machine cards so that the use of I.B.M. counters and sorters would facilitate mass assembling of the data. This included numbering questions and numbering the answers to the questions. The I.B.M. cards contain only 80 columns, so another series was started after 78 questions had been asked. The schedule as used in the interviewing is Appendix A. 36

#### 3. Selection of Areas Sampled

The following points were considered in selecting the sample areas:

(1) that, in general, the sample should be confined to areas where the greates at amount of information could be obtained with the least time and expense; (2) that interviews be confined to heads of households;

(5) that some persons not now members of cooperatives should be included in the sample; (4) that areas where cooperatives have been operating for less than ten years should, in general, be avoided; (5) that areas in which unusual happenings dominated the scene, such as formation of a new cooperative or the recent failure of a cooperative, should be

<sup>36</sup> The Last four questions in the schedule were added to aid a study on Adio listening audiences which was being done by the Social Reacarch Service at Michigan State College.

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avoided; (6) that the areas selected be where neither the most successful nor where the least successful cooperatives existed; (7) that the sample be confined to areas where several cooperatives existed, preferably several types of cooperatives; (8) that the sample areas included a cross section of the types of farming in Michigan; (9) that the sample areas have a wide geographical spread in the southern part of the lower peninsula, which would be south of a line drawn from Bay City to Muskegon.

The following five major areas were found to satisfy these requirements; (1) areas around Coldwater and Bronson in Branch county; (2) areas around Eau Claire in Berrien and Cass counties; (3) a.

area around Moline in Allegan and Ment counties; b. area between Burnips and Harmilton in Allegan county; c. area near Hudsonville and Jamestown in Ottawa county; (4) area around Pigeon and Elkton in Huron county; and (5) area around Elissfield and Deerfield in Lenawse and Monroe counties.

The general location of these sample areas is shown on a map of Michig are in Figure 1.

Michigan Association of Farmer Cooperatives but at the same time to satisfy the requirements of a suitable research project. This sample is not a cross section of the state. It is, however, a fair cross section of the state of Michigan.

The hranch County sample area was divided into two parts to make possible interviews with farmers who had opportunities for experience with more cooperatives and to include farmers with different ethnic characteristics. Coldwater was the center of one of the parts and Bronson was the center of the other part. Branch county is in the

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southermost tier of counties in Michigan near the center of the state bordering on Indiana. The general type of farming in these sample areas is corn, small grains, dairy, and livestock. 37 The ethnic stock of the farm people around Coldwater is Italian and Old American with a small settlement of Italians west of Coldwater. Around Bronson the ethnic stock is Polish. 38 There were 636 farms in these sample areas which gave us a selection of approximately every sixth farm to obtain one hundred interviews.

The Eau Claire sample area was in Berrien and Cass counties and the village of Eau Claire, which was within the sample area, is nine miles from the village of Dowagiac and eleven miles from Benton Harbor, the world's largest fruit market. Berrien county is the southwesternmost county in Michigan. The ethnic stock is a mixture with no group predomainate. So the general type of farming is fruit and truck crops. 40 Approximately every fifth one of the 493 farms was selected to obtain one humained interviews.

The Moline, Burnips-Hamilton and Jamestown sample area was divided into there areas in order to include a wide range of cooperatives. The area are und Moline is in Allegan and Kent counties. Ethnic stock of the farm people is Polish and mixed. The Burnips-Hamilton area is in

<sup>37</sup> E. B. Hill. Types of Farming in Michigan. East Lansing, Michigan: Michigan Experiment Station Special Bulletin 206 (Rev 1. sed), June 1939.

<sup>38</sup> J. F. Thaden. "The Farm People of Michigan According to Ethnic Stocks: 1945." East Lensing, Michigan: Michigan State College map. For a further discussion see: J. F. Thaden. "Ethnic Settlements in Rural Michigan." Michigan Agricultural Experiment Station Quarterly Bulletin, XXIX, 2, November 1946. Fp. 102-111.

<sup>39</sup> Ibid.

<sup>40</sup> Hill. Op. cit.

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Allegan county, and the ethnic stock is mixed. The Jamestown area is in Ottawa county and has an ethnic stock of Hollanders. He Kent, Allegan, and Ottawa counties are located in the western part of Michigan. The general type of farming is poultry, dairy, and truck crops. He Since there were 857 farms in the three parts of this area, approximately every eighth farm was selected to obtain one hundred interviews.

The Pigeon-Elkton sample area is in Huron county which is in the northernmost part of the thumb region near Leke Huron. The general type of farming is dairy, hay, special crops, beans, and sugar beets. 

The ethnic stock of the rural peocle is a mixture, with Canadians predominating. A portion of the area near Pigeon was settled by German farmers. 

Approximately every fifth farm of the 562 in the area was chosen to obtain one hundred interviews.

The Blissfield-Deerfield sample area is in Lenawee and Monroe counties, which are in the southernmost tier of counties, near the southeastern corner of the state. The general type of farming is corn and livestock. <sup>115</sup> Wheat is replacing livestock at this time and tomatoes are important. Ethnic stock of the people is Old American and German. <sup>116</sup> Approximately every sixth of the 681 farms was selected to obtain one hundred interviews.

Farmers interviewed in all the areas listed association with seven-

<sup>41</sup> Thaden. Op. cit.

<sup>42</sup> Hill. Op. cit.

<sup>43</sup> Ibid.

<sup>44</sup> Thaden. Op. cit.

<sup>45</sup> Hill. Op. cit.

<sup>46</sup> Thaden. Op. cit.

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teen local elevator and supply cooperatives, three local milk or oream cooperative markets, one local fruit market cooperative, Farm Bureau Cil Cooperative, Michigan Livestock Exchange, Michigan Milk Producers Association, Detroit Facking Company, Farm Bureau Fertilizer Cooperative, Rural Electrification Administration, oredit cooperatives, mutual insurance companies, and the Michigan Farm Bureau. This is a total of 30 different cooperatives of which 21 are controlled almost entirely within the local rural communities.

#### 4. Procedure in Interviewing

The total number of farmers interviewed for this study was 500, not counting farmers interviewed during the pretesting. One hundred farmers were interviewed in each of the five general areas selected,

The farmers to be interviewed were selected entirely by chance. Before the interviewers went into any area, the farms within the area were counted on the county maps of the Michigan Highway Department. The total number of farms in the area was divided by 100, the desired number of interviews in the areas, to determine the proportion of farms to be visited. The total number of farms in the Eau Claire sample area was 453. Four hundred ninety-three divided by 100 equals approximately five, which means that one out of every five farms would equal approximately 100 interviews.

The actual farms visited were determined by counting on a map, and marking every fifth farm with a red pencil on all north and south roads. After the north and south roads were finished, the count was continued to the east and west roads. After every fifth farm was marked, they were numbered, and corresponding numbers were given to the schedules.

When the interviewers went into the areas, they located the marked farms and used the corresponding schedule for the interview.

A few of the farm residences marked on the map were not actual farms when located because of changes since the maps were made. The farm selected and marked on the map was not used unless it contained at least three acres or unless it had an income of at least \$250 during the previous year from products produced on the farm. This definition is the same as that used by the United States Census enumerators in 1945.

If the farm did not meet these requirements, a substitution was made. The procedure used in selecting substitute farms was to select the farm closest to it on the side away from the center of the area and then on the next substitution to select the farm closest to the one not satisfying the requirements on the side nearest the center of the area.

This alternating system of substitution was used so that substitution would not continually be made closest or farthest from the villages which were generally in the center of the areas.

Interviews were held only with heads of households. If the farm was not operated by its owner, or if it was a partnership, the person who made the buying and selling decisions was interviewed. Because of the tendency toward expanding farm sizes by renting or buying additional farms, it was necessary to interview many farmers on farms which were sometimes several miles from the farm originally selected and sometimes outside the areas selected.

The interviewers attempted to segregate the farmer interviewed

<sup>47</sup> United States Census of Agriculture, 1946: Farm Fogulation and Labor. 17, Chapter V, Washington, D. C.: United States Government Frinting Office, 1947. P. 909.

demit is reclaimed at a few time of more resident

from members of his family or other distracting influences, while the interview was conducted. Generally, appointments were made with farmers who were busy or with farmers who could not be separated from neighbors or other disrupting influences.

The interviews were conducted during the summer harvest period so that many farmers were interviewed during chore time early in the morning, sometimes starting at five A. M. and in the late afternoon and evening from four to nine P. M.

If the farmer was not available after at least three attempts were made to see him on three different days and the interviewers were ready to leave the area, a substitute was selected.

Three hundred and two, or 60.5 percent of the interviews were secured on the first trip to the farm. One hundred forty-three, or 28.7 percent, required two visits to the farm. Three visits were necessary for 38 farmers, or 7.6 percent of the sample. Fifteen interviews, or three percent required four visits, and one farmer required five trips. The record of the number of visits required in order to get one of the interviews was lost.

The cooperation which the interviewers received from farmers was excellent. Farmers were interested in cooperatives and willing to talk about them with the interviewers. Only six farmers, or 1.2 percent of the total interviews secured, refused to answer the questions.

The interviewing was done by three field workers. 48 One interviewer made 356 interviews, one made 153 interviews, and the third made 11. Interviews in the Coldwater-Bronson sample area were secured

<sup>46</sup> Dr. Duane L. Gibson, Professor of Sociology and Anthropology, Michigan State College, J. Howard Kauffman and Walter E. Roek, Craduate Research Assistants, Department of Sociology and Anthropology, Michigan State College.

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by an interviewer working alone. Three interviewers worked in the Elissfield-Deerfield sample area at the same time and two interviewers worked in the other three areas at the same time.

Interviews were taken in the Coldwater and Bronson sample areas
from July 9 through 18; in the Blissfield-Deerfield sample area from
July 22 through 30; and in the Eau Claire sample area from August 1
through 7. Interviews were secured from the Moline, Burnips-Hamilton,
and Jamestown sample areas from August 8 through 14 and from the PigeonElkton sample area from August 15 through 20,

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#### Chapter III.

#### Extent of Participation in Cooperatives

### 1. Memberships in Cooperatives

Types of Cooperatives. After nearly all the opinion questions had been answered, the farmer was asked if he was a member of a cooperative. Three hundred and fifty-nine farmers or 71.8 percent of the sample said they were members of cooperatives. When these 359 were asked to name the cooperatives to which they belonged, they listed memberships in the types of cooperatives indicated in Table 1. Many farmers were members of more

Table 1. Number of memberships by type of cooperatives

Type of cooperative	Number of memberships
Both elevator and supply	341
Fruit or vegetable marketing and supply	73
Oil and gas	36
Milk or cream marketing (local)	20
Michigan Milk Producers Association	14
Detroit Packing Company	7
Livestock marketing (including Michigan Livestock Exchange)	8
Exchange) Rural Electrification Administration Michigan Farm Bureau	3 14
Farm Bureau Fertilizer Cooperative	3
Credit cooperatives	1

than one of the same type of cooperative as well as members of more than

Farmers were not asked whether they were members of a cooperative until nearly all of their opinions had been recorded. Later after objective data about the farmer and his farm had been recorded, corroboratory questions were asked about specific cooperatives. Some farmers would recognize their previous mistake of saying they were not members, but the former answers were not changed.

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one type of cooperative. Thus, in the above table, fewer than 341 farmers had memberships in the elevator and supply cooperatives.

Sixty-three farmers, or 12.6 percent of those interviewed, had dropped out of one or more cooperatives. Of these, 23 were not now present members of any cooperative.

Unaware Members. To find out whether farmers would recognize their membership in cooperatives, they were asked if they belonged to cooperatives. Those who said they did were asked to name the cooperatives to which they belonged. Later in the interview, the farmers were asked specifically if they belonged to each of these cooperatives: Michigan Milk Producers Association, Detroit Packing Company, Michigan Livestock Exchange, Rural Electrification Administration, Michigan Ferm Bureau, and mutual insurance companies.

The farmers who said they were not members of cooperatives and yet said they were members of any one or more of the cooperatives about which they were explicitly asked were called, "unaware members" and were considered as members in the analyses presented in this thesis.

Michigan Milk Producers Association. Fourteen farmers said they were members of the Michigan Milk Producers Association when asked to name the cooperatives to which they belonged. However, 65 farmers or 13 percent of the sample said they were members when asked specifically. Forty-two farmers had been members at one time and 40 of these were now members of other cooperatives. One hundred and seven or 21 percent of the sample had actual membership experience in the Michigan Milk Producers Association.

<u>Detroit Packing Company.</u> Seven farmers said the Detroit Packing Company was one of the cooperatives to which they belonged. However,

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54 farmers or 10.8 percent of the sample said they belonged when asked explicitly. Mine percent of the farmers had at one time been members, making a total of 100 farmers or 20 percent of the sample who had actual membership experience in this cooperative. Mine of the past members were not now members of any cooperative.

Michigan Livestock Exchange. Eight farmers said they were members of the Michigan Livestock Exchange when asked to name the cooperatives to which they belonged, but 59 farmers or 11.5 percent of the sample said they were members when asked specifically if they belonged to the Michigan Livestock Exchange. One hundred and six farmers or 21.2 percent had been members. Twenty-four of these former members were not now members of any cooperative. One hundred sixty-five farmers or 33 percent of the sample had actual membership experience in the Michigan Livestock Exchange.

<u>Rural Electrification Administration</u>. Three farmers listed Rural Electrification Administration as one of the cooperatives to which they belonged, but 27 or 5.4 percent of the sample said they were members when asked if they received electricity from the Rural Electrification Administration.

Nichigen Farm Bureau. Fourteen farmers listed the Michigen Farm
Bureau as one of the cooperatives to which they belonged. Later however, 233 farmers or 46.8 percent of the sample said they were members when
asked specifically if they were members of the Michigen Farm Bureau.

Eighty-five or 17 percent of the farmers were past members, and of these,
27 were not now members of any cooperative. Three hundred eighteen or
63.8 percent of the sample had actual membership experience in the
Michigen Farm Bureau.

<u>Mutual Insurance Companies.</u> Farmers were asked if they belonged to mutual insurance companies even though these companies are sometimes not listed as cooperatives. The membership was indicated in fire, windstorm, hail, auto, sickness and health, accident, life, and other insurance companies.

Table 2. Membership in mutual insurance companies

Number of companies	Number of farmers Indicating membership		
none	25		
one	25 4 <b>0</b>		
two	0 132		
three	146		
four	108		
five	38		
six	9		
seven	2		

Four hundred seventy-five or 95 percent of the sample were present members of mutual insurance companies, although none of them named mutual insurance companies when asked to name the cooperatives to which they belonged.

<u>Credit Cooperatives.</u> One farmer named a local credit cooperative as one of the cooperatives of which he was a member.

<u>Need for Membership Relations Programs</u>. In an attempt to find out whether farmers would recognize some of the organizations to which they belonged as cooperatives, they were first asked to name the cooperatives of which they were members, and then later they were asked specific questions about six cooperatives, as explained in a previous discussion.

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Fifty-one, or 78.5 percent of those who later admitted belonging to the Michigan Milk Producers Association, did not name it as one of the cooperatives to which they belonged. Thirty-seven or 87 percent of the farmers who were now members of the Detroit Packing Company did not name it when asked specifically. Fifty-one or 86.4 percent of the members of the Michigan Livestock Exchange did not name it when asked. Twenty-four or 88.9 percent of Rural Electrification Administration members did not name the Rural Electrification Administration as a cooperative they belonged to, yet they said they received electricity from it. Two hundred and nineteen farmers or 93.6 percent of the members of the Michigan Farm Bureau did not name it as one of the cooperatives of which they were members. None of the 475 farmers who belonged to mutual insurance companies named a mutual insurance company as one of the cooperatives to which he belonged. This indicates that farmers tend to consider as cooperatives only those which purchase supplies or market products for them. 50

A few farmers did not recognize some cooperatives as cooperatives. They looked on these cooperatives, especially the larger ones which have their headquarters outside the community, as just another business with which they deal. Some farmers were surprised to discover that the organization which they were a member of was a cooperative. Many of them said they were not members of a cooperative even though they admitted

<sup>50</sup> A criticism of the simple yes-no type of question such as, "Are you a member of a cooperative?", is that there is generally an underestimation of the interviewer's participation or opinion; whereas an explicit question such as, "Are you a member of the Michigan Milk Producers Association?", will tend to concentrate the attention of the person on the desired response. For a discussion of types of questions, refer to Lundberg. Op. cit. Pp. 190-196.

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owning shares in an organisation such as the Michigan Milk Producers
Association. This was true for some local cooperatives as well. Some
farmers would say they were not members of cooperatives but would recall
that they had received some notice or certificate. A number of these
referred to the certificates as "worthless paper" which they had misplaced soon after receiving them.

Many farmers did not pay actual cash for their memberships, but they had received membership shares instead of their refunds or, as in the case of the Eural Electrification Administration, it was the only electric supply in the area.

If cooperatives are to continue to consider these "unaware members" as actual members, it would seem important that they try to make them aware of their responsibilities. A cooperative member should say, "our business" end, "We hired a new manager", instead of, "their business" and, "They hired a new manager".

Membership relations programs emphasizing membership might well be started to encourage farmers who are members to recognize their part in the cooperative business.

Summary of Membership. In this study, the farmers were classified as members or non-members of cooperatives. Members included farmers who indicated present membership in one or more of the following cooperatives: any local cooperatives, Michigan Milk Producers Association, Detroit Packing Company, Michigan Livestock Exchange, Rural Electrification Administration, credit cooperatives and Farm Eureau Fertilizer Cooperatives.

Local cooperatives include those which have one or more of the following types of services: grain elevators, storage, farm supplies,

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milk or cream marketing, oil and gas, fruit and vegetable marketing or processing, and livestock marketing. The Farm Bureau Services and Farm Bureau Oil which are branches of the Michigan Farm Bureau are included in the local classifications.

The Michigan Farm Bureau is a large farm cooperative, but its function is generally not buying and selling, so farmers who are members of it will be counted as non-members unless they are members of other cooperatives. Farmers who are members of the mutual insurance companies will not be considered as members unless they are members of other cooperatives, because farmers do not generally think of insurance companies as cooperatives, as shown in Chapter III, Section 1.

The total sample of 500 farmers contained 395 members or 79 percent of the sample and 105 non-members which is 21 percent of the sample.

Of the 395 members, 353 were farmers who said they were members and 42 were "unawere members" or farmers who did not know they were members but were discovered by specific questions near the end of the interview. Of the 42 farmers who did not know they were members, 37.2 percent were less than 30 years old and 67.4 percent were less than 40 years old compared to 10.7 percent of all the members who were under 30 years old and 35.5 percent of all the members who were less than 40 years old. Besides being younger than other members, 55.8 percent of the unawere members were renters, compared to 13.2 percent of all the members who were renters.

Of the 105 past members, 23 said they had dropped out of cooperatives and were discovered to be past members of cooperatives by direct questions near the end of the interview. Thirty-five farmers or seven percent of the sample had never been members of any cooperative as defined in this study. The control data is a separation of plants of the plants o

#### 2. Value of Business Done Through Cooperatives

One of the measures of the extent of participation in cooperatives is the emount of business participation or the dollar value of the products purchased and marketed through cooperatives. Many types of cooperatives do business with farmers who are not members. Therefore, some of the farmers who were not members, did participate in cooperatives through their business. Extent of participation as measured by business done in the cooperatives is shown in Table 3.

Table 3. Business done through cooperatives by 395 members and 105 non-members

Dollar value of business	Members	Percentages of non-members	Total members
Less then 100	.8 14.6	5.6	1.6
100-499	14.6	37.5	18.3
500-999	19.5	25.0	20.4
1000-1999	26.2	19.4	25.1
2000-2999	13.8	19. <sup>14</sup> 8.3	12.9
3000 and over	25.1	4.2	21.7
Potel	100.0	100.0	100.0

Twenty-five percent of the members had done \$3000 or more worth of business through cooperatives as compared to only 4.2 percent of the non-members who did this much business. Fifteen and four-tenths percent of the members had done less than \$500 worth of business through cooperatives, whereas 43.1 percent of the non-members had done less than \$500 worth of business. This indicates that the members participated in cooperatives through their business to a much greater extent than did non-members. Over one-half or 58.7 percent of the farmers, both members and

non-members did at least \$1,000 worth of business through cooperatives.

Even though non-members did less business through cooperatives than members did, their business is an important part of the total amount done by cooperatives. Mon-member business in many cooperatives is important, because the added volume increases the efficiency of the business and places the cooperative in a better position to meet competition. Non-members, in general, are able to do more business with purchasing cooperatives than with marketing cooperatives because some marketing cooperatives have marketing agreements with their members and do no business with non-members.

The size of non-member patronage and the profits made on their business is sometimes an important method of maintaining substantial patronage refunds to members. Frequently cooperatives expand their membership by attracting non-member business and then encouraging these non-members to join by showing them the savings which would be returned to them if they were members. Other cooperatives pay refunds to all of their patrons regardless of membership, although some of these hold the refunds of the non-members until the amount held equals the share of stock which automatically makes the patron a member.

Regardless of the plan of operation of a cooperative, non-members' business and their attitudes and opinions should be considered as they affect the position of the cooperative in the community and as an economic system of doing business.

#### 3. Administrators

One of the most important measures of participation is the actual holding of offices which have to do with administering cooperatives.

The administrators, such as managers or officers, have through accepting

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their offices, demonstrated their interest in working with or for the cooperative. Of the 395 fermers who were members of cooperatives, 29 farmers or 7.3 percent of the sample at one time had been in administrative positions. Three farmers had been or were managers of cooperatives, and two farmers had been or were presidents of cooperatives. Five farmers had held other offices such as vice-president, secretary, or treasurer. Fourteen farmers had been directors and eight farmers were at one time officers, but the name of the office was not given. In three cases more than one office was held by one farmer. The Grange League Federation, in their audit of farmer attitudes of the Grange League Federation committeemen.

#### 4. Attendance at Cooperative Meetings

Attendance at cooperative meetings is another important measure of participation in cooperatives. In farm cooperatives, some of which have grown from community organizations to county and statewide systems of doing business, personal, face-to-face pressure to attend meetings is no longer strong enough to insure regular attendance.

The farmers who said they were members of cooperatives were asked questions about their attendance at cooperative meetings. The results of these questions are indicated in Table 4. Of the members who responded to this question, 43.9 percent said they attended most of the meetings held by their cooperatives. Twenty-eight and six-tenths percent or over one-fourth said they attended only a few of the meetings; 27.5

<sup>51</sup> Grange League Federation. Op. cit.

Table 4. Attendance at cooperative meetings by members

Meetings attended	Number	Percent
Most of them	155	43.9 28.6
Few of them	101	28.6
None of them	97	27.5
Total enswering question No answer	353 42	100.0
Total number	395	

percent or over one-fourth said they did not attend any of the meetings. The 42 fermers who did not respond to this question were "unaware members" as explained in Chapter III, Section 1. It is permissable to assume that many of the "unaware members" did not attend meetings or else they would have been more likely to recognize their membership in the cooperative. Therefore, if these "unaware members" were added to the members who said they did not attend meetings, it would mean that 35.2 percent or over one-third of the members in the sample did not attend any of the meetings held by the cooperative to which they belonged.

The importance of attendance at meetings is recognized by most men who have studied membership relation problems of cooperatives. Gibson<sup>52</sup> reported that nearly one-half (49.7 percent) of the members of the cooperatives in his study attended no cooperative meetings the previous year. In fact, 40 percent of the cooperatives members did not know the number of meetings their local organization had during the previous

<sup>52</sup> Gibson. Op. Cit. P. 6.



year. Sixty-three percent of the patron members of the Grange League Federation in Losey's<sup>53</sup> study, had never attended any of their cooperative's local meetings.

Welden and Stitts 54 said that 30 percent of the members of livestock cooperatives in their study did not attend any meetings during the past year. Sixty-five percent of the farmers said the meetings were of value, 25 percent were indefinite, and 10 percent said they were of little or no value.

John<sup>55</sup> found that 55.3 percent of the members did not attend meetings. Also, the farmers who did attend meetings were better able to criticize or praise their cooperatives.

Sixty-eight percent of the farmers who were members of cooperatives did not regularly attend meetings of their cooperatives in Stern's<sup>56</sup> study. However, attendance by members at cooperative meetings was twice as high as attendance at agricultural extension, Farm Bureau or Grange meetings.

A still higher percent of non-attendance was reported by Henning and Polling<sup>57</sup> when they found that 85.3 percent of the members of live-stock cooperatives did not attend their meetings.

When over a third of the cooperative's members are not attending its meetings, as this study shows, it indicates a lack of enthusiasm,

<sup>53</sup> Losey. Op. cit., in Anderson and Sanderson. Op. cit. P. 12.

<sup>54</sup> Welden and Stitts. Op. cit. Pp. 67-68.

<sup>55</sup> John. Op. cit., in Anderson and Sanderson. Op. cit. P. 26.

<sup>56</sup> Stern. Op. cit. P. 9.

<sup>57</sup> Henning and Poling. Op. cit. Pp. 25-26.

a considerable inconvenience for the members to attend, or that the cooperative does not have its membership fully behind it. Local meetings are valuable means of communicating to members and stimulating their interest and loyalty. Poor attendance at meetings is usually accompanied by poor participation in election of directors and officers, by inadequate or incorrect information about payment of refunds, salary of managers and workers, other financial affairs and cooperative practices, and by unfair judgment and false rumors about the cooperative.

Poorly conducted, long business meetings become tiresome to already tired farmers and poorly planned social programs are not desired. However, there are many problems which should be discussed thoroughly and methods adopted for their solutions by all the members.

Generally it is the members who do not attend who have the most unfavorable attitude, and therefore, an attempt should be made to get them interested enough to attend. Some of the members who do not attend meetings could be asked to help plan them. With the ideas of these new committeemen and careful planning, the cooperative meeting might be made to take its place as the best-attended community affair.

Analysis of the factors influencing attendance at meetings will be presented in Chapter IV, Section 2.

### 5. Length of Membership

One of the measures of extent of membership in cooperatives is the number of years that the farmers were members. Table 5 indicates the year farmers joined the first cooperative of which they were still a member. About one-fourth, or 24-7 percent, of the farmers answering

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Table 5. Year joined earliest cooperative of which

Year Joined	Number	Percent of members answering
1946-47	228	g.0
1941-45 1936-40	97 66	27.5
1936-40	66	18.8
1931-35	43 31 87	12.2
1931-35 1926-30	31	8.8
1925 and earlier	87	24.7
Total answers	352	100.0
No answer	352 43	-
Total number	395	-

this question have been members of a cooperative for 22 years or more.

Over one-third, or 35.5 percent, of those answering had joined from 1941 through the summer of 1947 inclusive. Thirty-six of the 43 farmers who did not answer this were unaware of their membership.

Farmers were asked if they had ever belonged to cooperatives and then dropped out. The number of members and non-members who dropped out of cooperatives with the number of years that they were members before dropping out is indicated in Table 6. Over one-fourth of the members and non-members belonged to a cooperative for 15 years or more before dropping out. Over three-fourths of the members and non-members had been members for five years or more before dropping out.

In this chapter, it was discovered that the farmers interviewed did not participate equally in cooperatives. Some farmers became members of cooperatives while others did not. A surprisingly large number of the farmers who became members were not aware of that fact. The discussion of the value of business done through cooperatives by

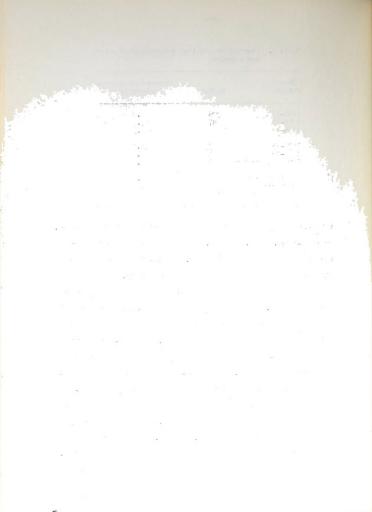


Table 6. Years of membership in cooperative dropped out of in which membership was longest

Years of member-	Members		Non-members		Total	
ship	Number	Percent	Number	Percent	Number	Percent
One year only	5	13.9	6	24.0	11	18.0
2-4 years	11	30.5	6	24.0	17	27•9 16•4
5-9 years	6	16.7	14	16.0	10	16.4
10-14 years	4	11.1	2	8.0	6	9.8
15 years and			100			
over	10	27.8	7	28.0	17	27.9
Total	36	100.0	25	100.0	61	100.0

farmers showed important differences between those who were members and those who were not.

An attempt will be made in Chapter IV to analyze the characteristics of these two groups of farmers to see what factors influence the extent of their participation.



### Chapter IV.

# Individual and Environmental Factors Affecting Extent of Participation in Farm Cooperatives

Participation in cooperatives is often thought of as merely being a member. It is true that this is an important distinction, and there is a need to determine for the purpose of research and action whether the farmer is a member, but there are other elements of participation among farmers which are not revealed by their membership status. Such things as the extent to which farmers take part in their organization through attendance at meetings or through financial support are measures of participation influenced by many factors.

Cooperatives must concern themselves with maintaining their memberships by examining the characteristics of both participants and non-participants so that they can alter existing practices or institute new ones which will appeal to a larger number of farmers.

In this chapter, several measures of participation in cooperatives such as, membership, attendance at cooperative meetings, value of business done through cooperatives during the past year, reasons for joining cooperatives, and reasons for dropping out of cooperatives, are analyzed to determine some of the factors influencing the extent of participation in cooperatives.

In the first section, members and non-members are compared by age, schooling, years of farming experience since age sixteen, tenure, size of farm, and membership in the Michigen Farm Bureau.

### 1. Members Compared with Non-members

Age. Age of members compared to non-members is shown in Table 7.

A larger percent of the farmers who were from 30 to 49 years of age
than of any other age groups were members of cooperatives, but the differences were not large enough to be significant according to the chi
square test of significance at the five percent level.<sup>58</sup>

Table 7. Percentage distribution of members and non-members by age

Age of farmer	Members Non-memb				
			percent	number	
Under 30 years	75.0	25.0	100.0	56	
30-39 years	83.8	16.2	100.0	117	
40-49 years	82.0	18.0	100.0	117	
50-59 years	79•5	20.5	100.0	117	
60 years and over	72.2	27.8	100.0	90	
Total	79•3	20.7	100.0	497	

Eleven and three-tenths percent of all the farmers interviewed were under thirty years of age, 47.1 percent were between 30 and 49

<sup>56</sup> The chi square test for significance will generally be used in this study. When its use is more convenient, the stendard error of the difference between two percentages will be used as a test of significance. When the standard error of the difference between two percentages is used, a T score of 1.96 or more will be considered significant.

Chi square values are computed by squaring the difference between the observed and expected frequencies and dividing the result by the expected frequency. The probability ratio is then determined by the use of a chi square table, bearing in mind the number of degrees of freedom rendered by the grouped date. A probability ratio of .05 or less shall be considered significant in this thesis. This meens that in only five times out of 100, or less, could a deviation have occurred by chance alone which would be as large as that observed.

For a further discussion of these statistical measures see F. E. Croston and D. J. Cowden. <u>Applied General Statistics</u>. Frentice Hall, New York, 1946. Pp. 332-335.

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years of age, and 41.6 percent were 50 years of age or over.

The studies by Gibson<sup>59</sup> and John<sup>60</sup> indicated larger proportions of young dairy farmers who had never been members of dairy marketing cooperatives than is found in the general population. Losey<sup>61</sup> did not find age as a factor in the patronage of the Grange League Federation.

Schooling. Table 8 presents the schooling of members and nonmembers. Sixty-five and six-tenths percent of all the farmers interviewed had not completed more than grade school. A larger percent of

Table 8. Percentage distribution of members and non-members by schooling

	Members	Non-members	Total	
Schooling of farmer	percent	percent	percent	number
None	50.0	50.0	100.0	6
Grade school not com-				
pleted	77.1	22.9	100.0	70
Grade school completed	75.4	24.6	100.0	248
High school not com-				
pleted	89.0	11.0	100.0	82
High school completed	85.0	15.0	100.0	60
College, some or com- pleted	78.6	21.4	100.0	28
Potal	78.9	21.1	100.0	494

the farmers who had some high school or who had completed high school were members of cooperatives then of either those who had more than high school or those who had schooling under the high school level, but these differences were not significant at the five percent level with the chi square test.

<sup>59</sup> Gibson. Op. cit. Fp. 32-34.

<sup>60</sup> John. Op. cit., in Anderson and Sanderson. Op. cit. P. 13.

<sup>61</sup> Losey. Op. cit., in Anderson and Sanderson. Op. cit. P. 13.

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However, when the farmers were put into two groups—those who had some high school or had completed high school, and all others, as in Table 9—the differences were significant. Seventy-five and sixtenths percent of the farmers who either had less than high school or more than high school were members of cooperatives, compared to 87.3 percent of the farmers who had some or all of high school. The 11.7 percent more of the high school group who were members than of the rest of the farmers might be due to agricultural training in the high schools. Cooperatives are generally studied in agricultural courses in high schools and their advantages are emphasized. Thus the farmers who have had these courses are generally more willing to join cooperatives. However, the college-schooled farmers also went through high school so that would not explain why a smaller percent of them than of the high school group were members of cooperatives, unless the college training changed their willingness to join.

Table 9. Percentage distribution of members and non-members by schooling

	Members	Non-members	Total	
Schooling of farmer	percent	percent	percent	number
Less than high school or more than high school	75.6	54.74	100.0	352
High school, some or com- pleted	87.3	12.7	100.0	142
Total	78.9	21.1	100.0	494

Gibson. Op. cit. Pp. 34-35.

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of the local cooperatives had slightly higher average schooling than the whole group, while those who belonged to Sheffield Cooperative had considerably less schooling. John 63 found a slight advantage in years of schooling in the past members of dairy marketing cooperatives. Both men concluded that differences in school training were not too important in determining participation. Losey 64 discovered that the patronmembers of the Grange League Federation, a purchasing cooperative, did have more school than non-patrons.

Farm Experience. Sixty-four and nine-tenths percent of all the farmers interviewed had over twenty years of farm experience since they were 16 years old. Twelve and five-tenths percent had less than ten years of farm experience since they were 16 years old. Members were compared to non-members in Table 10. A higher percent (about 80 percent) of

Table 10. Percentage distribution of members and non-members by years of farm experience since 16 years of age

	Members	Non-members	Total	
Years of farm experience	percent	percent	percent	number
Less than 10 years	69.4 71.4	30.6 28.6	100.0	62
10-14 years	71.4	28.6	100.0	49
15-19 years	84.1	15.9	100.0	63
20 years and over	81.0	19.0	100.0	321
Total	79.0	21.0	100.0	495

the farmers with 15 years or more of farm experience after age 16 compared to about 70 percent of those with 14 years or less of farm 63 John. Op. cit., in Anderson and Sanderson. Op. cit. P. 13.

64 Losey, in <u>Ibid</u>. P. 13.

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experience were members. According to the chi square test, these differences were not significant. There is a tendency for a curvilinear relationship to exist, in that the percentage rises from 69.4 percent of those with less than 10 years of experience who are members to 84.1 percent of those who have 15 to 19 years of experience and then decreases to 81.0 percent of those who have had 20 years or more of farm experience. If the 20 years of experience group had been divided into those having 20 through 29, those having 30 through 39, and those having 40 years or more of farm experience after 16 years of age, this curvilinear relationship might have been more evident.

Gibson 65 and John 66 found that, in milk marketing cooperatives, farmers with ten years or less of farm experience did not participate in them as much as did farmers with more than ten years of experience. However, Losey 67 found that, in a purchasing cooperative, the length of farm experience was not a limiting factor on membership.

The reason for the length of farm experience being important in a milk cooperative is that usually the younger, more inexperienced farmer does not have an adequate enough herd to market his milk through a cooperative. In a purchasing cooperative, farmers can make purchases without regard to their size of operation.

Size of Farms. More of the farmers with large farms are members of cooperatives than are those with smaller farms. Table 11 shows that as the size of farm which a farmer operates increases there is a greater tendency for him to be a member of a cooperative. The percentage 65 Gibson, in Ibid. P. 15.

66 John, in <u>Ibid</u>. P. 15.

67 Losey, in <u>Ibid</u>. P. 15.

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Table 11. Percentage distribution of members and non-members by size of farm

	Members	Non-members	Total		
Size of farm	percent	percent	percent	number	
Less than 50 acres	58.1	41.9	100.0	93	
50-99 acres	80.1	19.9	100.0	146 146	
100-199 acres	83.6	16.4	100.0	171	
200 acres and over	89.7	10.3	100.0	87	
Total	78.9	21.1	100.0	497	

of membership of the farmers increases regularly from 58.1 percent of those who have less than 50 acres to 89.7 percent of those who have 200 acres or more.

Many of the non-members were city workers who had bought a house and a few acres of land or who had bought some land and built a house on it. Many of these people, having been brought up on a farm, had small enterprises which qualified them as farmers in this study. Also, many of the farmers in the celery and truck crop areas had very small farms and were not members of cooperatives because the existing cooperatives did not have the services they needed.

Since this study includes many types of cooperatives, it is difficult to relate other studies to it on this point. Gibson<sup>68</sup> and John<sup>69</sup> found that the average sized dairy farms were the ones who made up the bulk of membership in the milk cooperatives. Losey<sup>70</sup> reported that in the purchasing cooperatives, the size of farms was not related 68 Gibson. Op. cit. Po. 37-35.

<sup>69</sup> John. Op. cit., in Anderson and Sanderson. Op. cit. P. 14.

<sup>70</sup> Losey, in <u>Ibid</u>. P. 14.



to membership.

Tenure. Gibson<sup>71</sup> and John<sup>72</sup> found that membership in milk marketing cooperatives in New York State was almost completely from the farm-owner class. Also, Losey<sup>73</sup> found that the Grange League Federation's membership was predominantly composed of farm owners. Clement<sup>74</sup> reported that members were more likely to be owners than were non-members in his study of two North Carolina cooperatives. This study showed that 14.5 percent more of the part owners were members than of the owners and renters combined. Because generally the part-owners are farmers who own one farm and rent additional land, this meens that the larger farmers are more likely to be members.

A comment on the proportion of persons in the total sample who were part-owners seems appropriate. The large percentage, 27.3 per-

Table 12. Percentage distribution of members and non-members by tenure

	Members	Non-members	Total		
Status of farmer	percent	percent	percent	number	
Owner	74•5	25•5	100.0	294	
Renter	76.5	23.5	100.0	68	
Part-owner	89.7	10.3	100.0	136	
Total	78.9	21.1	100.0	498	

cent, of part-owners in the total sample was caused by the conditions 71 Gibson. Op. cit. Pp. 35-37.

<sup>72</sup> John. Op. cit., in Anderson and Sanderson. Op. cit. P. 14.

<sup>73</sup> Losey, in Ibid. P. 14.

<sup>74</sup> Clement. Op. cit. P. 37.



in Michigan agriculture at the time of this study. Farmers were expanding their farms to take advantage of the high produce prices.

There was not much land for sale, but since some land could be rented, many farmers were renting 40 or 30 acres from people who generally were working in the cities or villages. Many farmers traveled several miles to the patches of land which they rented.

If farm prices go down, this inability to purchase additional land may prove to have been an important factor in preventing farmers from over-expanding their normal economical size of farms during times of wider margins.

Membership in the Michigan Farm Bureau. Forty-six and seven-tenths percent of the farmers interviewed were members of the Farm Bureau, 17 percent had at one time been members, and 36.3 percent had never been members. There is a high correlation of membership in cooperatives and membership in the Farm Bureau. Over one half, 55.9 percent, of the members were also members of the Farm Bureau, compared to only one-eighth, 12.4 percent, of the non-members who were members of the Farm Bureau.

These data are presented with the percentages run by membership in the Farm Bureau in Table 13. Ninety-four and five-tenths percent of the present members of the Michigan Farm Bureau were also members of other cooperatives, compared to 68.3 percent of former Farm Bureau members who were also members of other cooperatives and 64.1 percent of the farmers who had never been a member of the Farm Bureau who were members of other cooperatives.

This substantiates the results of Gibson, of John, and of 75 Gibson. Op. cit. Pp. 39-40.

76 John. Op. cit., in Anderson and Sanderson. Op. cit. P. 15.

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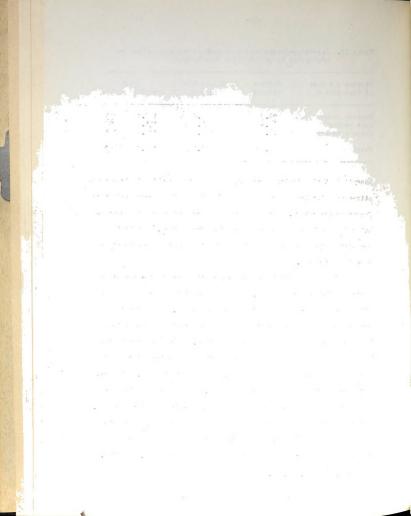
Table 13. Percentage distribution of members and non-members by membership in the Michigan Farm Bureau

Whether a member	Members	Non-members	Total	
of Farm Bureau	percent	percent	percent	number
Present member	94.5	5•5	100.0	233
Past member	94•5 68•3	31.7	100.0	233 85
Never a member	64.1	35•9	100.0	181
Total	78.9	21.1	100.0	499

Losey 17 in their studies where they reported that membership in cooperatives was directly related to membership in the Farm Bureau and other farmer organizations. The Farm Bureau has generally promoted cooperation and has helped farmers to organize many of them, as well as organizing the Farm Bureau Services which is a chain of cooperatives locally controlled.

Some farmers criticized their cooperatives for having too close a tie-up with the Farm Bureau, and others criticized the Farm Bureau oil and other supplies carried by the Farm Bureau. Part of this resentment was probably due to the method of getting members which the Farm Bureau used when it first organized. Kany farmers told the interviewers that a salesman came and painted a glorious picture of what the Farm Bureau was going to do, so they paid the \$15.00 membership fee or signed notes promising to pay. These farmers felt that they paid a heavy price for something which had done nothing for them. After explaining how hard it was to pay and how much they hated the Farm Bureau at that time, these farmers would add that things have changed and maybe the Farm Bureau was doing some good now. Besides,

<sup>77</sup> Losey, in Ibid. P. 15.



they would say that the membership fee is lower now.

However, some farmers objected to having their membership in the Farm Bureau taken out of their refunds from their oil purchases without their knowing it or having anything to say about it.

Even though the older farmers, who remembered when the Farm

Bureau first organized, are becoming less active, their opinions have
a strong influence on the attitudes of other people in the community,
and their good will would help cooperatives.

<u>Summary of Factors Related to Membership</u>. The differences between members of cooperatives and non-members in sge and farm experience were not large enough to draw conclusions regarding cooperative policies. However, schooling, tenure, size of farm, and membership in the Michigan Farm Bureau were found to be significent.

Farmers who had some or all of high school were more likely to be members of cooperatives than farmers who had less than any high school or more than high school. The farmers with the larger acreages were more likely to be members of cooperatives than were farmers with smaller acreages. The part-owner group of farmers, who were generally also farmers with larger acreages, were more likely to be members of cooperatives.

Membership in the Michigan Farm Bureau was directly related to membership in other types of cooperatives. Past membership in the Farm Bureau also was directly related to membership in other cooperatives although not as much as present membership in the Farm Bureau. This is easily understood because the Michigan Farm Bureau generally encourages cooperatives and helps farmers organize them. Furthermore, membership in the Farm Bureau is compulsory in some cooperatives.

## The first the state of the stat

#### 2. Attendance at Meetings

In the discussion of the extent of participation in cooperatives in Chapter IV, it was found that over one-third, 35.2 percent, of the members did not attend any meetings of their cooperatives.

Increasing the attendence at meetings is an important problem with which most cooperatives have to contend. It is important to understand some of the characteristics of the farmers in relation to their attendance at meetings in order to find out if there are any factors which influence attendance. A cooperative might find, by studying the members who attend their meetings and comparing them with those who do not, that their program could be slanted to fill more of the desires of the non-attenders.

The members of cooperatives were put into three groups: those attending most of the meetings, those attending few, and those attending none. For purposes of this analysis, farmers who were unaware of their membership were considered as attending no meetings. Although they were not specifically asked whether they attended any meetings, it was assumed that, if they had, they would have recognized their membership.

These groups were broken down according to age, schooling, years farm experience since age 16, tenure, size of farm, membership in the Michigen Farm Eureau, length of membership, and sources of information about cooperatives.

Age. The percentage distribution of cooperative members by attendance at meetings and by age is shown in Table 14. A smaller percent of the farmers who were under 30 years of age attended most of the meetings than of those who were 30 years or over. As the age of the

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farmer increased, he was more likely to attend cooperative meetings.

Age was not as important a factor in the farmers attending few of the

Table 14. Percentage distribution of cooperative members by attendance at meetings and by age

The second	Attendance a		endance at	meetings Total	Total
Age	Most	Few	None	percent	number
Under 30 years	26.2	28.6	45.2 36.8	100.0	42
30-39 years 40-49 years	30.6 40.6	32.6 22.9	36.8 36.5	100.0 100.0	98 96
50-59 <b>years</b> 60 and <b>over</b>	47.3 47.7	20.4 23.1	32•3 29•2	100.0 100.0	93 65
Total	39•3	25.4	35.3	100.0	394

meetings, but it was important in the group not attending meetings.

Forty-five and two-tenths percent of the farmers who were under 30 years
of age did not attend meetings compared to 29.2 percent of those over
60 years of age who did not attend meetings. Younger farmers were not
as likely to attend meetings as were older farmers.

A program to increase attendance at meetings should emphasize activities which would interest younger people. In many cases meetings are arranged by the older directors who are unable or unvilling to plan a meeting program which would interest younger farmers enough to get them to attend meetings.

Schooling. Attendance at meetings as compared by schooling (Table 15) does not reveal any significant relationship except that the fermers who did not attend meetings tended to have more schooling than other groups, primarily because they tended to be younger, as shown in the discussion of are.

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Table 15. Percentage distribution of cooperative members by attendance at meetings and by schooling

		At	tendance a	t meetings Total	Total	
Schooling	Most	Few	None	percent	number	
No school	33-3	33-3	33.4	100.0	3	
Grade school not completed	46.3	24.1	29.6	100.0	54	
Grade school com- pleted	40.6	24.1	35•3	100.0	187	
High school not completed	34.3	31.5	34.2	100.0	73	
High school com- pleted	41.2	21.6	37•2	100.0	51	
College some or completed	27•2	18.2	54.6	100.0	22	
Total	39•5	24.9	35.6	100.0	390	

Years of Farm Experience Since Age 16. The effect of years of farm experience on attendance is presented in Table 16. This table

Table 16. Percentage distribution of cooperative members by attendance at meetings and by years farm experience after 16 years of age

Years farm		Att	endance at	t meetings Total	Total	
experience	Most	Few	None	percent	number	
Under 10 10-14	20.9 31.4	20.9 34.3	58.2 34.3	100.0 100.0	43 35	
15-19 20 and over	24.5 46.2	39.6 <b>21.</b> 9	35.9 31.9	100.0 100.0	53 260	
Total	39.1	25.3	35.6	100.0	391	

shows that the farmers with more than twenty years of farm experience



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after age 16 were more likely to attend most of the meetings than were farmers with less than 20 years of experience. This is demonstrated by 46.2 percent of those having 20 years or more of farm experience attending most of the meetings compared to 20.9 percent of the members having less than 10 years of farm experience attending most of them. The non-attendance group tended to have a higher percent of farmers with under ten years of farm experience as shown in this table. Farm experience is comparable to the age of farmers, because generally as the age of the farmer increased, so did his years of farm experience.

Length of Membership in Barliest Joined Cooperative Still a Member of. Since length of membership is directly related to age, the characteristics found when age was related to attendance at meetings were similar to those found when length of membership is compared to attendance (Table 17). The 43 farmers who were unaware of their mem-

Table 17. Percentage distribution of cooperative members by attendence at meetings and by length of membership in cooperative joined earliest which still a member of

Length of membership		Att	endance at	t meetings Total	Total
Year joined	Most	Few	None	percent	number*
1925 or earlier	65.5	23.0	11.5	100.0	87
1926 <b>-</b> 1930 1931 <b>-</b> 1935	58.1 44.2	25.8 25.6	16.1 30.2	100.0	31 43
1936-1940	43.1	29.2	27.7	100.0	65
1941-1945	27.8	29·2 34·0	38.2	100.0	97
1946-1947	22.2	29.6	48.2	100.0	27
Total	44.3	28.3	27· <sup>يا</sup>	100.0	350

<sup>\*</sup>In addition to this total, 43 farmers were not asked when they joined.

bership have been left out of this table because they were not asked

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to give the year of joining.

The earlier the members joined cooperatives, the more likely they were to attend most of the cooperative meetings, as reflected by less than 30 percent of the farmers joining from 1941 through 1947 who attended most of the meetings as compared to 65.5 percent of the farmers who joined in 1925 or earlier attending most of them. The farmers attending none of the meetings were the reverse of those attending most of them in that a larger proportion, over 38 percent, of the farmers joining since 1941 did not attend any of the meetings as compared to 11.5 percent who joined in 1925 or earlier who did not attend any of the meetings.

It must be remembered that length of membership was directly related to age; therefore, the important factor influencing attendance might have been age instead of year joined.

Tenure. The attendance at meetings compared by tenure, as presented in Table 18, reveals that the renter class of farmers did not

Table 18. Percentage distribution of cooperative members by attendance at meetings and by temure

		Total			
Tenure	Most	Few	None	Total percent	number
Owner	40.2	25.1	34.7	100.0	219
Renter	21.2	21.1	57.7	100.0	52
Part owner	45.9	27.0	27.1	100.0	122
Total	39.4	25•3	35•3	100.0	393

attend meetings as much as did the owner or part-owner groups. Only 21.2 percent of the renters attended most of the meetings and only 42.4 ers ermedt till fa treene 150 ed 10

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percent attended any of the meetings, compared to over 40 percent of the owners and part-owners attending most of the meetings and over 65 percent of the owners and part-owners attending some of the meetings. A large percent (57.7 percent) of the farmers who were renters did not attend meetings. Probably the reason that the renters attended fewer of the meetings than the owners or part-owners is that they generally were more mobile and did not have as much interest in the community.

However, farm renters are an important group and furnish a substantial amount of business to cooperatives, and therefore, cooperatives should make an effort to increase their attendance at meetings.

Size of Farm. The size of farms as related to attendance at cooperative meetings, in Table 19, probably reveals more about the economic

Table 19. Percentage distribution of cooperative members by attendance at meetings and by size of farms

Size of farms	Most	Few	None	Total percent	Total number
Under 50 acres	18.5	25.9	55.6	100.0	54
50-99 acres	36.8	26.4	36.8	100.0	11 <b>7</b>
100-199 acres	43.4	29•3	27•3	100.0	143
200 and over	48.7	15•8	35•5	100.0	76
Total	39.0	25.4	34.6	100.0	390

status of farmers than does tenure. One thing the table shows is that only 18.5 percent of the farmers having less than 50 acres attended most of the meetings as compared to 48.7 percent of those with 200 acres and over attending most of the meetings.

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A large percentage, 55.6 percent, of the farmers having under 50 acres did not attend any of the cooperative meetings as compared to a smaller percentage, 32.4 percent, of those having 50 acres or over. This shows that many of the small farmers (under 50 acres) are not attending cooperative meetings. It is important to remember that the small farmer on a muck area may have only five to 10 acres but still be the largest farmer in his community. Therefore, a cooperative should study its own particular area regarding the size of farms operated by its members attending meetings compared to those who do not attend.

Membership in the Michigen Ferm Buresu. Because of the nature of the Michigen Farm Bureau, it would seem that farmers who were members of that organization would tend to attend more of their cooperatives! meetings. In Table 20 the attendance is compared by membership in the Farm Bureau. The results show that membership in the Farm Bureau is

Table 20. Percentage distribution of cooperative members by attendance at meetings and by membership in the Michigan Farm Bureau

Membership in Farm Bureau					
	Most	Few	None	Total percent	Total number
Present	50.9	23.6	25•5	100.0	220
Past	36.2	25.9	37.9	100.0	58
Never	19.1	28.7	52.2	100.0	115
Total	39.5	25.3	35.2	100.0	393

directly related to attendence at meetings. The policy of the Michigan Farm Bureau is generally to encourage participation in other cooperatives, and this comperison indicates that their program has influenced Section 15 Common Section 15 C

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the attendance of farmers at meetings of other cooperatives.

Sources of Information about Cooperatives. Cooperatives have long considered their meetings one of their important means of communicating information to the members about the cooperative, its program and its financial and other policies, as well as a method of stimulating interest and loyalty.

Table 21 shows the percentage distribution of cooperative members by attendance at meetings and by sources of information about coopera-

Table 21. Percentage distribution of cooperative members by attendance at meetings and by sources of information about cooperatives

		Atte	ndance at		1
Sources of in- formation	Most	Few	None	Total percent	Total number
At the cooperative	28.4	32•7	35.6 14.5	32.2	259
Farm publications	13.9	13.0		13.9	112
Other farmers	9.9	13.6	17.7	14.0	112
Cooperative meetings	30.6	27.8	13.0	22•7	182
Radio, farm meetings	12.9	8.0	7.1	9.5	76
None	4.3	4.9	12.1	7.7	62
Total percent	100.0	100.0	100.0	100.0	
Total number	303	162	338		803

tives. The most important sources of information about cooperatives for the farmers who attend most of the meetings were first, the cooperative meetings with 30.6 perdent of the farmers naming it as a source of their information, and second, at the cooperative with 28.4 percent naming it as one of their sources of information. Farm publications, radio and farm meetings and other farmers were indicated in that order as sources. The members who said they attended few of the meetings

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named sources similar to those named by farmers attending most of the meetings.

Thirty-five and six-tenths percent of those not attending meetings gave "at the cooperative" as a source of their information, and 14.5 percent said farm publications were their source. Even though most of these members said they did not attend meetings, 13 percent said that cooperative meetings were a source of their information about cooperatives. This may indicate that they received their information from meetings arranged by cooperatives but which are not strictly cooperative business meetings.

The reason for a larger percentage of the farmers not attending meetings naming other farmers as their source or saying they did not receive any information about cooperatives is that the unaware members are included in the non-attending group. Many of the unaware members being new in their communities have not had many opportunities to hear about cooperatives except from farmers they have associated with in their neighborhoods.

Summary of Fectors Related to Attendance at Meetings. An analysis of the factors related to attendance of farmers at cooperative meetings revealed that as the ege of the farmers increased, a higher percentage of the farmers in each group attended meetings. Years of farm experience and length of membership were similar to age in that they were directly related to attendance at meetings. Membership in the Michigan Farm Bureau was directly related to attendance at meetings of other cooperatives. Renters and farmers with small acreages attended fewer meetings than did owners, part-owners and

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larger farmers. Schooling did not have any significant effects on attendance.

Attendance at meetings compared by sources of information showed that farmers who attended most of the meetings said the meetings were an important source of their information with "at the cooperative" a second most important source. Farmers who did not attend meetings tended to say that they received their information when they went to the cooperative to do business by talking with the manager or other workers.

This analysis showed that cooperative meetings were the most important source of information about cooperatives for the farmers who attended most of the meetings. However, only 39.2 percent of the members attended most of the meetings. The younger, less farmexperienced, renter class of farmers who never were members need to be encouraged to attend meetings.

For those who attend few or no meetings, the manager, clerks, and other workers at the cooperative become the most important source of information about cooperatives. It would seem imperative that cooperative boards of directors make sure that the managers and other workers at the cooperative are correctly informed about cooperative policies and are capable of transferring this information accurately to the members and patrons.

Boards of directors are usually careful to select managers and workers who are experienced in running a business and who are courteous and respected by farmers. A manager with these qualities probably could run a successful non-cooperative business but if he did not recognize or accept some of the principles of running a cooperative business are comperative business.

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ative business, he might fail in managing a cooperative.

The managerial staff should consist of cooperative-minded people. They need to be people who know how the cooperative is organized and who are interested in knowing why the board of directors passed certain rules so that they can more adequately answer patrons' questions. Cooperative managers should be interested in cooperating with other managers and attending meetings where suggestions for improving cooperative programs can be discussed. Boards of directors should encourage attendance at these meetings and provide funds necessary for training their managerial staff and workers.

### 3. Value of Business Done Through Cooperatives

Even though the method of operation is different than other businesses, a cooperative is still a system of doing business and as such cannot maintain itself permanently without meeting the competition of other businesses in the community. However, an efficient, competitive cooperative may not appear to be saving the farmers any money because of its method of returning the savings at the end of the year instead of at the time of doing the business. Many cooperative members tend to judge the cooperative by comparing its prices with those of another business without considering the refunds.

The strength of a cooperative depends on the woluntary support of its members in a financial manner as well as in other ways. This financial loyalty is analyzed by age, schooling, length of membership, years of farm experience, tenure, size of farms, and membership in the Michigen Farm Bureau to determine what characteristics of farmers influence their financial participation in cooperatives.

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Acc. The percentage distribution of farmers by value of business which they did through cooperatives in the past year and by age is presented in Table 22. As the age of the farmers increased, a larger percent of them in each age group did less than \$500 worth of business

Table 22. Percentages distribution of farmers by value of business done through cooperatives in the past year and by age

Age of Farmer	<b>\$0-</b> 499	Value \$500-999	of busi \$1000- 1999	ness don \$2000- 2999	e in past \$3000 and over	year Total percent	Total number
Under 30 yrs.	11.1	11.1	28.9	31.1	17.8	100.0	45
30-39 years	19.4	22.6	24.1	19.4	14.8	100.0	108
40-49 years	17.1	18.1	27.6	21.0	15.2	100.0	105
50-59 years	18.3	22.1	26.0	26.0	7.7	100;0	104
60 and over	30.8	23.1	19.2	15.4	11.5	100.0	78
Total	19.8	20.3	25.1	21.9	13.0	100.0	7170

with cooperatives. Eleven and one-tenth percent of the farmers who were less than 30 years old did less than \$500 worth of business, but 30.8 percent of those 60 years and over did less than \$500 worth. The reverse was true in the group of farmers who did \$3000 or more worth of business, because as the ege of the farmers increased, a smaller percent of each age group did that much business. The trend went from 17.8 percent of those less than 30 years of age who did \$3000 or over worth of business to 11.5 percent of those 60 years or over doing that much. This table showed that the younger fermers tended to do more business with cooperatives than older farmers did.

Length of Membership of Cooperative Still a Member of in Which

Membership was Longest. The age of farmers influenced the time of

their joining cooperatives to a large extent; therefore, it would be

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expected that length of membership would have an effect on the value of business done through cooperatives similar to the effect of age. Table 23 shows this to be true, although the results are not as

Table 23. Percentage distribution of farmers by value of business done through cooperatives in the past year and by length of membership

Length of	Amount of business done in the past year									
membership Year joined	\$0_1499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b></b> 2999	\$3000 and over	Total percent	Total number			
1925 or earlier 1926-1930	24.0 20.0	54•5 54•0	28.0 27.4	12.0 13.7	12.0 14.7	100.0	25 95			
1931-1935 1936-1940	15.9 11.6	15.9 23.3	25•3 27•9	25.4 32.6	17.5 4.6	100.0 100.0	63 43			
1941 <b>-</b> 1945 1946 <b>-</b> 1947	6.7	13.3 13.8	33•3 24•4	36.7 36.0	10.0 13.9	100.0 100.0	30 86			
Total	15.2	19.0	26.9	25.7	13.2	100.0	342			

strongly evidenced probably because of different groupings. Nearly one half, 48 percent, of the farmers who joined in 1925 or earlier did less than \$1,000 worth of business with cooperatives compared to less than one-fourth, 24.1 percent, of those who joined from 1941 to 1947 doing that amount of business. In the groups doing \$2,000 worth of business or over, it is found that only 24 percent of the farmers who joined in 1925 or earlier did that much business while 49.1 percent of those who joined from 1941 to 1947 did that much business.

Schooling. More of the farmers who did not complete grade school than of those who had more schooling did less than \$500 worth of business (Table 24). Schooling was inversely related to age so that the



Table 24. Percentages distribution of farmers by value of business done through cooperatives in the past year and by schooling

		Amount	of busin	ess done	in past y	ear	
Schooling	\$0-499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b>-</b> 29 <b>9</b> 9	\$3000 and over	Total percent	Total number
No school* Grade school	(3)	-	(2)	-	-	(5)	5 .
not complete	30.2	19.0	15.9	22.2	12.7	100.0	63
Grade school complete High school	16.2	22•2	29•2	18.5	13.9	100.0	216
not complete	14.7	21.3	26.7	25•3	12.0	100.0	75
High school complete	20.3	14.8	20.4	31.5	13.0	100.0	54
College	28.0	20.0	16.0	24.0	12.0	100.0	25
Total	19.6	20.3	25.2	21.9	13.0	100.0	438

\*Actual numbers were put in the no school row because of the small numbers.

older farmers tended to have less schooling than the younger farmers. Except for those who had less than a grade school education, schooling was not a very important factor influencing the amount of business a farmer did through cooperatives.

Farm Experience Since Age 16. Table 25 shows that there are no significant differences among the farmers with different years of farm experience. However, if the farmers having 20 years or more of farm experience had been divided into those who had 20 to 29 years and those who had 30 years or more, it probably would have been found that the farmers with 30 years or more of experience generally did less business than the rest of the farmers. This would likely be true because farm experience was found to be negatively related to the amount of business done through cooperatives.

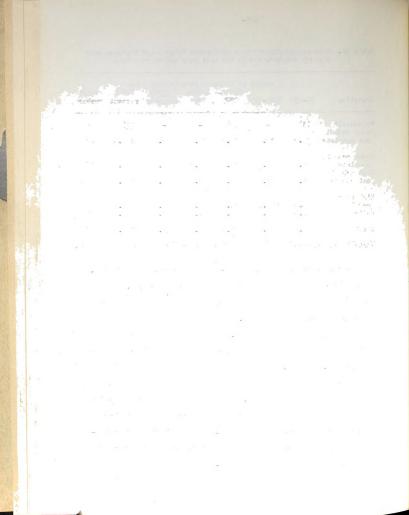


Table 25. Percentages distribution of farmers by value of business done through cooperatives in the past year and by farm experience since age 15

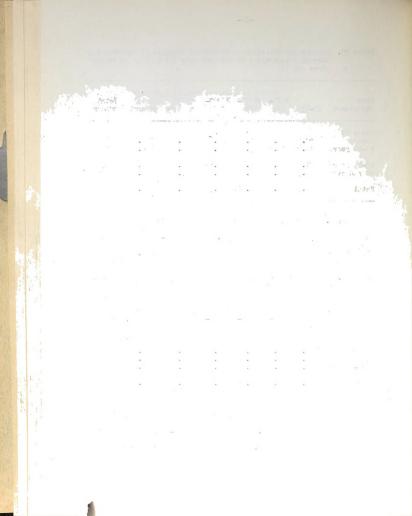
Farm experience	\$0-1199	\$500- 999	\$1000- 1999	\$2000- 2999	done in pa \$3000 end over	Total percent	Total number
Under 10 years 10-14 years	20.5	18.2	31.8	15.9	13.6	100.0	7174 7174
10-14 years 15-19 years 20 and over	21.1 19.7	22.7 20.4	27.2 21.1 24.8	20.5 21.1 22.8	15.9 14.0 12.3	100.0 100.0	57 293
Total	19.9	20.3	25.1	21.7	13.0	100.0	438

Tenure. Owners and renters tended to be alike in the amount of business they did through cooperatives, but the part-owners were not like either the owners or the renters as shown in Table 26. About

Table 26. Percentage distribution of farmers by value of business done through cooperatives in the past year and by tenure

	Amount of business done in past year									
	4- 1	\$500-	\$1000-	\$2000-	\$3000	Total	Total			
Tenure	\$0-499	999	1999	2999	and over	percent	number			
Owner	26.2	21.2	21.8	15.8	15.0	100.0	260			
Renter	18.5	27.8	20.4	25.9	15.0 7.4	100.0	54			
Part-owner	7.9	15.7	33.8	32.3	10.3	100.0	127			
Total	20.0	20.4	25.2	21.8	12.6	100.0	441			

47 percent of the owners and renters did less than \$1000 worth of business compared to only 23.6 percent of the part-owners who did that small amount of business. Also only about 31 percent of the owners and renters did \$2000 or more worth of business compared to



42.6 percent of the part-owners doing that much.

The owners and renters did less business through the cooperatives than did the part-owners. The part-owners were usually farmers who operated larger farms than the owners or the renters because they generally owned one farm and rented additional acres and therefore would have had a larger total number of transactions from the farm.

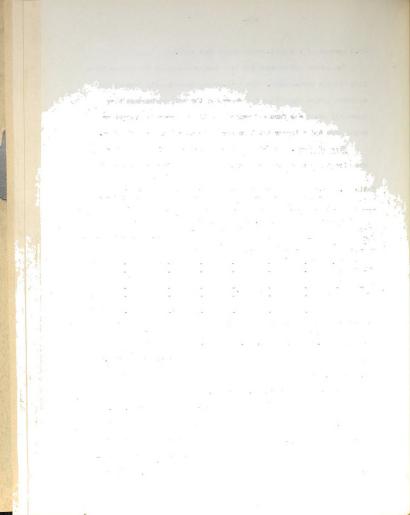
<u>Size of Farms</u>. The size of farms operated by farmers (Table 27) was directly related to the amount of business a farmer did through

Table 27. Percentage distribution of farmers by value of business done through cooperatives in the past year and by size of farms

Size of ferm	\$0-499	Amount \$500-999	of busin \$1000- 1999	ess done \$2000- 2999	in past y \$3000 and over	Total	Total number
Under 50 A.	54.4	19.1	16.2	1.5	8.8	100.0	68
50-99 acres	22.3	26.3	26.9	14.1	10.4	100.0	134
100-199 A.	2.6	19.0	25•9	25•3	18.4	100.0	158
200 and over		14.4	25-2	47•3	10.5	100.0	78
Total	19.9	20.3	24.9	21/9	13.0	100.0	438

cooperatives. The majority, 54.4 percent, of the farmers who had under 50 acres did less than \$500 worth of business; the majority, 53 percent, of those having 50 to 99 acres did from \$500 to \$1999 worth of business; the majority, 51.2 percent, of those who had 100 to 199 acres did \$1000 to \$2999 worth of business; and the majority, 57.8 percent, of those with 200 acres or more did \$2000 or more of business through cooperatives. This increase in the amount of business done through cooperatives as the size of farms increased is easily understood because as a farmer increases the size of his farm, he generally

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does more business. However, these figures do not show what percent of his total business each farmer did through cooperatives.

Membership in the Michigan Farm Bureau. Table 28 shows the percentage distribution of farmers by value of business which they

Table 28. Percentage distribution of farmers by value of business done through cooperatives in the past year and by membership in the Michigan Farm Burreau

Membership		Amount	of busin	ess done	in past y	ear	
in Farm Bureau	\$0-499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b>-</b> 2999	\$3000 and over	Total percent	Total number
Present	14.0	20.4	25•3	26.3	14.0	100.0	221
Past	18.7	17.3	30.7	24.0	9.3	100.0	75
Never	29.6	21.4	22.1	13.8	13.1	100.0	145
Total	19.9	20.2	25.2	21.8	12.9	100.0	441

did through cooperatives and by membership in the Michigen Farm Bureau.

Farmers who were present members of the Farm Bureau did more business with cooperatives than those who were past members or those who were never members. Fourteen percent of the farmers who were present members of the Farm Bureau did less than \$500 worth of business with cooperatives compared to more than double that percent, or 29.6 percent, of those who had never been members doing that amount of business. The Farm Bureau probably has an effect on encouraging farmers to do business at their cooperatives.

Summary of Fectore Related to Amount of Business Done Through
Cooperatives by Farmers. In this section, age, length of membership,
and schooling were found to be inversely related to the amount of
business done through cooperatives. Size of farms and membership in



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the Michigan Farm Bureau were directly related to amount of business done through cooperatives. Part-owners did more business with cooperatives, and farm experience, as it was grouped in this study, did not have any influence on the amount of business farmers did through cooperatives.

#### 4. Reasons for Joining Cooperatives

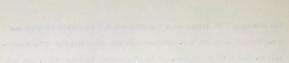
Gooperative drives for membership stress many reasons why farmers should join. When their membership increases, cooperative leaders usually credit it to the fact that farmers realized the advantages which were pointed out. However, the real reasons why the farmers joined may be quite different than those suggested to them.

To discover these reasons from the farmers, they were asked to give the main reasons they joined cooperatives. This was an open-end or free-response question <sup>78</sup> meaning that there were few suggestions for farmers to follow when stating their reasons, except that since the question came late in the interview, the farmers could have named ideas which had been discussed in previous questions.

The farmers who belonged to cooperatives gave 468 main reasons for joining cooperatives, which means that the average number of reasons given per farmer was 1.3 (Table 29). Forty-three farmers were unaware of their membership and thus were not asked this question.

Thirty-six and nine-tenths percent of the members said that one of the main reasons they joined cooperatives was that they were given a share membership after they had done business at the cooperative.

If the unaware members, most of whom probably having become members in this manner, were included, the percentage joining because of 73 Appendix A, question 65.



share memberships would have been about 46 percent. Some of the farmers receiving their membership in this manner said that they did not know that the shares had any value. A few called their shares "worthless paper" and said they had thrown them away or misplaced them. Some expressed displeasure on receiving the share memberships instead of the cash. A few farmers said they were surprised but pleased to see that the cooperative was interested enough in them to give them a share.

Table 29. Percentage distribution of members of cooperatives by main reasons for joining

Wain reason for joining	Percent of farmers*	
Fhrough refunds in the form of stock (share dividends)	36.9	
For a better market or better prices	24.3	
Because they liked the cooperative idea	17.0	
For service and/or refunds	14.0	
Secause the cooperative was convenient Secause they thought membership in the cooperative	13.6	
was a good idea	9.0	
Membership was inherited (Dad was a member) or a gift	7.4	
Because they came out and asked them to	2.8	
Because others joined	2.8 3.4	
Secause it was a good investment	2.6	
discellaneous	2.0	

Total number of farmers responding was 352. Forty-three farmers were not asked this question because they were unaware members.

When over one-third of the members of cooperatives join through share memberships, as found in this study, a membership relations problem may exist because many of these farmers are involuntary members.

<sup>\*</sup>These percentages total more than 100 because some farmers gave more than one reason for joining.



Special attention should be given to these involuntary members to acquaint them with the cooperative organization so they will become cooperatively minded.

These results are similar to those which John<sup>79</sup> found in Pennaylvania. He reported that 20.2 percent of the farmers in his study joined the cooperative without critically evaluating it. He said that the farmers who had a definite objective in joining the cooperative were more likely, than those who had little or no opportunity to make a choice, to have a favorable attitude.

About one-fourth (24.3 percent) of the members joined for a better market or better prices. Stern 80 reported that a majority of the members in his study joined because they expected a year-round market and higher prices for all of their milk. Fourteen percent of the members in Gibson's 81 study said they hoped to be able to obtain a higher price for their milk by joining.

Seventeen percent of the members joined because they liked the cooperative idea or believed in cooperatives. This is a larger percentage than what John found in his New York State study or what Stern reported, but it is about the same as what Gibson and Losey reported.

Nine percent of the members in John's 22 work said they joined because they believed in cooperatives, and Stern 33 reported four percent of the

<sup>79</sup> John. Op. cit. P. 19.

<sup>80</sup> Stern. Op. cit. P. 5.

<sup>81</sup> Gibson. Op. cit. P. 50.

<sup>82</sup> John. Op. cit. P. 19.

<sup>83</sup> Stern. Op. cit. P. 5.



members in his study joining for that reason. Twenty-three and one-tenth percent of the members in Gibson's<sup>314</sup> study joined because they liked the cooperative method as a way of doing business and Losey<sup>85</sup> reported that one-fifth of the Grange League Federation members joined because they liked the cooperative idea.

Fourteen percent of the members in this study gave as their reason for joining, the services and the refunds which the cooperative offered. This is similar to Losey's <sup>86</sup> findings, because he stated that 13 percent of the members in his study said they became members because they wented to save money.

The convenient location of the cooperative was an important influence in 13.6 percent of the members' willingness to join. When the cooperative is the only business in an area offering services which fermers need, there will be members who join because of the circumstances. Lerge marketing cooperatives generally exert a monopolistic pressure on farmers, especially fluid milk marketing associations.

Sterm <sup>87</sup> reported that some of the members in his study joined because they had no alternative place to market their milk. Gibson <sup>88</sup> reported that nearly one-third of members of all cooperatives sampled by him joined because the cooperative offered the only nearby outlet for selling their milk. In his New York state study, John <sup>89</sup> reported that

<sup>84</sup> Gibson. Op. cit. P. 50.

<sup>85</sup> Losey. Op. cit., in Anderson and Sanderson. Op. cit. P. 9.

<sup>86</sup> Ibid. P. 8.

<sup>87</sup> Stern. Op. cit. P. 5.

<sup>88</sup> Gibson. Op. cit. P. 50.

<sup>89</sup> John. Op. cit., in Anderson and Sanderson. Op. cit. P. 8.



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39 percent of the members of the Dairymen's League whom he interviewed said they had no choice in joining.

Because they thought membership in the cooperative was a good idea, nine percent joined, and 7.4 percent inherited their membership or received it as a gift. Several other reasons were given of which one is probably more important than many people realize. Because someone came out and asked them to join was given as a reason for joining by only a few farmers, but this personal approach by directors and committeemen undoubtedly influenced many farmers. One farmer stated it very clearly when asked why he joined. He said, "Mob psychology, that's what it was. I refused them for awhile, but when all those committeemen came down here and explained it. I was sorry I hadn't joined earlier." The study of the Grange League Federation by Losey 90 found that one-fifth of the farmers started buying at the cooperative efter someone induced them to try the Grange League Federation.

It is interesting to compare the characteristics of a group of farmers who gave similar reasons for joining with other groups of farmers who gave different reasons for joining. To do this, the farmers were divided into four groups: those who gave present economic advantages; those who believed in the cooperative system of doing business; those receiving involuntary memberships through patronages; and those giving all other reasons.

The present economic gein group included 184 farmers, or 51.9
percent of the farmers enswering the question. This group included those
who said they joined because the cooperative paid higher prices or

<sup>90</sup> Losey. Op. cit., in Anderson and Sanderson. Op. cit. P. 9.



their farm supply prices were lower or the cooperative was convenient and saved chasing or for service and refunds or for investment. Minety-four farmers, or 26.5 percent of those answering the question, were included in the belief-in-cooperation group. It included those who joined because they thought that cooperatives were a good idea or that they liked the philosophy of cooperation or that farmers should stick together. The involuntary membership-through-patronage group included 130 farmers, or 36.7 percent of those responding. The miscellaneous-ressons group included 60 farmers, or 17.1 percent of the sample.

The percentages add up to more than 100 because farmers gave an average of 1.3 reasons for joining, meaning that some farmers were included in more than one of these groups.

These groups were compared by each of the following characteristics: age, length of membership, schooling, farm experience, tenure, size of farm, and membership in the Michigan Farm Bureau.

Age. Table 30 shows the percentage distribution of members of cooperatives by reasons for joining and by age. This table shows that a smaller percentage of the farmers under 39 years of age joined cooperatives because they believed in them than those over 40 years of age.

The percentage of fermers joining for economic gain from the cooperatives is nearly the same in all age groups. Forty-four and eight-tenths percent of the fermers between 30 and 39 years of age joined through patronage compared to a lower percentage in the other age groups. This higher percentage is due to the farmers joining cooperatives 12 to 19 years before the study was made, which would be during the depression.

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Table 30. Percentage distribution of members of cooperatives by reasons for joining and by age

Reasons for joining	Under 30		Age in 40-49	years 50-59	60 & over	Total
Economic gain Belief in cooperation	39• <sup>1</sup> 15•2	32.4 7.6	33•3 23•4	36.1 26.2	42.8 29.9	36.0 20.8
Involuntary member- ship through patron- age	24.2	44.8 15.2		26.2	15.6 11.7	30.0 13.2
Total percent Total number	100.0 33	100.0	100.0	100.0	100.0 77	100.0 433

Length of Membership. Percentage distribution of members of cooperatives by resons for joining and by length of membership in Table 51 shows that a smaller percentage of farmers who joined between 1931 and

Table 31. Percentage distribution of members of cooperatives by reasons for joining and by length of membership

Reasons for joining	Year joined 1925 or earlier	1926-	1931-	1936-	1941-		member Total
Economic gain	39.4	42.5	32 <b>.</b> 1	3 <sup>4</sup> •5	32.6	41.3	36 <b>.2</b>
Belief in cooperation	n 40.4	22.5	7 <b>.</b> 6	14•3	14.6	13.8	21.2
Involuntary member- ship through patron age All other ressons	9•7 10•5	20.0		38.1 13.1		41.4 3.5	
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total number	114	40	53	g4	110	29	430

1935, joined because they believed in cooperatives then of the farmers who joined in other years. This table shows that the percent of farmers



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joining because they believed in cooperatives was high before 1925. As the year of joining approached the depression, the percent of farmers joining because they believed in cooperatives decreased from 40.4 percent to a low of 7.6 percent between 1931 to 1935, and then increased after the depression to a high of 14.6 percent for those who joined between 1941 to 1945. The percentage of members joining because of economic reasons was not significantly different during any of the periods listed in this table. The farmers joining because they did business in the cooperative and were involuntarily given shares was at a low point of 9.7 percent in 1925 and increased to a high of 43.4 percent during 1931 to 1935. This increase is probably due to changes which cooperatives made in their organization structure when they renewed their 10-year charters in the late 1920's and early 1930's.

Schooling. Many cooperatives maintain that an educational program is essential to the success of the cooperative business. This study has no measure of the effectiveness of cooperative-sponsored educational programs, but it is worth comparing the years of formal schooling of farmers giving different reasons for joining cooperatives. Table 32 shows that there is no significant difference in the amount of schooling of members giving economic gain as their reason for joining cooperatives. As the education of the farmers increased, a smaller percent of them joined because they believed in cooperation, as shown by 34.9 percent of the farmers having less than a grade school education who joined because they believed in cooperatives. This was higher than the percentages of the farmers in the other age groups who joined because they believed in cooperations. However, this could be due to their age or to the length of their membership, because age and length



Table 32. Percentage distribution of members of cooperatives by reasons for joining and by years of schooling

	Grade	Amo	unt of sch	ool		
Reasons for joining	school not com- pleted	Grade school completed	school not com- pleted	High school completed	College any amount	Total
Economic gain Belief in co-	33.4	38.0	30.1.	37•7	36.4	35•9
operation	34.9	17.6	24.1	17.0	13.6	21.2
Involuntary membership through pat-						
ronage All other	23.8	30.2	30.1	34.0	40.9	30.1
reasons	7.9	14.2	15.7	11.3	9.1	12.8
Total percent Total number*	1 <b>00.</b> 0 63	100.0 205	100.0 83	100.0 53	100.0	100.0 429

<sup>\*</sup>In addition to this total, 3 farmers had no schooling.

of membership are inversely related to the amount of schooling which the fermers have had.

Farm Experience. The number of years of farm experience since age 16 did not affect the percentage of farmers joining for economic reasons as shown in Table 33. However, the percentage of farmers joining because of belief in cooperation in the 15 to 19 years of experience group was lower than the percentage joining for this reason in any of the other years of experience groups. This may not be due to farm experience because it correlates with the length of membership as shown in Table 31. The farmers in the 15 to 19 years of experience group joined cooperatives during the depression years which showed that a lower percentage of them joined because of belief during these years. A similarity also exists between the high percent of farmers receiving involuntary membership in the 15 to 19 years of experience group and the group of farmers who joined during the depression.



Table 33. Percentage distribution of members of cooperatives by reasons for joining and by farm experience since age 16

Reasons for joining	Years Under 10			se since age 16 20 and over	Total
Economic gain	39.4	37.1	32.8	36.3 25.4	36.1
Belief in cooperation	9.1	20.0	5.2	52• jr	20.9
Involuntary membership					
through patronage	39.4	22.9	48.2	26.4	30.0
All other reasons	12.1	20.0	13.8	11.9	13.0
Total percent	100.0	100.0	100.0	100.0	100.0
Total number	33	35	58	303	430

Tenure. Table 34 presents the percentage distribution of members of cooperatives by reasons for joining and by tenure. This table shows that the status of the farmer as being owner, part-owner, or renter has

Table 34. Percentage distribution of members of cooperatives by reasons for joining and by tenure

Reasons for joining	Owner	Status of Renter	farmer Part-owner	Total
Economic gain	36.1	30.6	37.3	36.1
Belief in cooperation	22.5	25.0	17.6	21.0
Involuntary membership				
through patronage	29.9	33-3	29.4	30.0
All other reasons	11.5	11.1	15.7	12.9
Total percent	100.0	100.0	100.0	100.0
Total number	5/1/1	36	153	433

 $\ensuremath{\mathbf{no}}$  significant effect on reasons why members said they joined cooperatives.



Size of Farms Operated. A better measurement than tenure of the status of the farmer was the size of farms which were operated. Many farmers in the part-owner group own more land than farmers in the full-owner group, but they are part-owners because they rent additional land. A slightly higher percentage of the farmers having under 50 acres received their memberships involuntarily than did the larger farmers (Table 35). This table shows that the size of farms has no significant bearing on the reasons for joining.

Table 35. Percentage distribution of members of cooperatives by reasons for joining and by size of farms

Reasons for joining	Under 50		of farms 100-199	in acres 200 and over	Total
Economic gain	30•2	41.1	35•2	32.3	35.6
Belief in cooperation	20.8	17.8	23.9	20.8	21.1
Involuntary membership					
through patronage	41.5	29.8	24.5 16.4	33.3	30.1
All other reasons	7.5	11.3	16.4	33•3 13•6	13.2
Total percent	100.0	100.0	100.0	100.0	100.0
Total number	53	124	159	96	432

Membership in the Michigan Farm Bureau. Because of the educational function of the Michigan Farm Bureau, it seemed probable that the farmers who were present members of this organization would realize some of the advantages of membership in other cooperatives in addition to that of economic gain, and therefore, they should have a stronger belief in cooperation. Table 36 shows that membership in the Farm Bureau had little effect on the percentage of farmers who said they joined because of economic gain. However, a higher percen-

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Table 36. Percentage distribution of members of cooperatives by reasons for joining and by membership in the Michigan Farm Bureau.

Reasons for joining	Whether Present	a member Past	in Farm Never	Bureau Total
Economic gain	37.0	31.3	36.1	35•9
Belief in cooperation	23.4	23.5	12.4	21.0
Involuntary membership				
through patronage	26.4	25.0	43.2	30.0
All other reasons	13.2	20.2	8.3	13.1
Total percent	100.0	100.0	100.0	100.0
Total number	273	64	97	434

tage of the Farm Bureau members joined because they believed in cooperatives than did those who had never been members of the Farm Bureau.

A higher percentage of those who never were members of the Farm Bureau received their memberships involuntarily.

Summary of Factors Related to Reasons for Joining. In this discussion several things stand out as being important. Through all of it there is evidence that farmers are no longer looking at cooperatives as a movement which will by itself solve many of their problems. Farmers, especially the younger ones, are beginning to accept cooperatives as a system of doing business which must compete with other non-cooperative organizations in order to interest them in belonging.

Over one-half of the farmers said they joined because the cooperative would help them increase their profits, while only about onefourth said they joined because they liked the cooperative idea or believed in cooperation or thought farmers should be organized.

This tendency of farmers to see a means of bettering their own



financial condition and forgetting about other benefits may be justified. One of the earliest cooperative leaders to take a stand which implies that cooperatives are not an idealistic movement but are largely economic implementations was H. E. Babcock<sup>91</sup> who said, "I regard a farmer-owned, farmer-controlled cooperative as a legal, practical means by which a group of self-selected, selfish capitalists seek to improve their individual economic positions in a competitive society".

Regardless of whether Babcock's opinion is correct or not, cooperative leaders should recognize the situation as it is, and if farmers are increasingly coming to consider the economic advantage of cooperatives as the major advantage, it may call for a reexamination by cooperative leaders of the promotional methods which they use.

## 5. Reasons for Dropping Out of Cooperatives

In the studies by Gibson<sup>92</sup> and by John,<sup>93</sup> the major reason given for dropping out of the milk marketing cooperatives was the low price paid for milk. Another important reason was that the farmers had to drop out when they moved or when the plant closed. Some of the farmers dropped out because of personal differences with the cooperative managers or directors.

<sup>91</sup> H. E. Babcock. "Cooperatives, the Pace-Setters in Agriculture". (December 1934). Ithacs, New York: Mimeograph publication (wp 36: 126-cr) for Business Organization 126 - Cooperative Marketing-a course of the Agriculturel Economics Depertment, Cornell University.

<sup>92</sup> Gibson. Op. cit. T. 81.

<sup>93</sup> John. Op. cit., in Anderson and Sanderson. Op. cit. P. 9.

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If farm cooperatives want to prevent members from dropping their memberships in cooperatives, they should be concerned with the reasons why members drop out of cooperatives. However, only 64 farmers in the present report said they had ever dropped out of a cooperative, which is a small number from which to draw many conclusions.

In this free-response question, 94 10.9 percent of the farmers who dropped out of cooperatives said they moved away from the town where the cooperative was located. Forty and six-tenths percent said the cooperative business folded up. Twelve and five-tenths percent had personal differences with the managers or directors. Twenty-one and nine-tenths percent said they did not receive any financial advantage or doing business at the cooperative was a financial disadvantage to them. Seven and eight-tenths percent changed their type of business and therefore could no longer do business through the cooperative.

Six and two-tenths percent gave reasons which were so varied they could not be grouped satisfactorily.

The importance of personality and administrative ability of the manager and directors is illustrated here because 12.5 percent of the farmers who dropped out said it was because they disliked the managers or directors or because they felt they were not treated right by them.

Twenty percent of the non-members who said they dropped out might still be members if they had not had misunderstandings or other personal conflicts with managers or directors. Twenty-one and nine-tenths percent of the farmers who said they dropped out apparently would have remained in the cooperative if they would have received a financial return greater than what they felt they received elsewhere. For

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this same reason, 26 percent of the non-members who dropped out might not have done so.

Cooperatives need to stress advantages other than financial or actually show the farmers who feel they received higher returns elsewhere that the returns were not higher.



### Chapter V.

# Factors Inherent in Farmers! Attitudes Toward Cooperation as System of Doing Business

Along with participation in cooperatives, a favorable attitude by the farmers toward cooperation is important. Failure in cooperatives many times is blamed on poor financial management when the real cause of the difficulties lies in the social relations among the cooperative managers, members, and patrons. Unhealthy internal conditions which prevent group solidarity have been the true causes of many unnecessary crises in cooperatives.

Good human relations are necessary in cooperatives, especially between the cooperative management and the members, because it is within the power of the members to supply or withhold the volume of business necessary for success. Lack of representation in administrative capacities may make whole communities or neighborhoods oppose cooperative policies because they are not properly informed through their accepted lines of communication of the reasons for changes. It is imperative that local leadership be used in mobilizing the membership for perticipation in the affairs of the association and for mutual contact between the individual farmer and cooperative management.

Management many times visualizes a different picture of the association's policies than the farmers who do the judging and award their participation which is essential. Before the judgments of disastisfied farmers are manifested in the loss of their business to

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the cooperative, and in order to gain new member patrons, it is necessary for cooperative management to see itself and its policies from the farmers' point of view in the neighborhoods.

A survey of the farmers' attitudes toward the cooperative and its program can be utilized to discover what parts of the program are desired and should be continued and what parts are not desired and should be eliminated. 95 However, for a successful interpretation of the attitudes, the relationships or factors inherent in the attitudes should be studied.

There are many factors which influence farmers! attitudes such as: age, schooling, farm experience, size of farm operated, tenure status, attendence at meetings, sources of information, amount of business done through cooperatives, and length of membership. However, many of these are inter-related so that if it were found that length of membership influenced the farmer's attitude, the real influence might be his age, since age and length of membership are directly related. Farm experience is also directly related to age, and schooling is inversely related as shown in Table 37. This direct relationship is observed when it is noted that 35.2 percent of the farmers under 30 years of age had 12 years or more of schooling compared to only 5.7 percent of those 60 years or older who had that much education.

<sup>95</sup> For a discussion of attitudes end opinion measurements, see Lundberg. Op. cit. Chapter VIII.

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Table 37. Percentage distribution of fermers by age and years of schooling

			Age			
Schooling	Under 30	30-39	40-49	50-59	60 and over	Total
None	0.0	0.0	0.0	2.6	3.4	1.2
Under eighth grade Eighth grade	1.9	•9	8.7	22•2	35•9	14.2
completed	37.0	52.0	57•3	53.8	41.5	50.1
High school not						
completed	25•9	18.0	17.4	12.0	13.5	16.4
High school					- 1	- 1
completed	29.6	19.7	9.6	6.0	3.4	12.4
College, some or completed	5.6	9.4	7.0	3.4	2.3	5•7
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
Total number	54	117	115	117	89	492

Temure is related to size of farm as presented in Table 38. The farmers who had less than 50 acres were mostly (84.9 percent) owners.

Table 38. Percentage distribution of farmers by size of farm and by tenure

		Size of	farms in ac	res	
Tenure	Less than 50	50-99	100-199	200 and over	Total
Owner	84.9	72.6 12.3	49.1 15.7	27· <sup>1</sup> 4 19·0	59.1 13.8
Renter Part-owner	7•5 7•6	15.1	35.2	53.6	27.1
Total percent Total number	100.0 93	100.0 146	100.0 171	100.0 g4	100.0 494

As the size of the farms operated increased, the number of farmers who were owners decreased to  $27 \cdot ^{14}$  percent for those with 200 acres or more.



As the percentage of farmers who were owners decreased, the percentage who were part-owners increased. Part-owners generally operated larger farms than either owners or renters.

Attendance at meetings is related to sources of information about cooperatives because farmers attending meetings should name the cooperative meetings as a source of their information. Sources of information would be a better indication than attendance at meetings because it includes all of the farmers regardless of membership.

Because of these relationships between factors, four of them have been selected to be primarily used in analyzing farmers' attitudes in this study. The four that will be used are: age, size of farm, sources of information about cooperatives, and amount of business done through cooperatives during the past year. Whenever a better analysis can be made with other factors, they will be used.

Chapter V deals mainly with the farmers' attitudes toward cooperatives as a system of doing business.

### 1. Main Advantages

One of the first attitude questions which the fermers were asked was: "What would you say were the main advantages of cooperatives for fermers?" De Table 39 presents the number and percent of the fermers responding to this question by the main advantages which they gave for cooperatives. Seventy-two farmers or lh, percent of those responding to this question said that there were no advantages or that they could not think of any advantages of cooperatives. More of the non-members (about 21 percent) than of the members (about eight percent) said that there were no advantages of cooperatives.

<sup>96</sup> Appendix A. Question 6.

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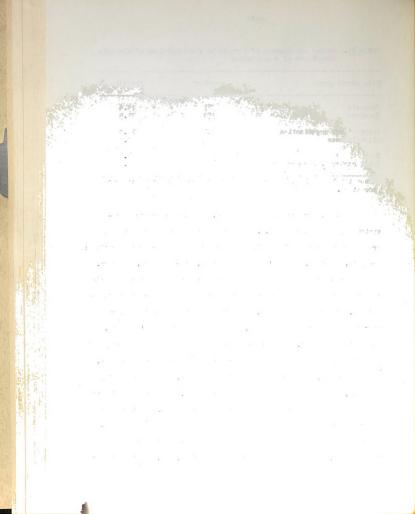
Table 39. Number and percent of farmers by their opinions of the main advantages of cooperatives

Main advantages	Number*	Percent*
Economic	367	73•5
Services	159	31•9
Farmers' own organization	81	16.2
Miscellaneous	41	8.2
None	72	1#†*5
Total number of farmers responding	499	1#*#

<sup>\*</sup>These total more than 499 or 100 because farmers gave more than one adventage.

Of the 427 farmers naming advantages, the average number of advantages given by each was 1.5. All of the farmers were put into five groups according to their opinions of the main advantages of cooperatives: economic, services, farmers' own organization, miscellaneous, and none.

The economic advantages group contained all of the farmers who said that the main advantages of cooperatives were the lower costs and higher returns, dividends and refunds, competition which cooperatives offered to bring other businesses in line, cutting out of middlemen's profit, and giving of credit. The services advantage group were those saying that the main advantages of cooperatives were that they gave better service, were convenient, had a more complete line of goods, had better quality supplies, and assured farmers of honest treatment. The groups of farmers who said that one of the advantages of cooperatives was that they were the farmers' own organization contained those who mentioned the advantages of cooperatives as being that everyone had something to say about the business, that the farmers should be organized, too, and that it was



the farmers' own organization. The miscellaneous advantages group included those who said they could get good advice, that cooperatives represented farmers' interest in the legislature, and other reasons.

Nearly three-fourths of the farmers (73.5 percent) gave economic advantages as the main advantages of cooperatives to farmers. The next important advantages given were the services the cooperative gave to the farmer of which nearly one-third (31.9 percent) of the farmers gave these reasons. Farmers' own organization was given by 16.2 percent, and miscellaneous reasons were given by 3.2 percent. The percentages did not add up to 100 because farmers gave more than one advantage.

The farmers in these five groups were compared by age, size of farm, sources of information about cooperatives, and by amount of business done through cooperatives during the past year in order to determine if any of those factors influenced the farmers' attitudes on this question. However, none of these factors had any significant influence on the farmers' attitudes.

#### 2. Criticism

After the farmers were asked to give the main advantages of cooperatives, they were asked to give their criticisms of cooperatives. 97 Over one-half, 55.9 percent, of the farmers did not have any criticisms of cooperatives. Farmers were more willing to name advantages of cooperatives than to mention criticisms. Nearly the same percent of both members and non-members did not criticise cooperatives. The 205 farmers who did criticize cooperatives gave 243 criticisms, or an average of 1.1 per farmer. The number and percent of farmers by the criticisms are indicated in Table 40.

<sup>97</sup> Appendix A. Question 7.

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Table 40. Number and percent of farmers by their criticisms of cooperatives

Criticism	Number of farmers	Percent of farmers
None	294	58.9
Poor service	87	17.4
Not a true cooperative	50	10.0
Economic disadvantages	46	9.2
Miscellaneous	60	12.0
Total	537	107.5*

<sup>\*</sup>The total percent is more than 100 because some farmers gave more than one criticism.

Poor service was given by 17.4 percent of the farmers as their criticism of cooperatives. Poor service included those farmers who said: poor service and poor parts for machinery sold, not enough supplies, inexperienced and/or inefficient managers, poor help, and poor quality supplies.

Not a true cooperative was given as a criticism by 10 percent of the farmers. It included farmers who said: manager is not cooperatively minded, and business is run by a clique and favoring some person or some group. Wine and two-tenths percent said doing business at cooperatives was an economic disadvantage, and this included those who said they had not received any refunds. Miscellaneous criticisms were given by 12 percent of the farmers, and this group included criticisms such as: too close a tie-up with the Farm Eureau, hurts private business and/or is communistic, cooperatives should pay taxes, cooperative is dishonest, manager's salary is too high, and farmers won't cooperate.

The farmers in these four groups were compared by age, size of farm,

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sources of information about cooperatives, and amount of business done through cooperatives during the past year.

Age. In the comparison by age, fewer of the farmers under 30 years of age had criticisms about cooperatives. Of the farmers under 30 years, 70 percent did not have any criticisms, while 52.8 percent of those over 30 years had no criticisms. The longer years of experience of the farmers over 30 may have influenced the amount of criticizing which they did. The younger farmers also had more schooling. Therefore, to discover whether schooling or age influenced their unwillingness to criticize, the farmers in the five groups were compared by age and by schooling.

The most critical group of farmers were those from 40-49 years of age who had nine or more years of schooling. These farmers were in the most productive years of the farm family. Because of their greater activity in the communities, it would seem important for cooperatives to make the changes necessary to reduce the criticism from this group.

Size of Ferm. Some cooperative managerw say that the small farmer, who does not have much of an interest in cooperatives because he does not do much business, is the man who does most of the criticizing. However, Table 41 shows that the smaller farmer does the least criticizing. Sixty-four and two-tenths percent of the farmers with less than 50 acres had no criticism, while only 45.9 percent of the farmers who had 200 acres or more did not criticize.

The size of farm which they operated had little effect on the percentage of farmers criticizing the cooperative for not being a true cooperative or who said that they were economically disadvantageous. However, the size of farm did influence the percentage of farmers giving miscellaneous criticisms and those criticizing the services. Eight and



Table 41. Percentage distribution of farmers by their criticisms and by the size of their farms

			Size of fa	rm	
Criticism	Under 50 acres	50-99 acres	100-199 acres	200 acres and over	Total
Not a true cooper-					
ative	11.2	5•7	11.3	9.8	9.4
Economic disadvan-					
tages	8.2	9.4	9.1	6.5	8.6
Poor services	8.2	18.9	17.2	19.6	16.5
Miscellaneous	8.2	12.0	10.2	15.2	11.2
None	64.2	54.0	52.2	48.9	54.3
Total percent	100.0	100.0	100.0	100.0	100.0
Total number	98	159	186	92	535

two-tenths percent of the farmers who had less than 50 acres criticized the service of cooperatives, and this increased in each size of farm group to 19.6 percent of the farmers who had 200 acres or more who criticized for that reason. The miscellaneous criticisms increased from 5.2 percent of the farmers with under 50 acres to 15.2 percent of the farmers with 200 acres or more giving miscellaneous criticisms.

This increase in the percent of the farmers criticizing as the size of their farms increased may be due to the farmers' greater use of the cooperative services because of the larger farm operations. Therefore, they were better able to see things in the cooperative which they think could be improved. The size of the farm was related to the age of the farmer, so part of the influence may have come from other factors such as age.

Sources of Information About Cooperatives. The comparison of the farmers by their criticisms and by their sources of information about cooperatives in Table 42 shows significant differences among the farmers

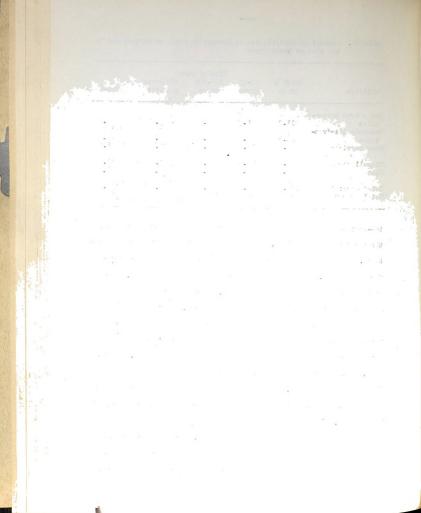


Table 42. Percentage distribution of farmers' criticism by sources of information

	Sources of information						
Criticism	At co- operative	Farm pub- lications, farm meet- ings and radio	Other farmers	Coopera- tive meet- ings and publica- tions	None	Total	
Not a true							
Cooperative Economic dis-	10.3	7•7	6.8	9.8	10.3	9•3	
advantage	10.3	5.5	9.6	9.8	5.1	8.5	
Poor services	17.9	13.3	16.4	19.5	10.3	16.3	
Miscellaneous	9.6	9.9	16.4	11.2	11.5	11.3	
None	51.9	63.6	50.8	49.7	62.8	54.6	
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	
Total number	156	90	73	143	78	540	

in the extent of criticizing. Those farmers who named; at the cooperative, other farmers, or cooperative meetings as their sources of information about the cooperatives were more critical, since 49.2 percent gave criticisms, then were the farmers who said they did not get any information or who said they received it from farm publications, radio programs, or meetings, since 36.9 percent of these gave criticisms.

Farm publications, radio programs, and meetings other than those sponsored by cooperatives would appear to have had a positive effect on attitudes of farmers toward cooperatives. On the other hand, cooperative-sponsored meetings and publications have tended to make the farmer more critical of cooperatives. Because of the greater attention given to cooperatives by those attending meetings, reading publications, and talking with the cooperative managers at the cooperative, the farmers might be in a better position to criticize. Some of the criticism was



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constructive since suggestions were made which could be used by cooperative managers and directors for improvements.

Amount of Business Done Through Cooperatives During the Past Year.

The amount of business done through cooperatives did not have much influence on the opinions of the farmers when criticizing.

### The Importance of Owning and Controlling the Farm Supply Business

Cooperatives differ from other organizations in that the farmers who own and control the business are also served by it. In order to find out how important farmers think owning and controlling the business which served them was, they were asked a question which was preceded by a statement, thus: "Some people say that one of the advantages of farm supply cooperatives is that farmers can own and control the business which serves them. Would you say that this is very important, important, or not important as an advantage of farm supply cooperatives?"

Of those responding to this question, 50.2 percent said that for farmers to own and control the business which served them was a very important advantage, 36.1 percent rated it important, and 13.7 percent said that it was not important.

The farmers in these three groups were compared by age, size of farm, sources of their information about cooperatives, and amount of business done through cooperatives during the past year in order to determine if any of these factors influenced their opinion on this question.

Age and size of farm did not significantly influence the farmers' opinions. However, more of the larger farmers tended to say that owning and controlling the farm supply business was a very important advantage

98 Appendix A. Question 16.

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of cooperatives, but the differences were not large enough to be significant.

Sources of Information About Cooperatives. The sources of farmers' information about cooperatives did influence their attitude on this question because more of the farmers who said that their information came from cooperative meetings tended to say that owning and controlling the farm supply business was a very important advantage of farmer cooperatives (Table 43). Sixty and seven-tenths percent of those receiving

Table 43. Percentage distribution of fermers expressing opinions about the importance of owning and controlling the farm supply business by their sources of information about cooperatives.

		Source	es of inf	ormation		
Opinion expressed	At co- operative	Farm pub- lications, radio, and farm meet- ings	Other farmers	Coopera- tive meet- ings and publica- tions	None	Total
Very impor-	49.6	49.3	45.9	60.7	42.2	50.3
Important	49.6 34.3	38.3	41.0	30.8	35.9	35.9
Not important	16.1	12.4	13.1	8.5	21.9	13.8
Total percent Total number	100.0 143	100.0	100.0 61	100.0 130	100.0 64	100.0 479

their information from cooperative meetings rated it very important. About 49.5 percent of those getting their information from farm publications, radio, farm meetings, and at the cooperative rated it very important. Forty-five and nine-tenths percent of those receiving their information from other farmers and 42.2 percent of those who said that they did not get any information about cooperatives rated it very important. More of the farmers who did not receive any information about

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cooperatives tended to rate the owning and controlling of the farm supply business not important.

The farmers expressing opinions to this same question are compared by amount of business they did through cooperatives during the past year in Table 144. The amount of business done through cooperatives had

Table 44. Percentage distribution of fermers expressing opinions on the importance of owning the ferm supply business by amount of business done through cooveratives during the past year

Opinion ex-	Amount of business done			through	cooperatives \$3000 and		
pressed	\$0-499	\$500-999	1999	2999	over	Total	
Very important	39•7	46.9	55•3	56.2	60.0	50•3	
Important	44•7	38.6	34•0	22.8	30.5	35•9	
Not important	15•6	14.5	10•7	21.0	9.5	13•8	
Total percent	100.0	100.0	100.0	100.0	100•0	100.0	
Total number	144	83	103	57	95	479	

a very important influence on the farmers' opinions of how important an advantage it was for the farmers to own and control the farm supply business which served them. As the amount of business which the farmers did through their cooperative increased, a larger percent of them rated it very important. The percent of the farmers rating it very important increased from 39.7 percent of those doing less than \$500 worth of business to 60 percent of those who did \$3000 or more of business through their cooperatives. As the amount of business which a farmer did through cooperatives increased, the more important he felt it was for him to have control over the farm supply business with which he did business.

This question was asked with the word, marketing, substituted for,

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farm supply, later in the interview. The response to the importance of owning and controlling the marketing business was similar to that recorded about the farm supply business.

### 4. Cooperatives as a Measuring Stick

Some cooperative leaders say that cooperatives are important to farmers because they serve as a measuring stick with which farmers can compare the prices, quality, and services of other businesses in their community. To discover what farmers thought of this, they were first read a statement and then asked to rate it in importance. This statement and question was: "Some people say that the farm supply cooperatives help farmers because they are a sort of measuring stick with which farmers can compare the price, quality, and services of other businesses. Would you say that this is very important, important, or not important as an advantage of farm supply cooperatives?"

Farmers did not rate this as important as they did the question about owning and controlling the farm supply business. However, 37.3 percent of those interviewed said that it was very important and 43.3 percent said that it was important. Nineteen and four-tenths percent said it was not important.

The fermers rating this question very important, important, or not important, were compared by age, size of farm, sources of information about cooperatives, and by amount of business which they did through cooperatives during the past year in order to determine if any of these features would influence their enswers.

Age did not significantly affect farmers' opinions.

<sup>99</sup> Appendix A. Question 17.

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Size of Farm. The size of farm tended to influence opinion in that as the size of the farm increased, more of the farmers tended to rate the advantage of the farm supply cooperative serving as a measuring stick very important, as presented in Table 45. The percent of the farmers rating it very important gradually increased from 31.3 percent of those farmers having under 50 acres to 47.6 percent of those having 200 acres or more.

Table 45. Percentage distribution of farmers giving opinions of the importance of the farm supply cooperative serving as a measuring stick and by size of the farms which they operated

Opinion expressed	Under 50 acres	50 <b>-</b> 99 acres	Size of farm 100-199 acres	200 acres and over	Total
Very important	31.3	32•9 46•4	39•3 43•4	47.6	37.5
Important	48.2	46.4	43.4	32.4	43.1
Not important	20.5	20.7	17.3	20.0	19.4
Total percent	100.0	100.0	100.0	100.0	100.0
Total number	83	140	168	84	475

Sources of Information about Cooperatives. The fermers saying that they did not get any information about cooperatives were different from the rest of the fermers in that they did not consider the ferm supply cooperative being a measuring stick as important as did the other fermers (Table 46). Thirty-five and nine-tenths of the fermers who said they received no information about cooperatives said that the ferm supply cooperative serving as a measuring stick was not an important advantage of cooperatives compared to 16.9 percent of those listing some source of information. However, other than this, the sources of their information had very little effect on their opinion except for those naming the



cooperative meeting as one of their sources. Those saying that one of their sources of information about cooperatives was the cooperative meeting rated the measuring stick idea a little more important than did any of the other farmers. Cooperative meetings have tended to help farmers see the advantages of having the cooperative so that they can compare other businesses with it.

Table 46. Percentage distribution of farmers by their opinions of the importance of cooperatives as measuring sticks and by sources of information about cooperatives.

	Sources of information						
Opinion exoressed	At ccop- erative	Farm pub- lications, radio and farm meet- ings	Other fermers	Coopera- tive meet- ings and publica- tions	None	Total	
Very important Important Not important	37.0 44.2 18.8	36.6 47.5 15.9	38.7 41.9 19.4	14°r #3°5 #3°5	25.0 39.1 35.9	37.2 43.3 19.5	
Total percent Total number	100.0	100.0 82	100.0	100.0 132	100.0 64	100.0 478	

Amount of Business Done Through Cooperatives During the Past Year.

The farmers doing over \$3000 worth of business with cooperatives tended to rate the measuring stick as an adventage higher than the other farmers, but the differences were not large enough to be significant.

5. Importance of Farm Sumply Cooperative Giving Farmers a Share in Business Through Patronage Refunds

In the discussion about what the firmers thought the main advantages of cooperatives were, many farmers gave refunds as one of the main advantages. Later in the interview, farmers were given a chance to evaluate



the importance of refunds. The question was preceded by a statement as follows: "It is sometimes said that farm supply cooperatives help farmers because they give farmers a share in business through patronage refunds. Would you say that this is very important, important, or not important as an advantage of farm supply cooperatives? "100"

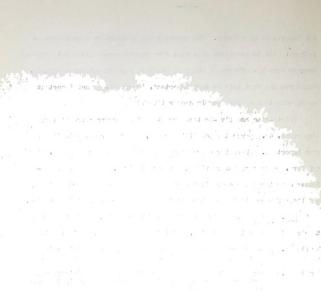
Thirty-nine and five-tenths percent of the farmers rated it very important, 40.5 percent rated it important, and 20 percent said it was not important. These three groups of farmers were compared by age, size of farm, sources of information about cooperatives, and amount of business done through cooperatives during the past year to determine if any of these factors influenced the opinions of the farmers on this question.

Age. Age was the only one of these factors which seemed to affect their opinions on this question, and this comparison was indicated in Table 47. The farmers under 30 and those 60 or over were similar in

Table 47. Percentage distribution of farmers expressing opinions on the importance of cooperatives giving farmers a shere in business through patronage refunds and by age

Age of farmers answering Question					
Under 30	30-39	140-119	50-59	over	Total
50.0	36.0	36.2	33.0	50.0	39·5 40·5
37•5 12•5	46.5 17.5	41.4 22.4	43.8 23.2	29.6	40.5 20.0
100.0 56	100.0	100.0	100.0	100.0	100.0 486
	50.0 37.5 12.5	Under 30 30-39  50.0 36.0 37.5 46.5 12.5 17.5  100.0 100.0	Under 30 30-39 40-49  50.0 36.0 36.2 37.5 46.5 41.4 12.5 17.5 22.4 100.0 100.0 100.0	Under 30 30-39 40-49 50-59  50.0 36.0 36.2 33.0 37.5 46.5 41.4 43.8 12.5 17.5 22.4 23.2 100.0 100.0 100.0	Under 30 30-39 40-49 50-59 60 and over  50.0 36.0 36.2 33.0 50.0 37.5 46.5 41.4 43.8 29.6 12.5 17.5 22.4 23.2 20.4 100.0 100.0 100.0 100.0 100.0

that one-half of the farmers in each of those age groups said that giving farmers a share in business through patronage refunds was a very important function of cooperatives, compared to about 35 percent of the farmers in 100 Appendix A. Question 18.



the other age groups. The farmers in the other age groups tended to say it was important instead of very important.

This tendency for farmers who were under 30 or 60 or over to rate refunds as a share of business very important may be due to their positions in the life cycle of a farm family. When a farmer is under 30, he is in the early part of the life cycle of a farm family. He generally is attempting to get established in farming and usually has a fairly large family started. Because of these things, he often must go into debt and therefore any returns, regardless of how small, look very important to him.

The fermers who are 60 or over are in the later stages of the farm family cycle. In this stage, the children who supplied much of the labor during the productive years, have left, and the farmer no longer has the ability to run a large farm, so his income has decreased. Any refund from the cooperative will generally look very important to a farmer in this stage of the cycle. 101

### 6. Size of Farm Benefiting from Cooperatives

In order to determine if farmers think that cooperatives benefit them according to their size of operation, they were asked: "Which kind of farmer do you think gets the most benefit from belonging to a co-op; the man with a big farm, or the man with a small farm, or do you feel that

<sup>101</sup> For a further discussion of the farm family cycle see: C. P. Loomis.
The Growth of the Farm Family in Relation to its Activities. Releigh,
North Carolina: Agricultural Experiment Station Fulletin 29%, June
1934, or: C. P. Loomis. Studies of Rural Social Organization in the
United States, Letin America, and Germany. East lensing, Michigani
State College Book Store, 1945. Chapter 9, pp. 190-199, or: J. Allan
Beegle and C. P. Loomis. "Life Cycles of Farm, Mrnal-Monfarm, and
Urban Families in the United States as Derived from Census Materials."
Rarel Sociology, XIII, March 1948. Pp. 70-74.

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there isn't much difference?" There was not much difference in the response to this question by members and non-members.

One and four-tenths percent of the 486 farmers enswering this question said the big farmers benefited most, but gave no reason for their decision. Forty-eight and six-tenths percent said that the big farmer benefited most because he bought and sold more, and thus, he obtained a larger refund. Six percent said big farmers because they were favored more and had more influence. Forty-three percent of the farmers said there was no difference in who benefited more. Eight-tenths percent said the smaller farmer benefited most because he needed more marketing and supply help and he obtained the advantage of strong bargaining power.

It would seem logical that the smaller farmers would have realized the advantage the cooperative was to them in increasing their bargaining power. Therefore, more of the smaller farmers should have said that there was no difference in who received the most benefit. In order to see if there were any correlation between these, the farmers were divided into those saying the big farmers and those saying no difference and these groups were compared by the size of the farms which the farmers were operating. These data were set forth in Table 45.

The difference of opinions between the farmers who had different size farms were large enough to be significant. Fifty-six percent of all the farmers interviewed said that the big farmer received the most benefit and 14 percent said that there was no difference in who received the most benefit. However, 62.9 percent of the farmers having less than 50 acres compared to the 42.3 percent of farmers having over 200 acres said that large farmers got the most benefit.

102 Appendix A. Question 47.

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Table 45. Percentage distribution of farmers saying the large farmer gets the most benefit and saying no difference by size of farm

Who gets the		Size	of farm in a	eres 200 and	
most benefit	Under 50	50-99	100-199	over	Total
Big farmer	62.9	60.8	55.0 45.0	42.3	56.0 14.0
No difference	37.1	39.2	45.0	5 <b>7-</b> 7	ή <b>4•</b> 0
Total percent	100.0	100.0	100.0	100.0	100.0
Total number*	89	143	169	85	486

\*In addition to the total, four farmers said the small farmer gets the most benefit and 10 farmers' opinions were not expressed.

As the size of the farm increased, the percentage of the farmers saying the big farmer gets the most benefit decreases. However, as the size of the farm increases, the percentage of farmers who say that there is no difference in who gets the most benefit increases. The reasons for farmers tending to say the big farmers receive the most benefit is that they see and hear about the large refunds based on the amount of business done at the cooperative which the large farmers receive. Few farmers think about other ways they benefit from the cooperatives when they have the facts about the large refunds. Farmers who said that there was no difference in who received the most benefit probably based their judgment on the treatment which farmers received at the cooperative.

These findings indicated that farmers were more interested in the cash returned to them which immediately increased their incomes than in other more intangible benefits. With this kind of loyalty, cooperatives cennot expect much support in a crisis which reduces the ability of the cooperative to compete with other businesses.



 Opinion of Marketing Members Compared to Members of Other Types of Cooperatives, With Regard to Which Benefits the Farmer More, a Marketing or a Purchasing Cooperative.

It is interesting to find out if present members of marketing cooperatives would see more clearly than members of other types of cooperatives the value of marketing cooperatives as compared to farm supply cooperatives. The present members of these three marketing cooperatives: Nichigan Milk Producers Association, Michigan Livestock Exchange, and the Detroit Packing Company were separated from all other members and run on this question: "Which cooperative do you think helps the farmer most, the farm supply cooperative or the marketing cooperative!".

Farmers had memberships in other marketing cooperatives, including some cooperatives which were both purchasing and marketing, but the three large cooperatives considered here were strictly marketing associations. The members in these three cooperatives, who constituted the group of marketing members, may have also been members of other marketing cooperatives as well as members of purchasing cooperatives. The members who were not members of the kichigan Milk Producers Association, Michigan Livestock Exchange, or the Detroit Packing Company were the group called, other members. These other members may have been members of marketing cooperatives, other than the three organizations mentioned, as well as being members of purchasing cooperatives. The non-members were farmers who were not members of any cooperative.

A higher percentage of the merketing members than of members of other types of cooperatives said that the marketing cooperatives benefited the farmers more than did farm sumply cooperatives. As shown in Table 103 Appendix A. Question 35.



19. 14.7 percent of the farmers who were members of cooperatives other than marketing cooperatives said that the farm supply cooperatives

Table 49. Percentage distribution of members of marketing cooperatives, members of other types of cooperatives, end non-members by their opinions of which benefits the farmers most; a marketing cooperative or a farm supply cooperative

Which benefits the farmer most	Marketing members*	Other members#	Non-member	Total
Ferm supply	15.3	44.7	35.1	35.1
Marketing	31.5	18.4	35.1 16.5	21.4
Equal	53-2	36.9	48.4	43.5
Total percent	100.0	100.0	100.0	100.0
Total number1	124	255	97	476

\*Mits group included all the farmers who were members of the Michigam Milk Producers Association, Michigan Livestock Exchange, and the Detroit Packing Company. The farmers in this group may have also been members of other marketing cooperatives, purchasing cooperatives, or combination marketing and purchasing cooperatives.

#This group included all of the cooperative members who were not members of the three marketing cooperatives named. However, the farmers in this group may have been members of other marketing cooperatives as well as purchasing cooperatives.

In addition to this total, six farmers said neither type of cooperative benefits the farmer, 11 farmers said "don't know", and seven gave no answer.

benefited the farmer most compared to only 15.3 percent of the marketing members. Non-members tended to be more like other members probably because they usually can do business at farm supply cooperatives and are not allowed to do business with marketing cooperatives. Thirty-one and five-tenths percent of the marketing members said the marketing cooperative benefits the farmer most, compared to 13.4 percent of the other members and 16.5 percent of the non-members who said that the marketing cooperative benefits the farmer the most. More of the marketing members

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and non-members said that marketing cooperatives and farm supply cooperatives benefits the farmers about equally. These differences between the marketing members, other members, and non-members are highly significant, with a probability of these results happening by chance of less than one percent of the time.

The tendency for farmers to say that the farm supply cooperatives help them the most is probably due to their wider experience with farm supply cooperatives. Farmers tend to forget the marketing services which their marketing cooperatives perform for them, because many times the services are performed many miles from the farms, whereas the farm supply cooperatives are usually located in the village where the farmers go to do business. Farmers generally have many business contacts with the managers and directors of local farm supply cooperatives, but few with managers and directors of marketing cooperatives.

Six farmers said that neither type of cooperative benefits the farmer and 18 did not give an opinion.



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### Chapter VI.

## Characteristics of Farmers Affecting Their Opinions when Comparing Cooperatives with Other Businesses

Just as important as the attitudes of farmers toward cooperation
as a system of doing business are their opinions when comparing cooperatives with other businesses. A cooperative cannot maintain itself
permanently unless it can meet the competition of non-cooperative business
in the areas in which it operates.

If a farm supply or marketing cooperative is not able to meet its competition over long periods of time, it has little reason for existing, since one of the main purposes of cooperatives is to reduce the costs involved in the transfer and processing of goods and services between the farmers and the consumers and between the manufacturer and the farmers. However, because of the structure of cooperative organization and the method of doing business, some of its advantages may not be obvious to the farmer. The financial savings are not demonstrated in lower prices for supplies they buy or higher prices for what they sell. Instead, the influences are savings in the form of refunds, which are not returned until after the end of the year, or increased bargaining power and competitive control, which are not easily measured except as farmers remember conditions existing before the cooperatives were organized or except as they would be able to see conditions after a cooperative has disappeared.

A functioning cooperative cannot do much to improve the memories of farmers who were in the community before the time of its organization nor



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can they suspend operations for a long enough time for farmers to see what would happen when and if the cooperative no longer competed with other businesses.

The argument which some cooperatives use to justify themselves and to gain the support of farmers in the face of competition, which they have not met, is that if the cooperatives were not there, what would the other businesses be paying or charging? This probably was a good argument before the ethics of business were improved or controlled either by government legislation or through voluntary realization on the part of businessmen that it is for their benefit to improve conditions.

Farmers today feel that any organization has to be fairly honest in order to continue to do business. A frequent statement made by farmers was that farmers aren't as dumb as they used to be and therefore merchants know they can't cheat them very much if they want to continue receiving their business.

Cooperatives should recognize that farmers do not consider all of
the merits of a cooperative when they make judgments. Values other than
present economic gains will decrease in importance unless cooperatives
can convince farmers of their existance. A program to improve their
condition could be greatly enhanced if it is based on a survey which
determines what farmers are thinking and some of the factors which influence their thinking.

This chapter is a discussion of the characteristics of farmers which influence their opinions when comparing cooperatives with other businesses. Cooperative and non-cooperatives will be compared by farmers on these items: a general comparison, value to community, soundness of informa-

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tion, net costs of farm supplies, quality of farm supply services, and efficiency of marketing functions. These comparisons will be analyzed by age, size of farm, sources of information about cooperatives, and the amount of business done through cooperatives during the past year, in order to determine if they had any influence on the farmers' opinions.

In general, farmers in these comparison questions were asked to evaluate cooperatives and their functions, in relation to other businesses, as to whether they were better, equal, or poorer. A small percentage of farmers judged the cooperatives poorer on any of the questions. Findings regarding these farmers would not be significant because of the small numbers, therefore, they will be left out of the analysis except as noted after the totals in the tables. It is assumed that cooperatives strive to be better than other organizations. Thus the important comparison can be between those who say better and those who say about the same or equal.

#### 1. General Comparison

In order to get farmers to give a general comparison of cooperatives with other businesses before more specific functions were discussed, they were asked, near the beginning of the interviews, this question:

"In general, how would you say that farmer-owned cooperatives compare with other businesses? Would you say that cooperatives are doing a better job, a poorer job, or about an equal job of buying and selling for farmers?". 1014

Forty-eight percent of the farmers said that the cooperatives were doing a better job than other businesses and 52 percent said that they 104 Appendix A. Question 5.

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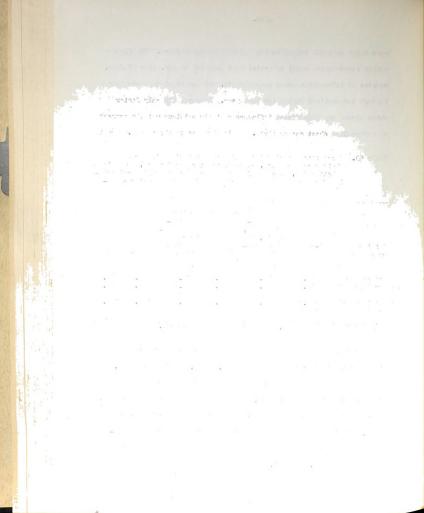
were doing an equal job of buying and selling for farmers. The farmers rating cooperatives equal or better were compared by age, size of farm, sources of information about cooperatives, and amount of business done through cooperatives during the past year. However, the only factor which showed any significant influence on their opinions was the sources of information about cooperatives. Table 50 presents these data. About

Table 50. Percentage distribution of farmers by their opinions of whether cooperatives, compared to other businesses, are doing a better job, a poorer job or an equal job of buying and selling for farmers and by sources of information about cooperatives

Opinion expressed		Farm pub- lications,	es of inf	Coopera- tive meet-		
	At-co- operative	radio, and farm meet- ings	Other farmers	ings and publica- tions	None	Total
Better job	47 <b>.1</b>	58•5	41.7	55•0	28.8	48.0
Equal job	52 <b>.</b> 9	41•5	58.3	45•0	71.2	52.0
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
Total number*	136	82	60	131	66	475

<sup>\*</sup>In addition to this total, nine farmers said poorer job.

56 percent of the farmers who said that their sources of information about cooperatives were farm publications, radio, and farm meetings, and the farmers who said that cooperative meetings and publications were the sources of their information, rated the cooperative as doing a better job of buying and selling for farmers than other organizations were doing. About 45 percent of the farmers who said they received information at the cooperative or from other farmers said the cooperative was doing a better job. Only 25.5 percent of the farmers who did not get



any information about cooperatives rated the cooperative as doing a better job.

Any source of information was better than none in influencing the farmers to say a better job. Cooperative meetings and publications, radio, farm meetings and publications had a more positive influence than any of the other sources of information. The farmers getting their information at the cooperative were not as favorable, which indicates that cooperatives need to improve the information given at the cooperatives. Farmers getting information from cooperative managers and workers at the cooperative ought to be favorably influenced. It also would seem very important that cooperatives have some program of communicating with the farmers who were not receiving any information, because their judgment was the most unfavorable to cooperatives.

#### 2. Value to the Community

The fermers' comparisons of the value to the community of cooperatives and other businesses were analyzed by age, size of ferm, sources of information about cooperatives, and amount of business done through cooperatives during the past year. The question asked was: "How would you rate co-ops as to their value to the community in comparison with other businesses? Would you say that co-ops are a greater asset than other businesses to the community, not as much of an asset, or about the seme?".105

Fifty-three and one-tenth percent of the farmers said that cooperatives were a greater asset than other businesses to the community and 46.9 percent said they were about the same.

<sup>105</sup> Appendix A. question 37.

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Age and size of farm did not significantly influence their opinions about the value to the community of cooperatives compared to other

Amount of Business Done Through Cooperatives During the Past Year.

The analysis of farmers by their opinion of the value to the community of cooperatives and other businesses as compared by amount of business done through cooperatives during the past year is shown in Table 51.

Table 51. Percentage distribution of farmers by their rating of value to the community of cooperatives compared to other businesse and by amount of business done through cooperatives during the past year

	Amount of business done							
Value to community	\$0-499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b>-</b> 2999	\$3000 and over	Total		
Greater	48.3	цв.3	62•7	51.8	54.8	53.1		
Same	51.7	51.7	37•3	48.2	45.2	46.9		
Total percent	100.0	100.0	100.0	100.0	100.0	100.0		
Total number*	145	89	107	56	93	490		

<sup>\*</sup>In addition to this total, four farmers said less of an asset.

The differences among the fermers in the different amounts of business groups were not large except for one group. The farmers doing \$1,000-1,999 worth of business were different from those doing less business or those doing more business. Sixty-two and seven-tenths percent of them said that the cooperative was a greater asset to the community compared to about 50 percent of all other farmers who said that the cooperatives were a greater asset. The reasons for this in-between group valuing the cooperatives higher in the community might be due to the farmers' relative position in the community.

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Sources of Information About Cooperatives. Cooperative meetings and publications tended to favorably influence the farmers more than any other source of information (Table 52). Sixty-two and three-tenths percent of the farmers in that group said that cooperatives were a

Table 52. Percentage distribution of farmers by their rating of value to the community of cooperatives compared to other businesses and by sources of information about cooperatives.

Rating	Sources of information							
	At co- operative	Farm pub- lications, radio, and farm meet- ings	Other farmers	Coopera- tive meet- ings and publica- tions	None	Total		
Greater	50•7	46.9	58.5	62•3	42.9	53 <b>.</b> 1		
Same	49•3	53.1	41.5	37•7	57.1	46 <b>.</b> 9		
Total percent	100.0	100.0	100.0	100.0	100.0	100.0		
Total number*	144		65	130	70	490		

<sup>\*</sup>In addition to this total four farmers said less of an asset.

greater asset to the community than other businesses. Farmers getting their information from other farmers were the next most favorable group with 55.5 percent rating cooperatives as a greater asset. Forty-six and nine-tenths percent of the farmers who named farm publications, radio, and farm maetings as their sources of information about cooperatives said cooperatives were more valuable to the community. The most unfavorable group was the farmers not receiving any information about cooperatives, because only 42.9 percent of them rated the cooperative a greater asset.

It is difficult to explain why farmers getting their information from other farmers rated this high. They may have interacted more within

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their neighborhoods and communities and therefore be more aware of what were of value in their social systems.

Cooperatives have the problem of improving the information given out at cooperatives so that the farmers who get their information there will be more favorable and also they should consider ways of getting information to farmers who do not receive any.

#### 3. Soundness of Cooperative Information

An argument for cooperatives has been that they help the farmer by giving him information which he can use to improve his farming activities. The structure of cooperative organization, from national and state associations down to county and local cooperatives, and the assistance of agricultural extension service and state agricultural colleges places cooperatives in a favorable position for relaying information about farming practices. However, the evaluation of whether cooperative information is better than information from other businesses should be studied from the farmers' viewpoint because from them come the support for cooperatives.

To secure this information fermers were asked this question: "Some people say that co-ops help farmers because they give out sounder information about new ferming ideas than other kinds of business do. Would you say that co-ops do a better job, a poorer job, or about the same job as other businesses in giving out sound information about new farming ideas?". 106

Forty-five and eight-tenths percent of the farmers said that cooperatives gave out sounder information about new ferming ideas than did

106 Appendix A. Question 38.

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z kan di kan Bija walangan di kan di ka other businesses, and 52.4 percent of the farmers said they did about the same quality job.

The amount of business which farmers did through cooperatives and age did not influence their opinions on this question but size of farm and sources of information about cooperatives did affect their opinions.

Size of Farm. The opinions of farmers about cooperative information compared to that of other businesses shows that farmers having under 100 acres express a more favorable opinion of the quality of cooperative information compared to other businesses than do those having 100 acres or over (Table 53). Over one-half of the farmers

Table 53. Percentage distribution of farmers by their rating of whether cooperatives give out sounder information than other businesses and by size of farms

Opinion	Under 50	50-99	Size of farm 100-199	200 acres	
expressed	acres	acres	acres	and over	Total
Better	51.8 48.2	50.7	35.8 64.2	36.1 63.9	43.0
Same	48.2	50.7 49.3	64.2	63.9	57.0
Total percent	100.0	100.0	100.0	100.0	100.0
Total number*	85	134	165	83	467

<sup>\*</sup>In addition to this total seven farmers said cooperatives did a poorer job of giving out sound information.

having under 100 acres said that cooperatives did a better job in giving out information compared to about 36 percent of those having 100 or more acres who said that they did a better job.

The larger farmers may have been more unfavorable because they felt that the cooperative managers and workers were not qualified to give information about new kinds of supplies or innovations for the As a Sun in material and emptode in the content of the content of

farm whereas a smaller farmer might have been better able and more willing to use their suggestions.

D. L. Gibeon 107 discussed a situation similar to this, that of the use of agricultural extension services compared by size of farm, in his study of the agricultural extension service clientele. He said that there was increasing participation among operators as the size of their farms increased to 199 acres. Beyond this there was a sharp decline in contacts with the extension service including the reading of mimeographed material.

<u>Sources of Information about Cooperatives.</u> An interesting comparison is that of the opinions of farmers about the quality of information compared by their sources of information (Table 54). It would

Table 54. Percentage distribution of farmers by their rating of whether cooperatives give out sounder information then other busicannesses and by their sources of information about cooperatives

		Source	es of inf	Cormation		
Opinion expressed	At co- operative	Farm pub- lications, radio, and farm meet- ings	Other farmers	Coopera- tive meet- ings and publica- tions	None	Total
Better Same	46.0 54.0	35•9 64•1	45.0 55.0	44.5 55.5	37·9 62·1	42•7 57•3
Total percent Total number*	100.0 139	100.0 78	100.0	100.0 128	100.0	100.0 471

<sup>\*</sup>In addition to this total, eight farmers said cooperatives did a poorer job of giving out sound information.

<sup>107</sup> D. L. Gibson. "The Clientele of the Agricultural Extension Service".

East Lensing, Michigan: article 26-Ho, May 1944. Reprinted from Michigan Agricultural Experiment Station Quarterly Bulletin, 26, May 1944. Pp. 4-7.

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seem that the farmers who said they received their information from cooperative meetings and publications or at the cooperative would have felt that the cooperative was doing a better job of giving out information than other businesses. However, the differences presented in this table were not large enough to be significant. Slightly more of the farmers who said they received their information at the cooperative or from other farmers or from cooperative meetings and publications tended to say that the cooperative was doing a better job than the farmers who said they received their information about cooperatives from farm publications, farm meetings, or radio programs.

#### 4. Net Costs of Farm Supplies

To get farmers to compare the net costs of farm supplies at the cooperatives with the net costs at other businesses they were asked this question: "In general, do you feel that the net costs of farm supplies to members of farm co-ops are higher, lower, or about the same as the net costs of purchases made at other businesses?".108

If there was any indication that the farmer did not understand what net costs meant, it was explained to him that it was purchase price of the supplies mimus any discounts or refunds given by non-cooperative businesses as well as by cooperatives. Forty-three and three-tenths percent of the farmers expressed the opinion that the net costs were lower at the cooperative than at other businesses and 57.7 percent said they were about the same.

Later in the interview a similar question was asked about whether marketing cooperatives return to the farmer more money, less money, or 108 Appendix A. question 9.

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about the same amount of money for his products than do other businesses. 109 Thirty-six and three-tenths percent of the farmers said that marketing cooperatives net the farmer more money than other businesses and 63.7 percent said cooperatives net the farmer about the same amount of money for what he sells through them as do other businesses.

The farmers expressing opinions on the question about the net costs of farm supplies were compared by those four factors: age, size of farm, sources of information about cooperatives, and amount of business done during the past year through cooperatives.

Age and size of farm did not significantly influence their opinions about net costs of farm supplies.

Amount of Business Done Through Cooperatives During the Past Year.

Table 55 indicates the farmers by their opinions of the net cost of ferm

Table 55. Percentage distribution of farmers by their opinions of whether net costs of farm supplies at cooperatives are higher, lower, or the same as at other businesses and by amount of business done through cooperatives during the past year.

Opinion expressed	\$0-499	\$500 <b>-</b> 999	mount of \$1000- 1999	\$2000- 2999	\$3000 and over	Total
Lower	39.3	34.9	49.0	48.1	47.3	43.3
Same	60.7	65.1	51.0	51.9	52.7	57•7
Total percent Total number*	100.0 127	100.0 83	100.0 98	100.0 54	100.0 91	100.0 453

<sup>\*</sup>In addition to this total, 21 farmers said prices were higher at farm supply cooperatives than at other businesses.

supplies and by amount of business which they did through cooperatives 109 Appendix A. Question 24.

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supplies and by amount of business which they did through cooperatives during the past year, then the percentage (43.2 percent) of those who did \$1,000 or more worth of business, said that the net costs of farm supplies at the cooperative were lower.

The farmers who did more than \$1,000 worth of business probably were more willing and better able to wait until the end of the year for their refunds and thus were more favorable in their judgment than those who did less than \$1,000 worth of business. Those doing less than \$1,000 worth of business may have needed the cash and therefore considered less important the refunds returned at the end of the year. Cooperatives might initiate a program which would show the farmers the value of the refunds or perhaps return the refunds to the farmers more than once each year.

A poorer farmer who sees an article three cents lower in price at a non-cooperative business than at the cooperative probably will buy it at the lower cost even though the cooperative may return five cents to him at the end of the year, because he needs the cash and is unable to have his money tied up for any length of time.

Sources of Information about Cooperatives. Sources of farmers' information about cooperatives presented in Table 56 influenced their opinions about the net costs of farm supplies. The most favorable group was the farmers receiving their information about cooperatives from farm publications, farm meetings, and radio programs in which 54.5 percent said that the net costs were lower. Forty-two and eight-tenths percent of the farmers receiving their information from cooperative meetings and publications and at the cooperative and from other farmers said that the net costs were lower at the cooperative and only 31 percent of the farmers

receiving no information about cooperatives said that net costs of farm supplies at cooperatives were lower.

Table 56. Percentage distribution of farmers by their opinions of whether net costs of farm supplies at cooperatives are higher, lover, or the same as at other businesses and by sources of their information about cooperatives

		Sources of information						
Opinion expressed	At co- operative	Farm pub- lications, radio, and farm meet- ings	Other fermers	Coopera- tive meet- ings and publica- tions	None	Total		
Lower	41.2	5 <sup>4</sup> •5	39•3	46.0	31.0	43.3		
Same	58.8	45•5	60•7	54.0	69.0	56.7		
Total percent	100.0	100.0	100.0	100.0	100.0	100.0		
Total number	131	77	61	126	58	453		

This indicates that farmers who did not receive any information about cooperatives are least favorable, and it seems that if cooperatives could reach them with information their opinions would improve. If information given out at cooperative meetings and in cooperative publications about net costs of farm supplies was effective, it seems that farmers indicating them as sources of their information about cooperatives would not have been less favorable than farmers getting information from farm publications, farm meetings, and radio programs.

#### 5. Farm Supply Services

Many cooperatives came into existence in order to provide services which were not adequately or economically performed by other organizations. Some cooperative leaders have stated that cooperatives are primarily interested in providing more adequate services and that greater economic

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returns are secondary in importance. 110 To determine farmers' opinions about the quality of the services provided by cooperatives compared to other businesses, they were asked this question: "Now I'd like to ask you about the service of farm supply co-ops as compared with other businesses. By service I mean deliveries of orders, special orders, courteous treatment by the menagers and clerks, and things of that kind.

In general, do you feel that the service of farm supply co-ops is better, poorer, or about the same as other businesses? 1,111

Thirty-five and two-tenths percent of the farmers felt that the services of the farm supply cooperatives were better than the services of other organizations and 64.8 percent said they were about the same.

A similar question was asked concerning the service of farm marketing cooperatives later in the interview. 112 Only 30.4 percent of the farmers said the service provided by marketing cooperatives was better than that provided by other businesses.

When only about one-third of the farmers say that the services of cooperatives are better than other businesses, it seems that cooperatives need to analyze the farmers' opinions in order to discover what improvements are needed. The farmers in this study were not asked how the services could be improved.

Age, size of farm, and amount of business done through cooperatives did not significantly influence the farmers' opinion on this question.

However, the sources of information were highly significant (Table 57). The farmers who received their information from cooperative meetings 110 Orne Anders. Co-operative Ideals and Problems. Manchester: Co-operative Union, Ltd., 1937, P. 2.

<sup>111</sup> Appendix A. Question 13.

<sup>112</sup> Ibid. Question 28.

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Table 57. Percentage distribution of fermers by their rating of the services of ferm supply cooperatives compared to other businesses and by their sources of information about cooperatives

		Source	s of info	rmation		
Rating	At co- operative	Farm pub- lications, radio, and farm meet- ings	Other farmers	Coopera- tive meet- ings and publica- tions	None	Total
Better Same	38.7 61.3	28.0 72.0	34.4 65.6	42.4 57.6	22•2 77•8	35•2 64•8
Total percent Total number*	100.0	100.0 82	100.0	100.0	100.0	100.0 477

<sup>\*</sup>In addition to this total, 27 farmers said the service of cooperatives was poorer than other businesses.

and publications and at the cooperative, tended to be the most favorable group with about 40 percent of them saying that the services were better. Thirty-four and four-tenths percent of the farmers who received their information from other farmers rated the services of cooperatives better. Twenty-eight percent of the farmers getting information from farm publications, farm meetings and radio programs rated it better and 22.2 percent of those farmers who did not get any information about cooperatives said that the services of cooperatives were better than those of other businesses.

This indicates that the cooperative controlled sources of information have positively influenced the farmers' opinions on this question.

However, it would seem that cooperatives would want a larger percentage of all of the farmers rating the services of the cooperatives better than other businesses. Also the farmers not getting any information should be reached by the cooperatives because information about coopera-



tives would improve their opinions.

#### 6. Efficiency of Marketing Functions

The efficiency of the marketing organization is usually measured by the analysis of financial statements and accounts showing services rendered per unit. But these measures even when favorable are not of much value when business begins to decrease. There is another important measurement of efficiency, that of farmers' opinions, which should be considered because on it depends the future of cooperatives.

To determine what farmers felt about the efficiency of cooperatives compared to other businesses, they were asked: "How about the efficiency with which a marketing co-op operates as compared with other marketing businesses? Would you say that the marketing co-ops are more efficient, less efficient, or about the same as other businesses?".113

Only 22.7 percent of the farmers thought that the merketing cooperatives were more efficient and 77.3 percent said the same as other businesses. Cooperatives should be concerned when less than one-fourth of the farmers think they provide a more efficient merketing system.

The age, size of farm, sources of information about cooperatives, and amount of business done through cooperatives during the past year did not have any significant effect on the farmers! answers to this question. However, there seemed to be a tendency for the favorableness of farmers to decrease as their age increases. Twenty-eight and three-tenths percent of the farmers under 30 years of age (Table 53) said that the cooperative was more efficient and this percentage decreases to only 16.2 percent of the farmers 60 years and over who said that the marketing 113 Appendix A. Question 36.

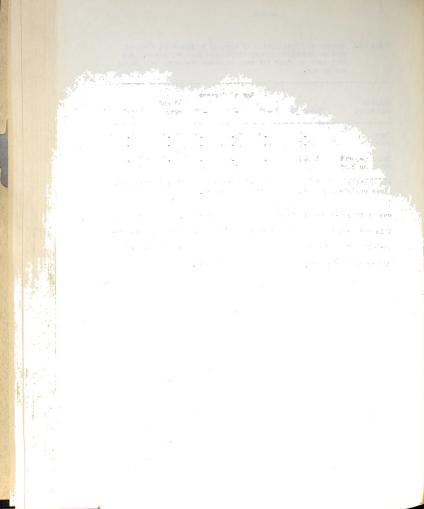
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Table 58. Percentage distribution of farmers by their opinions of whether marketing cooperatives were more efficient, less efficient or about the same as other marketing businesses and by age.

Opinion		60 and				
expressed	Under 30	30-39	40-49	50-59	over	Total
More	28•3	24.0	25•3 74•7	20.2	16.2	22•7
Same	71.7	76.0	74.7	79.8	85.8	77-3
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
Total number*	53	104	95	99	68	419

<sup>\*</sup>In addition to this total 17 farmers said marketing cooperatives were less efficient than other marketing businesses.

cooperative was more efficient than other businesses. The reason for this may be that the younger farmers had a chance to study cooperative marketing in their high school training and thus were better able to understand the marketing function of cooperatives.



#### Chapter VII.

### Characteristic Elements in the Loyalty of Members to Their Cooperatives

One of the most important requirements for success of a cooperative is the loyalty of its members as measured by their willingness to support the cooperative by giving it their business, taking part in its organization, and promoting its activities.

Cooperatives are not benefited much by a blind or fanatical loyalty to the association, because members having such a loyalty are not inclined to be analytical or to demand the economy and skill in administration essential to success. A better loyalty is one based on understanding of the policies and problems and a feeling of ownership, resulting from participation in the affairs of the association and from assisting it in meeting its problems or in facing any crisis that may develop. 114

Loyalty can be pertially measured by finding out what the beliefs of farmers are about cooperation and cooperatives, their reasons for doing business at the cooperatives, and whether they will voluntarily promote the organization.

Some farmers criticized the officers, directors, and members of cooperatives in their communities for doing some or all of their business with non-cooperative organizations. A similar situation was discussed by H. E. Larzelere 115 after he found that members of a co114 Jones, Op. cit. P. 5.

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operative were not always patrons of their organisations. Wholehearted support means that each member will constantly sell through his cooperative all of his products which the association markets and purchase through it all of his supplies which it handles.

A member will be more loyal if he feels that he belongs or is a part of the cooperative through having a say in running it and feeling that he is a part-owner of the business. On this the solidarity of the cooperative depends.

The test of loyalty comes when cooperatives have to face crises such as membership losses, bad menagement, and unusual happenings which put the cooperatives at a competitive disadventage. Confidence in the cooperative as a system of doing business and as a valuable part of the community will greatly enhance the success of the cooperative and its programs.

Too much idealism of the values of cooperatives in the social system and too little reslization of the financial and social limitations may impede the healthy development of an association. A balance between idealism and realism will probably bring satisfactory results.

In this chapter, farmers' attitudes and opinions will be analyzed to determine some of the characteristic elements in the degrees of loyalty of members to their cooperatives. 116 Some of the discussion will include non-members as well as members because many times their good will and support is an important part of the cooperative's program.

<sup>116</sup> For a discussion of loyalty as releted to opinion of the principles of cooperation see Kauffman. Op. cit. Chapter VIII.

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#### Support of Farm Supply Cooperatives when Their Prices are Somewhat Higher Than at Other Businesses

One indication of whether farmers are willing to financially support cooperatives is whether they are occasionally willing to pay a little more for an article at the cooperative than they would have to pay at other businesses. To determine farmers' attitudes toward supporting the cooperative by paying a little more at the time of purchase for an article at the cooperative, they were asked this question:
"Do you think that a member should continue to buy from his farm supply co-op even though prices may sometimes be a little higher than at other businesses?". 117 To emphasize only a small difference in price, the words, "prices may sometimes be a little higher were used.

There was very little difference between the responses of members and non-members on this question. Sixty and two-tenths percent of the farmers said that a member should continue to buy from his farm supply cooperative when prices are sometimes a little higher than at other businesses. Thirty-nine and eight-tenths percent of the farmers stated that the members should not continue. This means that two-fifths of the farmers would not support cooperatives if they did not continue to meet their competition. These farmers are interested in present economic advantages from cooperatives. When cooperative prices are higher than at other places, they no longer will support them.

The Grange League Federation's Audit 118 reported that on a similar question 44.7 percent of the farmers in their study said that they would continue to buy through their cooperatives even when they could get the 117 Appendix A. question 20.

<sup>118</sup> Grange League Federation. Op. cit. P. 5.

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same things chemper elsewhere, 28.2 percent said that they would not continue to buy through their cooperative.

An analysis of the characteristics of farmers answering this question favorably and of those enswering it unfavorably may show some factors influencing their opinion. They were compared by age, size of farm, sources of information about cooperatives, and amount of business done through cooperatives during the past year. Size of farm and amount of business done through cooperatives had no significant effect on their opinions.

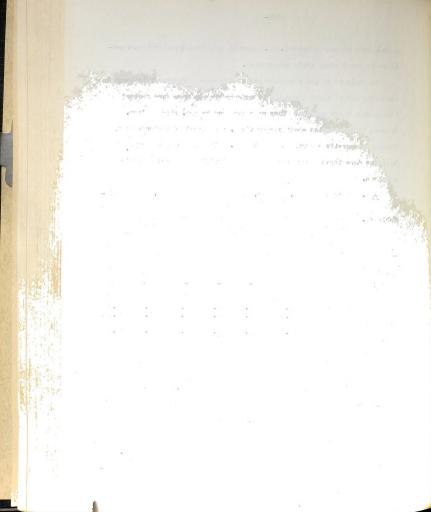
Age. A study of ages, however, as compared in Table 59, shows a sig-

Table 59. Percentage distribution of farmers by their opinions of whether a member should continue to buy from his farm supply cooperative when prices are somewhat higher than at other businesses and by age

0.4-4		60 and				
Opinions expressed	Under 30	30-39	710 <b>-</b> 719	50-59	over	Total
Should continue	57•2	54•5	61.2	70.4	68.9	62•3
Should not continue	42•8	45•5	38.8	29.6	31.1	37•7
Total percent	100.0	190.0	100.0	100.0	100.0	100.0
Total number	56	114	116	115	90	

nificent difference between the farmers who are less than 60 years old and those 60 years and over with respect to their opinions. Fifty-seven and nine-tenths percent of the farmers who were less than 60 years of age said that a member should continue and 65.9 percent of those 60 years of age and over said that a farmer should continue to buy from his farm supply cooperative when prices are somewhat higher than at other businesses.

This means that the farmers 60 years of age and over were more favor-



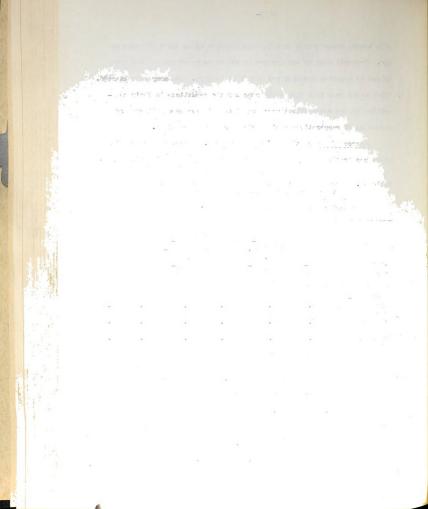
able toward cooperatives on this question than those under 60 years of age. Probably many of the farmers in the 60 years of age or over group helped to organize cooperatives from 1917 to 1921, when many were started, which would mean that they could remember the conditions in their communities before cooperatives were organized and have seen failures and successes of cooperatives during price wars and depressions.

<u>Sources of Information About Cooperatives</u>. Sources of information about cooperatives (Table 60) shows significant relationships with refer-

Table 60. Percentage distribution of farmers by their opinions of whether a member should continue to buy from his farm supply cooperative when prices are somewhat higher than at other businesses and by sources of information about cooperatives

Opinions expressed	At co- operative	Farm pub- lications, radio, and farm meet- ings	Other	Coopera- tive meet- ings and publica- tions	None	Total
Should con- tinue	61.1	63.8	57.6	70.8	53•5	62.6
Should not continue	38.9	36.2	42.4	29•2	46.5	37.4
Total percent Total number	100.0 144	100.0	100.0 66	100.0 130	100.0	100.0

ence to the opinions expressed by farmers. The most favorable group of farmers were those receiving their information from cooperative meetings and publications, of which 70.8 percent said members should continue to buy from their cooperatives even though the prices were sometimes a little higher than at other businesses. The least favorable group were those not receiving any information, of which 53.5 percent said farmers



should continue to buy. There was not much difference among farmers receiving their information at the cooperative, from farm publications, radio, farm meetings, and from other farmers. About 61 percent of those said the farmers should continue to buy.

Cooperative meetings and publications had a strong positive effect on the opinions of the farmers. However, the farmers receiving their information at the cooperative were not influenced much by their sources of information. It would seem that cooperatives interested in getting better support, when it is necessary for their prices to be higher, would encourage attendance at their meetings and try to get more farmers to read their publications. The information given out by the managers and the workers at the cooperative should also be improved.

### Support of Marketing Cooperatives when Returns are a Little Lower than at Other Businesses

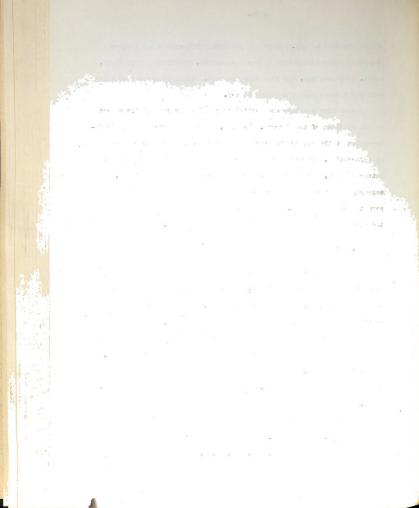
A question similar to the one just discussed was asked concerning marketing cooperatives as follows: "Do you think that a member should continue to sell his products through his co-op even though prices may sometimes be s little lower than at other businesses?". 119

The responses to this question were similar to those about support when farm supply prices were a little higher than at other businesses. Fifty-nine and nine-tenths percent of the farmers said that a member should continue to sell and 41.1 percent said that they should not continue.

The Grange League Federation 120 also found that farmers responded

Tig Appendix A. Question )).

<sup>120</sup> Grange League Federation. Op. cit. P. 5.



nearly the same to questions about buying when prices are higher and selling when prices are lower. Forty and eight-tenths percent of the farmers in their study said that the farmer should continue to sell through his cooperative even though he can get a higher price elsewhere, 27.3 percent said that it depends, and 31.9 percent said he should not continue to sell.

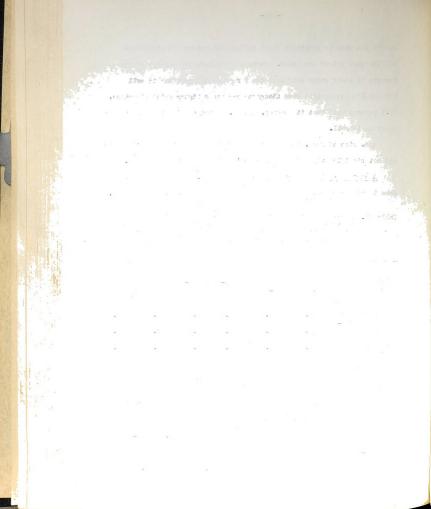
Age, size of farm, and sources of information about cooperatives did not significantly influence farmers' responses to this question.

Amount of Business Done Through Cooperatives. Amount of business done through cooperatives during the past year as indicated in Table 61,

Table 61. Percentage distribution of farmers by their opinions of whether a member should continue to sell his products through his marketing cooperative when prices are somewhat lower than at other businesses and by amount of business done through cooperatives during the past year

		Amou	nt of bus	iness done	9	
Opinions expressed	\$0-499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b>–</b> 2999	\$3000 and over	Total
Should continue	56.3	55•6	61.3	60.7	67.4	59•9
Should not con- tinue	43.7	<b>并</b> 并*并	38.7	39•3	32.6	40.1
Total percent Total number	100.0 142	100.0 90	100.0 111	100.0 56	100.0 95	100.0 494

shows a slight tendency for a lerger proportion of the fermers who do \$3000 worth and over of business with cooperatives to say that a member should continue to sell his products through his marketing cooperative even though prices are somewhat lower than at other businesses. Sixty-seven and four-tenths percent of the fermers doing \$3000 worth of business and over said that a member should continue to sell, compared to 58.2 percent



of the rest of the farmers who said that the members should continue to sell. Even though these differences are not large enough to be significent, it is interesting to note that as the amount of business which a farmer did through cooperatives increased, he tended to become more favorable.

Both of these questions in section 2 and 3 have indicated that about 40 percent of the farmers would not support a cooperative if it were unable to maintain competitive prices. Members were slightly more favorable to this question than were non-members, but the differences were not significant.

This financial type of loyalty was commented on by Robotka who said that loyalty of the dollars and cents kind provided a poor foundation on which to build because it disappears as soon as the organization ceases to be the best bidder, thus destroying the stability of the organization. When the organization is under urgent stress to meet current bids of competition, it is in no position to undertake programs, adopt objectives, or to initiate improvements in marketing, the carrying out of which requires time and some experimentation but which in the long run builds results of a real benefit to farmers. 121

### Support of Cooperatives During Times of Membership Losses

A test of the loyalty of members is what they do when the cooperative begins to fail. To find out what farmers in this study would do when their cooperatives began to lose money, they were asked: "Suppose you belonged to a co-op and so many members dropped out that the co-op began to lose money. Which of these things would you do: go out and help 121 Robotka. Co. cit. P. 176.

get new members; vote to continue the co-op but on a smaller scale; drop your own membership; or vote to disolve the co-op?". 122 The question appeared in this form in one-half of the schedules. On the alternate form, the farmer was asked what he would do in a free-response type of question which did not provide suggestions from which he could select his answer. However, answers not relating to those suggested were recorded in the categorized question.

Thirty and one-tenth percent of the farmers said they would recruit new members for the cooperative, 21.1 percent said that they would investigate to find the cause of members dropping out, 17.4 percent said they would stick with the cooperative and put more money in it, and 3.1 percent said the cooperative should get a new manager.

This means that 77.8 percent of the farmers would support the cooperative in some way when it is facing a crisis which mekes it lose its members. However, only 47.5 percent indicated they would actively do something to improve conditions of the cooperatives.

Twenty-two and two-tenths percent of the sample would drop out or would dissolve cooperatives or reduce their operations. There was very little difference between what members and non-members would do in this situation. It is interesting to see that 9.1 percent of the farmers felt that the members was the fault of the cooperative's failing.

The size of farm did not influence the farmers' opinion of what they would do as members of a cooperative which was losing money because members were drouping out.

Age. There were a few interesting differences among the farmers 122 Avpendix A. Question 43.



responding to this question when compared by age (Table 62). More of

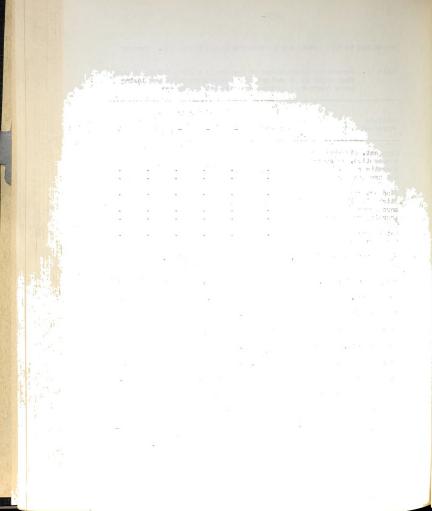
Table 62. Percentage distribution of farmers by their opinions of what they would do as members of a cooperative which was losing money because of members dropping out and by age

0-4-4	Age of farmers 60 and							
Opinions expressed	Under 30	30-39	40-49	50-59	over	Total		
Drop out, dissolve the cooperative, or reduce								
operations Get new manager	18.5 7.4	17.9 9.8	23•2 9•3	20.0 13.6	31.8 3.4	22.2 9.1		
Find out cause Stick with them and put in	14.8	22.3	24.9	18.2	22•7	21.1		
more money Recruit new members	14.8 44.5	14.3 35.7	18.6 24.0	18.2 30.0	20.5	17.4 30.1		
Total percent Total number*	100.0 54	100.0	100.0 108	100.0	100.0	100.0 472		

<sup>\*</sup>In addition to this total, 12 farmers gave other opinions.

the younger farmers, those under 40 years of age, said they would recruit new members. The proportions decreased from 44.5 percent of those under 30 years of age who would recruit to 35.7 percent of those 30 to 39 years of age to about 25 percent of those 40 years of age and older who would recruit. A larger proportion (31.8 percent) of the farmers 60 years of age and over would drop out, dissolve the cooperative or reduce its operations than of those under 60 years of age (about 20 percent).

It is difficult to explain why the farmers over 60 years of age would be least willing to help the cooperative and most willing to speed its disorganization or why the farmers under 40 years of age and especially those under 30 were more willing to recruit new members.



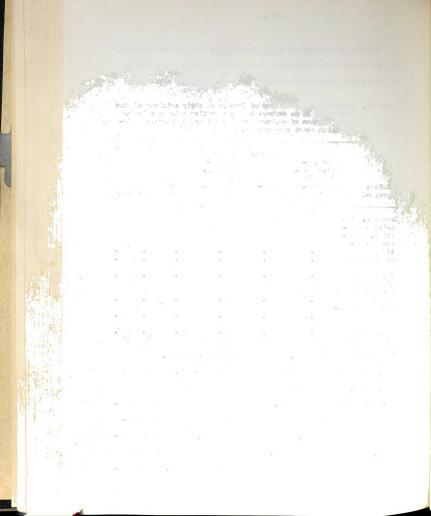
Sources of Information About Cooperatives. The farmers responding to this question were compared by their opinions and by their sources of information about cooperatives in Table 65. The most significant

Table 63. Percentage distribution of farmers by their opinions of what they would do as members of a cooperative which was losing money because of members dropping out and by sources of information about cooperatives

	Coopera-								
Opinions expressed	tive meet- ings and publica- tions	At co- operative	lications, radio and farm meet- ings	Other farmers	None	Total			
Drop out, dis- solve cooper- ative, or re- duce opera-									
tions	15.7	18.8	22.8	30.6	32.8	22.2			
Get new manager	7.8	10.1	11•#	9.7	7.5	9•3			
Find out cause Stick with them and put in more	22.7	18.8	25.2	20•9	17.9	21.1			
money	21.1	15.2	15.2	19.4	14.9	17.3			
Recruit new mem-					-				
bers	32•7	37.1	25.4	19.4	26.9	30.1			
Total percent	100.0	100.0	100.0	100.0	100.0	100.0			
Total number*	128	138	79	62	67	474			

<sup>\*</sup>In addition to this total, 12 farmers gave other opinions.

relationships were among the farmers who would drop out, dissolve the cooperative, or reduce its operations as compared by their sources of information about cooperatives. The most favorable group were the farmers receiving their information from cooperative meetings and publications of which only 15.7 percent would drop out, dissolve the cooperative, or reduce its operations. The next most favorable group were the farmers who received their information at the cooperative, of which 18.8



percent reacted negatively. The least favorable were those not obtaining any information of which 32.7 percent said they would drop out.

This indicated that the cooperative sponsored sources of information have had a positive effect in decreasing the number of farmers who would drop out, dissolve the cooperative or reduce its operations.

Amount of Business Done Through Cooperatives During the Fast Year.

As the amount of business which farmers do through cooperatives increased, the proportion of the farmers who would drop out, dissolve the cooperative, or reduce its operations decreased (Table 14). Forty percent of

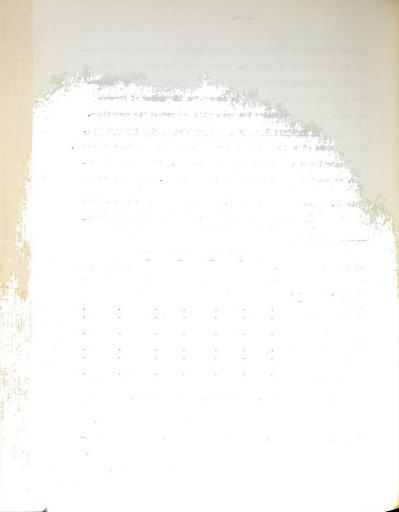
Table 64. Percentage distribution of farmers by their opinions of what they would do as members of a cooperative which was losing money because of members dropping out and by amount of business done through cooperatives during the past year

		\$100-		of busi	e \$3000		
Opinions given	\$0-99	#68 \$100=	\$500 <b>-</b> 999	1999	\$2000 <b></b> 2999	and over	Total
Drop out, dissolve, or reduce opera-	\	100,000					
tions Get new menager	40.0 8.6	29•5 5•1	23•5 5•9	23.8 10.5	12•7 12•7	13.2 12.1	23.8 9.1
Find out cause Stick with them and	15.7	19.2	23.5	18.1	20.0	26.4	20.7
put in more money	15.7	11.5	11.7	20.0	20.0	21.9	16.9
Recruit new members	20.0	34.7	35.4	27.6	34.6	26.4	29.5
Total percent Total number*	100.0 70	100.0 78	100.0 85	100.0 105	100.0 55	100.0 91	100.0 484

<sup>\*</sup>In addition to this total, 12 farmers gave other opinions.

the farmers who did less then \$100 worth of business would drop out.

dissolve the cooperative, or reduce its operations. The percentage decreased as the amount of business done through cooperatives increased,
until only about 13 percent of the farmers doing business of \$2,000 or



over reacted in this manner.

Perhaps the small farmer would more likely want to get his money out if he felt that the cooperative would fail, because the amount invested as shares is a larger item proportionately to him than it is to the larger farmer. However, the smaller farmer should realize that the failure of a cooperative would put him in a more unfavorable position relatively than it would put the larger farmers because the larger farmer having more volume can have more control over his buying and selling transactions.

### 4. Feeling of Ownership

A cooperative organization is owned by its members. The members, however, may not feel that they own any part of it. One reason for this may be that membership shares are usually small in comparison with the total value of the cooperative's plant and facilities. The member may feel that his part is too small a percentage of the total for him to be recognized as an owner. It is important for farmers to have a feeling of ownership if they are also to feel responsibility in the support of the cooperative. The feeling of ownership is generally accompanied by pride in one's organization and its program, which means more voluntary promoting will be done.

To determine if the members of Michigan cooperatives felt they owned part of the cooperative, they were asked this question: "Do you feel that you are part-owner of the co-op you belong to?". 123 Three-fourths (75.9 percent) of the farmers said they felt as if they were part-owners, and the rest did not have this feeling.

<sup>123</sup> Appendix A. Part II. waestion 6.

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The Grange League Federation's audit <sup>124</sup> reported 59.4 percent of the farmer-stockholders as saying they strongly felt that the Grange League Federation belonged to them. Stern <sup>125</sup> reported in his study that less than one-eighth of the members spoke of the organization as if though they were a part of it.

It is important for cooperatives to study their members to see
why one-fourth of them do not feel they own the cooperative. Perhaps
this one-fourth of the members also tend to be less favorable than other
members on other parts of the cooperative program. In this study cooperative members were analyzed according to age, size of farm, sources of
information about cooperatives and amount of business done through cooperatives during the past year. The first two did not significantly influence responses to the question.

Sources of Information About Occepatives. A larger proportion (84.1 percent) of the farmers hearing about cooperatives through its meetings and publications felt that they were part-owners than did farmers having other information sources as presented in Table 65. The next most favorable group was the members receiving their information from other farmers in which 80.5 percent felt that they were part-owners. About 71 percent of the farmers receiving their information at the cooperative and from farm publications, radio, and farm meetings regarded themselves as part-owners. The most unfavorable group was those not receiving any information of which 67.7 percent considered themselves part-owners.

Cooperative meetings and publications had the best influence on the 124 Grange League Federation. Op. cit. P. 7.
125 Stern. Op. cit. P. 16.

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Table 65. Percentage distribution of members by whether they feel they are part-owners of the cooperatives to which they belong and by sources of information about cooperatives.

	Sources of information						
"Part-owner" feeling	At co- operative	Farm pub- lications, radio and farm meet- ings	Other fermers	Coopera- tive meet- ings and publica- tions	None	Total	
Yes	70.6	72•5	80.5	84.1	67•7	75•9	
No	29.4	27•5	19.5	15.9	32•3	24•1	
Total percent	100•0	100 <b>.</b> 0	100.0	100.0	100.0	100.0	
Total number*	109	69	31	113	31	353	

<sup>\*</sup>Forty-two members were not asked this question.

members in helping them to feel they were part-owners. However, some improvements could be made in the information given out at the cooperative so that it will have a better influence on members regarding ownership of the cooperative. Farmers receiving no information should be encouraged to attend meetings and to read information published by cooperatives.

Amount of Business Done Through Cooperatives During the Past Year.

The feeling of being part-owner of a cooperative increased as the members did more business through their cooperative as indicated in Table 66.

Fifty-four and eight-tenths percent of the farmers doing less than \$500 worth of business felt they were part-owners with the proportion increasing to 90.9 percent of those doing \$3000 worth of business and over who regarded themselves as part-owners of cooperatives. This is easy to understand because the small farmer would feel that his business is too small a part of the total in the cooperative to matter. It would



Park of Street Table 66. Percentage distribution of members by whether they feel they are part-owners of the cooperatives to which they belong and by amount of business done through cooperatives during the past year

		Amou	nt of bus	iness done	9	
"Pert-owner" feeling	\$0-499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b>-</b> 2999	\$3000 and over	Total
Yes No	54.8 45.2	62 <b>.1</b> 37 <b>.</b> 9	81.5 18.5	84.4 15.6	90.9 9.1	75•9 24•1
Total percent Total number*	100.0 62	100.0	100.0 92	100.0 45	100.0	100.0 353

<sup>\*</sup>Forty-two members were not asked this question.

seem important that cooperatives have a program reaching these smaller farmers which shows them that the larger farmers have no more votes than they do and that the amount of business done through cooperatives is not the criterion used to measure the contributions of members.

## 5. Feeling of Having a Voice in the Affairs of the Cooperative

Similar to the part-ownership feeling in a cooperative is the feeling of having a say in the management of the cooperative. Members of coops were asked if they felt that they had a say in the way their cooperative was run. 126

A smaller percentage of the members felt that they had a say in the way the cooperative was run than the percentage of the members who felt that they were part-owners. Sixty-eight and seven-tenths percent of the farmers responding to this question felt they had a say in the running of their cooperative.

<sup>126</sup> Appendix A. Part II. question 7.



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An analysis by age and by sources of information about cooperatives showed no significant relationships. However, there were significant differences among the members when compared by other factors.

Size of Ferm. This comparison by size of ferm showed a significant difference between the group of farmers having less than 50 acres and the group having 50 acres or more (Table 67). Fifty-three and two-

Table 67. Percentage distribution of members by whether they feel they have a say in running the cooperative and by size of farm

Size of farm								
"Having a	Under 50	50-99	100-199	200 acres	Total			
say" feeling	acres	acres	acres	and over				
Yes	53.2	67.6	74.6	70.1	68.7			
No	46.8	32.4	25.4	29.9	31.3			
Total percent	100.0	100.0	100.0	100.0	100.0			
Total number*	47	105	126	67	345			

<sup>\*</sup>Forty-two members were not asked this question.

tenths percent of the members having less then 50 acres felt they had a say in running their cooperative and 71.2 percent of the members having more than 50 acres felt this way.

Amount of Business Done Through Cooperatives During the Peat Year.

An influence similar to that of the size of farm existed in the emount of business done through cooperatives as indicated in Table 68. The proportion of the members feeling they had a say in the way the cooperative was run nearly doubled as the amount of business which the members did incressed from \$499 or less to \$3000 or more.

Sources of Information About Cooperatives. The differences are not large enough to be significant among the fermers indicating different sources



Table 68. Percentage distribution of members by whether they feel they have a say in running the cooperative and by emount of business done through cooperatives during the past year

		Amoun		ness done		
"Having a say" feeling	\$0_1499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b>-</b> 2999	\$3000 and over	Total
Yes	44.3 55.7	58.5 41.5	73•9 26•1	73•3 26•7	86.2 13.8	68.9 31.1
No Total percent	100.0	100.0	100.0	100.0	100.0	100.0
Total number*	61	65	92	45	87	350

<sup>\*</sup>Forty-two members were not asked this question.

of information in Table 69. However, it should be noted that farmers receiving their information at the cooperative tended to be somewhat

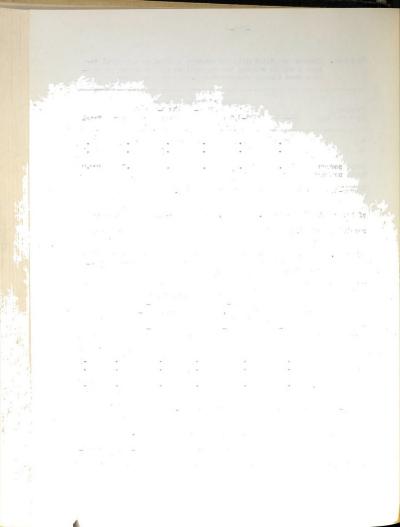
Table 69. Percentage distribution of members by whether they feel they have a say in running the cooperative and by sources of information about cooperatives

	Sources of information							
"Having a say" feeling	At co-	Farm pub- lications, radio and farm meet- ings	Other fermers	Coopera- tive meet- ings and publica- tions	None	Total		
Yes	63.0	73•9	63•3	75•2	60.0	68.9		
No	37.0	26•1	36•7	24•8	40.0	31.1		
Total percent	100.0	100 <b>.</b> 0	100.0	100.0	100.0	100.0		
Total number*	108	69	30	113	30	350		

<sup>\*</sup>Forty-two members were not asked this question.

less favorable than those naming other information sources.

Most cooperatives in the United States follow the one-wote per member principle (about 86 percent of them seconding to the Farm Credit



Administration 127) member, regardless of the number of shares owned or amount of business done through the cooperative, has the same voice in its affairs. This principle, however, does not seem to be realized by smaller farmers because many of them feel that they are not part-owners and do not have a voice in the affairs of their cooperative.

### 6. Reasons that Members do Business Through Cooperatives

Some of the previous discussion indicated what farmers thought of cooperatives as a system of doing business compared to other businesses in their communities. Many farmers indicated a belief in cooperation, and others stressed economic advantages of cooperatives, but pressure was not put on them in the interview to get them to decide which advantage was more important to them, economic or belief in cooperation. However, near the end of the interview, members of cooperatives were asked to choose whether they did business with cooperatives. They were asked to choose whether they did business because they believed in cooperatives or because it meant money to them. If they indicated both these reasons, their responses were recorded on the schedule. The question asked was:

"Do you do business with your co-op mostly because it means more money to you or mostly because you believe in the idea of cooperation?". 128

Forty-two percent of the members said they did business with cooperatives because they believed in the ides of cooperation, 28.6 percent said it meant more money to them, and 31.2 percent gave both reasons.

Size of farm, amount of business done through cooperatives during

<sup>127</sup> A Statistical Handbook of Farmers' Cooperatives. Washington, D.C.: Ferm Credit Administration Bulletin 26, November 1938. P. 54.

<sup>128</sup> Appendix A. Part II. Question 8.

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the past year, and age did not significantly influence members' opinions on why they did business through cooperatives.

Age. Even though the relationships among the farmers according to age were not large enough to be significant, there was a downward trend in the proportion of farmers saying they did business through cooperatives both because it meant money to them and because they believed in the idea of cooperation. Table 70 shows that as the age of the members increased,

Table 70. Percentage distribution of members by their reasons for doing business with their cooperatives and by age

	Age of members							
Reasons given	Under 30	30-39	40-49	50-59	60 and over	Total		
It means money	23.1	28.6	30•3	27•9	29•5	28.6		
Believe in idea	34.6	34.5	40•5	44•2	44•3	40.2		
Both	42.3	36.9	29•2	27•9	26•2	31.2		
Total percent	100 <b>.</b> 0	100.0	100.0	100.0	100.0	100.0		
Total number*	26	g4	89	86	61	346		

<sup>\*</sup>Forty-two members were not asked this question.

there was a tendency for a larger percentage of them to say they believed in the idea. This is demonstrated by an increase from 34.6 percent of those under 30 years of age to 44.2 percent of those 50-59 and 44.3 percent of those 60 years of age and over.

Sources of Information About Cooperatives. The reasons that members did business with their cooperatives compared by their sources of information about cooperatives, as presented in Table 71, showed several unexpected relationships. It would seem that the members who received their information from cooperative meetings and publications or at the cooperative would be more likely to do business because they believed in



Table 71. Percentage distribution of members by their reasons for doing business with their cooperatives and by sources of information about cooperatives

	Coopera- tive meet-	Sources	of informat Farm pub- lications,			
Reasons given	ings and publica- tions	At co- operative	radio and farm meet- ings	Other farmers	None	Total
It meens money Believe in	21.4	32.4	24•6	38.7	43•3	28.8
idea	41.1	40.0	144.9	25.8	40.0	40.1
Both	37.5	27.6	30.5	35•5	16.7	31.1
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
Total number*	112	105	69	31	30	347

<sup>\*</sup>Forty-two members were not asked this question.

the idea of cooperation than members indicating other sources. Also, fewer of the members receiving no information about cooperatives would be expected to have done business because they believed in cooperatives. However, more of the members (44.9 percent) receiving information about cooperatives from ferm publications, radio and farm meetings believed in the idea of cooperation than of those getting information at the cooperative meetings, cooperative publications, and at the cooperative of which about 40.6 percent said they did business because they believed in the idea. Similar to the members receiving information from cooperative sponsored sources were those not receiving any information about cooperatives of which 40 percent said they did business because they believed in the idea. Farmers receiving information from other farmers were least favorable with 25.8 percent of them doing business because they believed in cooperation.

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It should be noted also, that 32.4 percent of the farmers who received their information at the cooperative said they did business because it meant money to them compared to a smaller percentage of about 23 percent of those receiving information from cooperative meetings and publications and from farm publications, redio, and farm meetings.

Important deductions from the table are these: members receiving information from cooperative meetings and publications or at the cooperative have not been any more favorably influenced toward believing in cooperatives than those receiving information from farm publications, radio and farm meetings; a larger percentage of the members receiving information at the cooperative said they did business because it meant more money to them than would be expected if that source had influenced them toward thinking otherwise.

#### 7. Voluntary Recruiting by Members

The voluntary promotion resulting when farmers visit with other farmers has been recognized as an important method of securing new members in cooperatives. To discover whether the members of cooperatives in this study were promoting the cooperative idea to non-members, they were asked if all of their farmer friends or farmer relatives in their communities were members of cooperatives. Thirty-nine percent of the members said not all of their friends and relatives were members. These 39 percent were then asked if within the past year they had tried to interest any of their non-member friends in joining a cooperative. 129

Twenty-eight and nine-tenths percent of the members responding to this question said they had tried to interest their friends and relatives 129 Appendix A. Part II. Question 11.

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in joining a cooperative and 78.1 percent said they had not.

It should be noted that at the time of this study some cooperatives were not interested in increasing their memberships. Some of them were involved in patron relations problems resulting from not allowing any additional farmers to join.

Losey's 130 study of the Grange League Federation showed that 32 percent of the farmers interviewed said they boosted the Grange League

Federation to other persons, and 41.8 percent of the members urged others
to patronize Grange League Federation agencies.

An enalysis of the data in this study showed no significant differences for ege, size of farm, and sources of information about cooperatives.

Amount of Business Done Through Cooperatives During the Past Year.

Table 72 shows members' answers to the question about getting other farmers

Table 72. Percentage distribution of members by whether they tried to interest others within the past year in joining a cooperative and by amount of business done through cooperatives during the past year

	Amount of business done								
Voluntary recruiting	\$0-499	\$500-999	\$1000 <b>-</b> 1999	\$2000 <b>-</b> 2999	\$3000 end over	Total			
Yes	18.8	29.2	30.6	24.0	36.6 63.4	28.2			
No	81.2	70.8	69.4	76.0	63.4	71.8			
Total percent Total number	100.0	100.0	100.0	100.0 25	100.0 41	100.0			

interested in cooperatives by the amount of business done through cooperatives during the past year. The relationships in this table are not significant according to the chi square test of significance at the five 130 losey. Op. cit., in Anderson and Sanderson. Op. cit. P. 13.

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percent level. However, there was a tendency for a higher proportion of the members doing less than \$500 worth of business to say that they did not try to interest others in joining than for those doing more than \$500 worth of business. Eighty-one and two-tenths percent of those doing less than \$500 worth of business said they did not try to interest others compared to about 69 percent of the rest of the members. Also a higher percentage (36.6 percent) of the members doing \$3000 worth of business said that they had tried to interest others in joining a cooperative compared to only twenty-five percent of those doing less business through the cooperatives.

8. Comparison of Cooperatives and Other Businesses
During Low Periods in the Business Cycle

If farmers have faith that their cooperative will pull through a business slump, they will be more likely to support it, and thus the cooperative's chances of pulling through successfully will be greatly enhanced. Farmers were asked a question concerning their opinion about the ability of a cooperative compared to other businesses to withstand successive poor business years. The question was: "If business were poor for a few years, which do you think would be more likely to pull through, a farmer-owned co-op or a business which is not a cooperative?". 131 To offset the effects of the word, "fail", in the question, it was worded, "more likely to pull through", on alternating schedules.

Eight and six-tenths percent of those responding said that farmerowned cooperatives would be more likely to fail and 74 percent said that non-cooperative type of businesses were more likely to fail. Six percent

<sup>131</sup> Appendix A. Part II. Question 13.

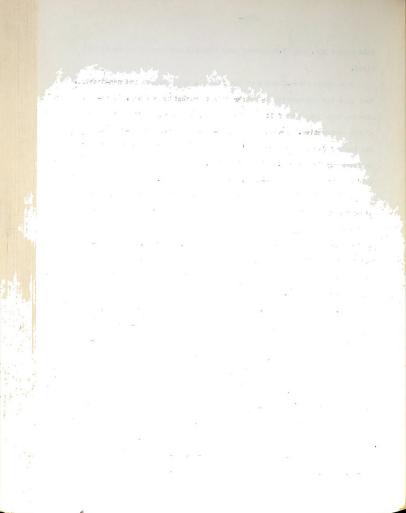


said either one, and 11.4 percent said they did not know which would fail first.

When about three-fourths of the farmers, both members and non-members, feel that the cooperative is better able to withstand a slump, it indicates that they have faith in the soundness of the financial structure of the cooperative. Seventeen and four-tenths percent are in-between and their faith in a cooperative's ability to remain in operation might be favorably influenced. With this faith, cooperatives may be able to hold up through many nation-wide, poor business years.

An analysis of the fermers responding to this question showed few significant relationships among the fermers according to the amount of business which they did through cooperatives during the last year or by their sources of information about cooperatives. However, fermers receiving information from cooperative meetings and publications tended to be the most feverable group and those not receiving any information the least favorable group.

Age. In this enalysis, the farmers saying they did not know which would fail first and those saying both cooperatives and non-cooperative businesses have about the same chance of failing were not included because of the small sample. The comperison by age showed a significant difference between the farmers under 40 years of age and those 60 years and older (Table 73). A smaller percentage of the farmers under 40 years of age asid that the farmer-owned cooperative would be more likely to fail than of the farmers 60 years of age or over. The proportion of farmers feeling the cooperative would fail first increased from 5.2 percent of those under 40 to 10.4 percent of those 40.49, 14.3 percent of those 50.49, to 16.9 percent of those 60 years and over. The reason for farmers



Pable 73. Percentage distribution of farmers by their opinion of which would more likely fail during poor business years, a farmer-owned cooperative or a non-cooperative business and by age

Opinion given	Under 40	Age of 40-49	farmers 50-59	60 and over	Total
Farmer-cwned					
cooperatives	5.2	10.4	14.3	16.9	10.3
Non-cooperative					-
business	94.8	89.6	85.7	83.1	89.7
Total percent	100.0	100.0	100.0	100.0	100.0
Total number*	155	96	87†	71	406

<sup>\*</sup>This does not include farmers saying equal or don't know.

60 years and over being more skeptical of cooperatives during depression years may have been due to their experience with cooperatives in the early years of cooperative growth.

Size of Ferm. The percentage distribution of farmers by their opinions of which would be more likely to fail during poor business years, a fermer-owned cooperative or a non-cooperative business, in Table 74, does

Table 74. Percentage distribution of farmers by their opinion of which would more likely fail during poor business years, a farmer-owned cooperative or a non-cooperative business and by size of farm

Opinion given	Under 50	Size 50-99	of farm in 100-199	acres 200 and over	Total
Farmer-cymed cooperative	9.1	5.6	12.5	17•7	10.6
Non-cooperative business	90•9	94.4	87.5	82•3	89.4
Total percent Total number*	100.0 77	100.0 124	100.0 143	100.0 62	100.0 406

<sup>\*</sup>This does not include farmers saying equal or don't know.



not show any significant differences. However, there is a tendency for a larger proportion of the farmers having 100 acres or more to say the cooperative would fail first than of those having less that 100 acres.

Seven percent of those having less than 100 acres compared to 14 percent of those having over 100 acres said the cooperative would fail first.



### Chapter VIII.

#### Summary and Conclusions

#### 1. Summary

In this study, first-hand information was gathered about the kinds and amount of perticipation by farmers in Michigan agricultural cooperatives and about the attitudes of farmers toward cooperatives. These attitudes were analyzed to reveal information which might be used by cooperatives in understanding and solving some of their problems in the field of membership relations.

Five hundred Michigen farmers, in five general areas in the southern half of the lower peninsula in which 30 cooperatives functioned, were interviewed with the aid of a schedule. Three hundred ninety-five farmers were members of cooperatives and 105 were non-members. Of the 395 members, 42 were "unaware members" or farmers who did not know they were members but who were discovered by specific questions near the end of the interview.

An average of 1.3 reasons for joining cooperatives were given by members of which over one-half gave economic reasons, one-third became members through patronage refunds returned as share memberships and only about one-fourth indicated a belief in cooperatives as one of their main reasons for joining. Similar to these results were those concerning what all of the farmers considered to be the main advantages of cooperatives to farmers. Mearly three-fourths named economic advantages, about one-third named one or more services provided by their cooperatives, and one-sixth said that they were the farmers' own organizations.



Seven-eights of the farmers who had some or all of high school were members of cooperatives compared to only three-fourths of the farmers having either less than high school or more than high school who were members. This meant that a larger proportion of the farmers who had some or all of high school were members than of those who had more schooling or less schooling. Cooperative members tended to operate larger farms than did non-members. Over one-third of the members did not attend meetings of their cooperatives. Fewer of the smaller farmers and of the younger members did not attend meetings than of the larger farmers and of the older members.

Over one-half of the farmers did not have any criticisms of cooperatives. One out of every ten farmers stated that the cooperative was not a true cooperative and about one-tenth said doing business at cooperatives was not an economic advantage. The most critical group of farmers were those from 40-49 years of age who had nine or more years of schooling.

Farmers operating larger farms and doing more business with cooperatives generally were more favorable to cooperatives than those with less business or less acreage. They had a stronger ownership feeling and more of them felt that they had a voice in cooperative affairs. They considered more favorable such things as owning and controlling the farm supply business, receiving a share in business through patronage refunds, the importance of cooperatives serving as measuring sticks, and net costs of farm supplies. However, they were more critical and tended to say that cooperative-sponsored sources of information were not better than other sources. Over one-half of all the farmers said that the big farmers received the most benefit from cooperatives, and nearly all of the rest said there was no difference.



Information about cooperatives given to farmers at cooperative meetings and in publications generally had a favorable influence on farmers'
attitudes, but the information furnished at the cooperative did not influence them.

In general, farmers did not rate cooperatives better than other businesses on such things as efficiency, net returns, net costs, value to the community, and services rendered; instead, they tended to rate them equal. The farmers under 30 and those 60 years and over rated the importance of refunds much higher than did other farmers.

Although generally the opinion of farmers was favorable to cooperatives, two-fifths of them said they thought a member should not continue to patronize his cooperative if it did not meet current competition.

This summary included some of the main findings of this study, which
are discussed more fully in earlier parts of the thesis. Other more
specific findings discussed in previous sections and in section or chapter summaries, may be as useful to cooperatives as these general findings.

#### 2. Conclusions

From the standpoint of action programs in the field of membership relations, generalizations can be made from these findings if consideration is given to the description of the sample and conditions of this study. Effective use of these data by cooperatives involves the recognition of variables and the proper adjustment for them in relation to the conditions under which the generalizations are to be applied.

The consideration by cooperatives of some of these findings should result in a better understanding of their own membership relations problems. Although it is true that there may be differences between this The second of th

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sample and other areas where cooperatives might wish to apply the findings, this should not be looked upon as a weakness of the study. For not
only are these areas typical of many in the state but also it was hoped
that one of the real contributions of the study to action research would
be to initiate a recognition of existing problems which would result in
a desire for further more intensive, localized research on the part of
managers, directors, administrators, and members of cooperatives.

For example, a portion of a report 132 based on data collected in this study, which concerned the unaware members was read by an extension economist to officers and directors at a cooperative meeting. These officials immediately raised a question as to whether there were any members in their cooperatives who did not know they were members. This resulted in a discussion about their own membership and ways of making sure that their members realize their membership.

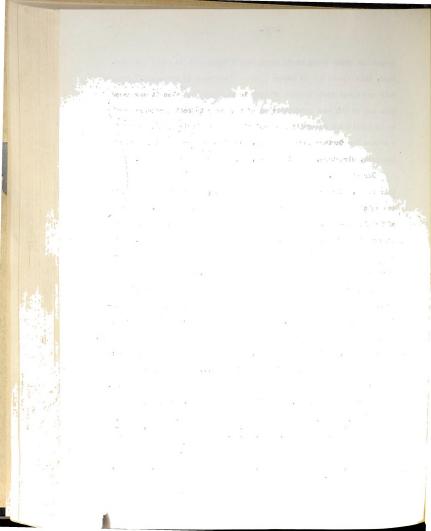
Another example of perts of this study initiating a recognition of problems in cooperatives resulted when questions were asked and discussions evolved among managers, officers and directors of local cooperatives after a report of this survey was presented to them at cooperative clinics. 133 Several times, during these clinics, officers would raise the question:

"I wonder what our members think about us?" "...about our service?" Some officers asked how much it would cost them to do a study in their areas.

If resulting studies, regardless of their scope, are carefully

<sup>132</sup> Duane L. Gibson. "Co-ops as the Farmer Sees Them". East Lansing, Michigan: Social Research Service, Michigan State College, Mimeogreph report, October 30, 1947. P. 4.

<sup>133</sup> A report of this survey was presented by Walter E. Book to 476 fermers at cooperative clinics conducted in 10 different areas in Michigen, during February 1948, for cooperative managers, officers, and directors.



planned and executed and then carried through with the adoption of cooperative policies based on the results of that research, and, if the results enhance the success of the cooperative, it will establish a precedent of successful understanding and solving of membership relations problems which may be a boon to many other cooperatives.

This study presented data concerning the broad membership relations problems faced by cooperatives. In the analysis of the data, some of the inherent elements influencing the attitudes and opinions of farmers toward cooperatives were discussed from the standpoint of human motivation and the understanding of the social-psychological aspects of human relations. Several problems have evolved from the analysis which were not answered by the data collected. It would seem that further research in the field of membership relations should attempt to answer some of these questions.

Perhaps one of the fundamental things which should be determined concerns the belief by farmers in cooperatives. The questions which a consideration of this brings up are: What does the farmer mean when he says that he believes in cooperation? What does he mean when he says that a cooperative which begins to fail is not a true cooperative? These terms, "belief in cooperation", "like the cooperative idea", "it isn't a true cooperative", are often used by farmers; yet, before they can be used in analyzing opinions and attitudes, their meaning should be carefully studied.

A study of this involves an analysis of the sentiments and values of the farm people. Several answers to these questions can be suggested but they need to be tested. One hypothesis might be that fermers have an abstract emotional ides about cooperatives which is not what they discover



in an actual cooperative. Therefore, when a cooperative begins to fail they tend to say that it is not a true cooperative, meaning that it does not meet the abstract ideal cooperative which exists only in their minds. Another hypothesis might be that a belief in cooperatives is a belief in greater economic returns, or more security, or some social satisfaction which they feel they receive from cooperatives.

It would be interesting to discover whether the older farmers mean the same things as the younger farmers when they say they believe in cooperation. Perhaps there are differences because the younger farmers, being instilled with the competitive spirit in their schooling, think that their individual resources are enough to secure their needs in the free competition which they believe exists, whereas the older farmers have tried to compete for many years and have discovered that there were limitations to the existence of free competition and that cooperatives were a solution to some of their problems.

This study showed that older farmers tend to go to more cooperative meetings than do younger farmers. Perhaps they have found that the social atmosphere of the cooperative meeting satisfies one of their psychological needs.

One of the things which was not discussed in this study was the kind of social values, if any, which are inherent in cooperatives. In a consideration of social values, the type of cooperative should be considered because some cooperatives would reduce social interaction. For example, Larzelere, 134 in a study of the commission type of marketing cooperatives

<sup>134</sup> H. E. Lerzelere. Costs of Marketing Fruits and Vegetables in the Columbus Wholesale Curb Market. Columbus, Ohio: Unpublished mester's thesis, Ohio State University, 1934.

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in Ohio, found that some farmers did not join the commission house cooperative because they liked to go into the public market and sell their
produce. The excitement and tension and social interaction was worth
more to those farmers than the time saved and the other advantages of
the commission house. However, livestock auctions organized by cooperatives might have the effect of increasing social interaction.

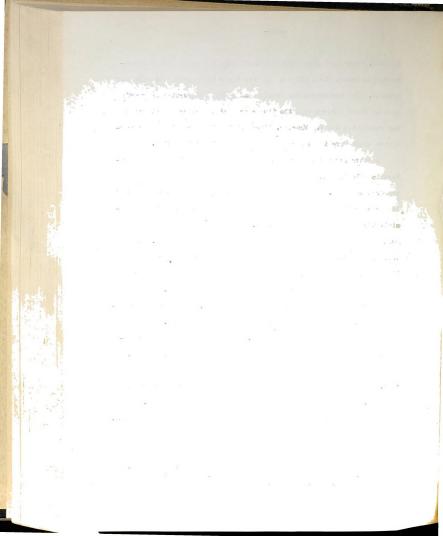
Another fundamental problem which needs some consideration in membership relations research is what farmers consider membership in a cooperative to be. Some suggestions are that to some farmers membership in a cooperative means sharing in the voting and administrative responsibilities of a community enterprise. Other farmers may consider it as meaning a share in the economic returns from the cooperatives. A study that considers this problem should be more intensive and more explicit than the discussions of the reasons farmers joined cooperatives or why they did business at cooperatives presented in this thesis.

Generally when a cooperative is first formed, attendence at organizational meetings is high and much enthusiasm is displayed. Later the attendance and the interest decreases. For example the Red Cedar Consumer Cooperative of students and faculty at Michigan State College, at its organizational meetings drew enough people to fill a recreational hall, but now it is difficult for its officers to secure a quorum at its meetings. Other organizations have life cycles similar to this. 135

The reasons for this great enthusiasm and its decline should be studied.

An hypothesis is that cooperatives and other organizations in the minds of people are abstractions which are much different from what

<sup>135</sup> For a discussion of life cycles of institutions see: Francis S. Chepin. Contemoorary American Institutions. New York: Harper and Brothers, 1935. Part II.



exists when the organization is functioning. When the members discover the difference between their ideal and the reality, they may begin to lose interest and stop attending meetings.

Another hypothesis as to why some poeple join at first is that they
may feel that they are needed and that their contributions and ideas
are necessary in selecting the kind of organization which will meet their
needs. After this policy is formed, they may feel they are no longer
needed.

Perhaps people join at first because they want social recognition and prestige. They desired to be elected, thus being recognized by their society. If they do not achieve this, they become inactive members.

Later they do not attend meetings because they are afraid of not being elected. It may be that they rationalize and actually look down on the people who do attend and are not elected to official positions.

Another hypotheses might involve the study of clique groups. 136
At the first organizational meeting of a cooperative, the attendance consists of many different clique groups from the different neighborhoods and communities, each with their own leaders. The leaders of these clique groups may be on an equal footing at the first meetings before any officers are elected. Since all of the clique leaders cannot be elected to the offices, some of the leaders of the cliques after the election would necessarily be in a subordinate position to those elected. Therefore, communication of ideas and action would go to the individual clique members directly, by-passing existing clique leaders. This could not be tolerated by the clique leaders because it reduces the importance of their former

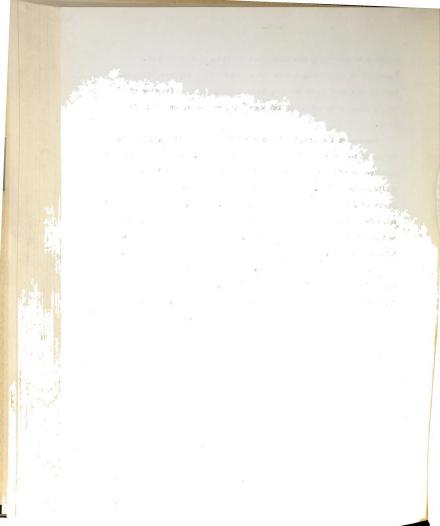
<sup>136</sup> For a discussion of the importance of small groups in rural areas see: Charles P. Loomis. Studies of Rural Social Organization. Op. cit.

position by decreasing the dependence of clique members on them.

Therefore it would be desirable for them to remain away from the meetings so that they would not have to participate in the situation of losing prestige by acting on the same level as the members of their group.

Perhaps at the organizational meetings of cooperatives, the solidarity of the group results from an external force, such as the lack of a desired service or the large profits taken out of farmers' income by middlemen or dealers. After the causes of the solidarity decreases in importance, the group begins to disintegrate. Later, new crises may arise from without in the form of resistance to the cooperative, such as the recent proposed cooperative tax. This opposition tends to reunite the members, and their interest and enthusiasm is strengthened.

These elements just discussed are suggested as items which might be considered in planning for future studies. The hypotheses suggested have not been tested by the data collected in this study, but it is hoped that they may aid further researchers in this field.



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### APPENDIX A.

Schedule No.
Date 1947
Interviewers
Initials

MICHIGAN STATE COLLEGE

Form

### MEMBERSHIP RELATIONS OF MICHIGAN FARMERS! COOPERATIVES

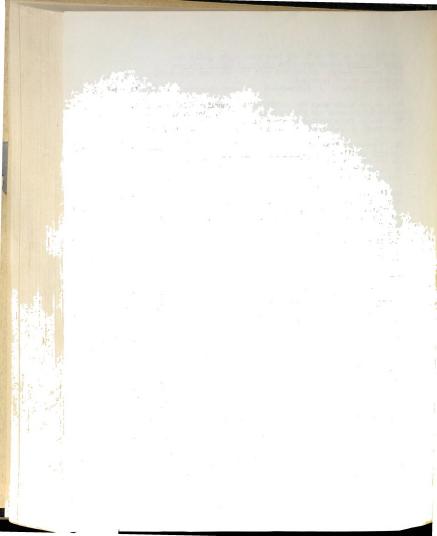
SOCIAL RESEARCH SERVICE

Schedule Draft IX, July 20, 1947

My name is and I am with the Social Research Service of Michigan State College. We are making a study of what farmers think about cooperatives as a way to help farmers with their buying and selling problems. Would you be willing to talk with me a few minutes about cooperatives right now?  For code Number
Schedule Number1-3
First, have you had any kind of experience with co-ops? 1-Yes( ) 2-No( ) 4
In general, do you think that co-ops are a good thing or a bad thing for farmers?
1-Good thing( ) 2-Bad thing( ) 3-Don't know( ) 5.
What would you say are the main advantages of co-ops for farmers?
What are your criticisms of co-ops?
In general, how would you say that furmer-owned co-ops compare with 8. other businesses? Would you say that co-ops are doing a better job, a poorer job, or about an equal job of buying and selling for farmers? 1-Better job() 2-Poorer job() 3-Equal job() 4-Doort know()
I'd like to ask you a few questions about farm supply co-ops or purchasing co-ops; that is, the kind that farmers organize to buy supolles for its members, such as seeds, feeds, fertilizers, etc. In general, do you feet that the net costs of farm supplies to members of farm co-ops are higher, lower, or about the same as the net costs of purchases made at other businesses?  1-Higher( ) 2-Lower( ) 3-About the same( ) 4-Don't know( )



(If "higher" or "lower") How important do you feel these lower (higher) prices are as an advantage (disadvantage) of farm supply co-ops? Do you feel that they are very important, important, or not important?
1-Very important() 2-Important() 3-Not important() 4-Don't know() What do you think about the quality of the supplies which co-ops 11. handle for farmers? Do you think it is better, poorer, or about the same as those handled by other businesses? 1-Better() 2-Poorer() 3-About the same() 4-Don't know()
(If "better" or "poorer") How important do you feel this better 12. (poorer) quality is as an advantage (disadvantage) of farm supply co-ops? Do you feel that it is very important, important, or not important?  1-Very important() 2-Important() 3-Not important() 4-Don't know()
Now I'd like to ask you about the service of farm supply co-ops 13
(If "better" or "poorer") In what way?
(If "better" or "poorer") How important do you feel this better 14.  (poorer) service is as an advantage (disadvantage) of farm supply co-ops? Do you feel that it is very important, important, or not important? 1-Very important () 2-Important ()  3-Not important () 4-Don't know()
Some farmers say that farm supply co-ops should provide better service than other kinds of business even though it might mean that the patronage refunds would have to be lower. Do you agree with that statement, or not?  1-Agree( ) 2-Disagree( ) 3-Don't know( )
Some beople say that one of the advantages of farm supply co-ops 16. is that farmers can own and control the business which serves them.  Would you say that this is very important, important, or not important as an advantage of farm supply co-ops? 1-Very important () 2-Important() 3-Not important() 4-Don't know()
Some people say that farm supply co-ops help farmers because they are a sort of "measuring stica" with which ferners can compare the price, qu'ility and service of other businesses.  "ould you say that this is very important, important, or not important as an advantage of farm supply co-ons? L-Very important() 2-Important() 3-dot important() 4-Don't know()



It is sometimes said that farm share in business through patr that this is very important, i an advantage of farm supply co 2-Important() 3-Not import	onage refunds. Would you say mportant, or not important as -ops? l-Very important( )	18
Do you feel that farm supply control to sell at lower price than give refunds later?  1-Yes( )		19
Do you think that a member show	uld continue to buy from his prices may sometimes be a little s? 1-Should continue( )	20
know about?	de at the farm supply co-ops you 2-No( ) 3-Don't know( )	21
members?	t they get the same service as 2-No( ) 3-Don't know( )	22
(If "yes") Do you know wheter refunds?	er non-members get patronage 2-No( ) 3-Don't know( )	23
marketing co-ops that I have juco-ops. By marketing co-ops aganize to process and sell procurit, livestock, beans, etc. marketing co-ops as compared writering co	mean co-oos which farmers or- ducts for them, such as milk, In general, would you say that	24
(lover) returns are as an adva-	ortant do you feel these <u>higher</u> atter ( <u>disadvantage</u> ) of market- it is very important, important, rtant() 2-Important() know()	25
compared with other margating h		
(inefficiency) is as an advanta	rtant do you feel this <u>efficiency</u> <u>one (disadventone)</u> of marketing s very important, important, or portant( ) 2-Important( ) .mow( )	::7•



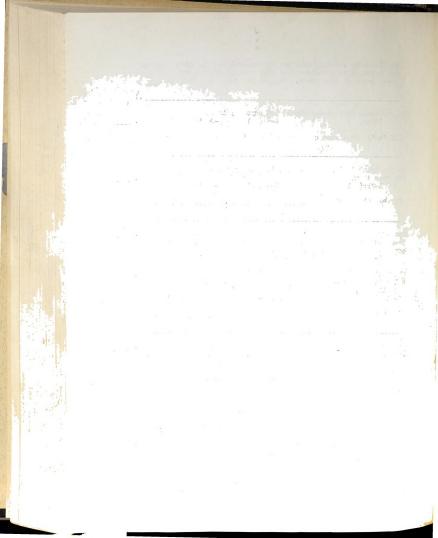
How about the services of marketing co-ops as compared with other marketing businesses on such things as grading, processing, testing, trucking, etc.? Would you say that the service of co-ops is better, poorer, or about the same as other businesses? 1-Better() 2-Foorer() 3-About the same() 4-Don't know()	28.	
(If "better" or "poorer") How important do you feel this matter of better (poorer) service is as an advantage (disadvantage) of marketing co-ops? Do you feel that it is very important, important, or not important? 1-Very important() 2-Important() 3-Not important() 4-Don't know()	29.	
Some people say that one of the advantages of marketing co-ops is that farmers can own and control the business which serves them. Do you feel that this is very important, important or not important as an advantage of merketing co-ops? l-Very important() 2-Important() 3-Wort important() 4-Don't know(	30.	
Some people say that marketing co-ops help farmers because they are a sort of "measuring stick" with which farmers can compare the price, efficiency, and service of other marketing businesses. Would you say that this is very important, important, or not important as an edvantage of marketing co-ops? 1-Very important() 2-Important() 3-Not important() 4-Don't mose()	31.	
Some people say that marketing co-ops help farmers because they give farmers a share in business through petronage refunds. Fould you say that this is very important, immortant, or not important as an adventage of marketing co-ops? I-Very important () %-Important () 3-dot important () 4-Don't know(	38.	
Do you think that a mander should continue to sell his products through his co-on even though prices may sometimes be a little lover than at other businesses?  L-yes( ) 3-Don't know( )	33.	
In general, so you feel that a furner should be allowed to join or drom out of a marketing co-op any time he bleases or should be be resulted to have a contract still runs for an agreed period of time?  1-Any time( ) 2-Contract( ) 2-Deconds( ) 4-Don't known		
(If "contract" or "depends") that kind of reculrements for jetting in and out do you think would work best?		



I have asked you pretty much the same kinds of questions about farm supply co-ops and marketing co-ops separately. Now I'd like to have you compare those two types. Which of these two kinds of co-ops which we have been talking about do you think heops the farmer most; the farm supply co-op or the marketing co-op? L-Farm supply() 2-Marketing() 3-Equal() 4-Weither() 5-Don't know()	35
(If "farm supply" or "marketing") Why do you feel that way?	36
How would you rate co-ops as to their value to the community in comparison with other businesses? Would you say that co-ops are a greater asset than other businesses to the community, not as much of an asset, or about the same?  1-Greater() 2-Lees() 3-About the same() 4-Don't know(	37
Some people say that co-ops help farmers because they give out sounder information about new farming ideas than other kinds of businesses do. Would you say that co-ops do a better job, a poorer job, or about the same job as other businesses in giving out sound information about new farming ideas?  1-Better() 2-Poorer() 3-About the same() 4-Don't know()	) 38
Some people say that co-ops help the farmer because they aren't as likely to "gyp" the farmer as other businesses are. Do you agree with this statement, or not?  1-dagree( ) Z-Don't know(	
Do you feel that the employees of co-ops are more efficient, less efficient, or about the same as the employees of other businesses?  1-wore() 2-Less() 3-About the same() 4-Don't k	40
In general, do you feel that the managers of co-ops should have farm backgrounds, or not?  1-Yes( ) 2-Ho( ) 3-Don't know( )	41
In general, do you feel that managers or officers of co-ops should belong to local business or service clubs, or not?  1-Yes( ) 2-do( ) 3-Don't know( )	42
Suppose you belonged to a co-op and so many members dropped out that the co-op began to lose money. Which of these things would you do: Go out and help get new members; vote to continue the co-op but on a smiller scale; drop your own membership or vote to dissolve the co-op?  1-Recruit () 2-Reduce oper 3-Drop out () 4-Dissolve() 5-D. X.()	43



(On alternate schedule Question 45 appeared in this form: Suppose you belonged to a co-op and so meny members dropped out that the co-op began to lose money. What do you think you would do?
Or you think that co-ops should let anyone join who wants to?  1-Yes( ) 2-No( ) 3-Don't know( ) 44  (If "no") What sort of persons shouldn't be allowed to join?
Oo you think that farmers who don't belong to co-ops get any bene- Cit from them? 45
(If "yes") In what way?
Come farmers say they can't afford to belong to a co-op because 46.  Chey rould have to have too much money tied up in it. Do you agree with that statement, or not?  1-Agree( ) 2-Disagree( ) 3-Don't know( )
Thich kind of farmer do you think gets the most benefit from 47.  beloneing to a co-op; the mon with a big farm, or the men with the small farm, or do you feel that there isn't much difference?  1-Big farmer() 2-Small farmer() 3-No difference() 4-Don't know()
(If "big" or "cmell") thy do you think so?
o you think that the growth of city consumer co-ope which are 48
(On alternate schedule question 48 appeared in this form: Do you think that the growth of city consumer co-one which are organized by city neople to handle food, clothing, services, atc. for their machers is working for the best interests of fermers, or not? 1-Yes() 2-Ho() 2-Hon't know().)
Then a vote is held at a co-op meeting so you think that each teber about have just one vote or should each member have a vote for about beyon of stook he owne?  1-One vote per member( ) S-wae vote per ribre( ) S-bon't know( )



Do you think that co-ops should be set up so that the more business a man does with it the more votes he should be allowed to cast at meetings?  1-Yes( ) 2-No( ) 3-Don't know( )	50
Suppose a co-op needed to increase its capital. Which of these things do you think it should do: Borrow money from a bank or pay its patronage refunds in the form of shares of stock rather than cash? 1-Borrow from bank()	51
2-Pay refunds in stock() 3-Both() 4-Don't know()	52
When a co-op wants to get new members, which of these ways do you think it should use: Hold back the patronage refunds of new purchasers until they have enough to pay for their membership or go out and sell memberships directly to farmers? 1-Hold beck refunds () 2-Sell memberships () 3-Don't know(	53
When a co-op has a surplus at the end of the year, who do you think should get most of it: The stockholders through	54
you think should get most of the his social best intoles dividends on stock or the patrons through refunds on the business they did? 1-Stockholders( ) 2-Patrons( ) 3-About equal( ) 4-Don't know( )	
We take it for granted in this country that ordinary business is out to make a profit. Do you think of co-ops as typical profit-making businesses, or not?  1-Yes( ) 3-Don't know( )	55
A business which pays out its earnings only to stockholders has to pay an income tax on these dividends to stockholders. If a co-op pays refunds to members on the basis of patronage do you think it should be required to pay an income tax on these refunds? 1-Yes() 2-Ho() 5-Don't know()	56
A business which holds back some of its earnings to build up the business has to pay an income tex on the money it holds back. Do you think that a co-op should be taxed on the earnings it holds back if each patron's share of it is recorded on the books?  1-Yes() 2-No() 8-Don't know(	57
Do you know whether most farmers' cc-ovs are required to pay income taxes, or not? l-Required( ) 2-Not required( ) 3-Don't know( )	58
Many co-ops call themselves "non-profit organizations" because they say the amount left over at the end of the year is returned to purchasors similar to a discount. Do you feel that co-ops that operate in this manner are right in calling themselves "non-profit to remaintains?"	59
1-Yes() 2-No() 3-Don't know()	60
(On alternate schedules questions 55 through 59 appeared in	

(On alternate schedules questions 55 through 59 appeared in this order: 56, 57, 58, 55, 59.)



Are you a member of 3-Don't know( )	a co-op	now? 1	-Yes( ) 2-N	o( - )	61
(If "yes" fill in of table below)			, but does bu indicate name ess)		
Name of Co-op	Year joined		in Reason Joining	Approx. Amt. of Bus. with Co-op Last Yr.	62. 63. 64.
					65
Have you ever belon l-Yes( )		2-No( )	and then dr 3-Don't		66 67 68
(If "yes", fill in	table b	elow)			
Name of Co-op	Year joined	Year Dropped Out	Reason for	dropping out	69. 70. 71.
					72.
					73
Now I'd like to have the cooperative met your first impressi your first impressi l-Favorable() Since that time have toward co-ops or ha 2-Less favorable(	hod of d ons were ons were 2-Unfa e you be ven't yo	come more ecome feeling	iness and try c-ops. Would le or unfavor 3-Don' e favorable on as changed?	to remember who you say that able? t know( ) r less favorable l-More favorable	e 76
(If "more" or "les with co-ops which					77
					_
Where do you get m	ost of y	our info	mation about	co-ops?	_7º
					-



(Q uestions 4 through 11 are for those who are co-op members. If the informant is not a co-op member, go to Question 12 and continue from there.)  Have you ever been an officer or a director in a co-op? 6-Yes() 7-No() (If "yes") What offices have you held?  I'd like to have some idea as to how often you attend meetings held by your co-op(s). Would you say you sttend most of them, a few of them, or none of them? 6-Most of them() 7-A few of them() 8-None of them? () 3-Don't know()  Do you feel that you are a part owner of the co-op(s) you belong to? 6-Yes() 7-No() 8-Don't know()  Do you feel that you have a "say" about the way your co-op is run? 6-Yes() 7-No() 8-Don't know()  Do you do business with your co-op(s) mostly because it means more money to you or mostly because you believe in the idea of cooperation? 6-Means money() 9.  7-Believe in idea() 8-Both() 9-Don't know()  Are your farmer friends and farmer relatives in this community all members of co-ops, or not? 6-Yes() 7-No() 8-Don't know()  (If "no") Within the pest year have you tried to interest any of your non-member friends in joining a co-op? 6-Yes() 7-No() 8-Don't know()  (To be asked of non-members) What changes would a co-op need to make in order to interest you in becoming a member?  If business were poor for a few years which do you think would be more likely to fall; a farmer-owned cooperative or a business which is not cooperative? 6-Farmer-owned co-op () 7-Non-oo-op business() Don't know()  (On alternate schedules (uestion 13 appeared in this form: If business were poor for a few years which do you think would be more likely to nath a cooperative? 6-Farmer-owned co-op () 7-Non-oo-op business () Don't know()  (On alternate schedules (uestion 13 appeared in this form: If business were poor for a few years which do you think would be more likely to nath a cooperative? 6-Farmer-owned co-op () 7-Non-oo-op business () B-Don't more ().)		(Card 2)
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6-Yes() 7-No()  (If "yes") What offices have you held?  I'd like to have some idea as to how often you attend meetings held by your co-op(s). Would you say you attend most of them, a few of them, or none of them? 6-Most of them() 7-A few of them() 8-None of them() 9-Don't know()  Do you feel that you are a part owner of the co-op(s) you belong to?  6-Yes() 7-No() 8-Don't know()  Do you feel that you have a "say" about the way your co-op is run? 6-Yes() 7-No() 8-Don't know()  Do you do business with your co-op(s) mostly because it means more money to you or mostly because you believe in the idea of cooperation? 6-Means money() 9.  7-Believe in idea() 8-Both() 9-Don't know()  Are your farmer friends and farmer relatives in this community all members of co-ops, or not?  6-Yes() 7-No() 8-Don't know()  (If "no") Within the pest year have you tried to interest any of your non-member friends in joining a co-op?  6-Yes() 7-No() 8-Don't know()  (To be asked of non-members friends in joining a co-op?  6-Yes() 7-No() 8-Don't know()  (To be asked of non-members you in becoming a member?  If business were poor for a few years which do you think yould be more likely to fall; a farmer-owned cooperative or a business which is not cooperative?  6-Parmer-owned co-op() 7-Non-co-op business() Don't know()  (On alternate schedules Question 13 appeared in this form: If business were poor for a few years which do you think would be more likely to pull through; a farmer-owned co-op op thinkes which is not a cooperative? 6-Parmer-owned co-op ()  business which is not a cooperative? 6-Parmer-owned co-op op business which is not a cooperative? 6-Parmer-owned co-op ()	members. If the informant is not a co-op member, go to	
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Do you do business with your co-op(s) mostly because it means more money to you or mostly because you believe in the idea of cooperation? 6-means money() 7-Believe in idea() 8-Both() 9-Don't know()  Are your farmer friends and farmer relatives in this com- munity all members of co-ops, or not? 6-Yes() 7-No() 8-Don't know()  (If "no") Within the pest year have you tried to interest any of your non-member friends in joining a co-op? 6-Yes() 7-No() 8-Don't know()  (To be asked of non-members) What changes would a co-op need to make in order to interest you in becoming a member?  If business were poor for a few years which do you think vould be more likely to fall; a farmer-owned cooperative or a business which is not cooperative? 6-Parmer-owned co-op() 7-Non-co-op business() Don't know() (On alternate schedules (mestion 13 appeared in this form: If business were poor for a few years which do you think would be more likely to pull through; a farmer-owned co-op or business which is not a cooperative? 6-Parmer-owned co-op ()	belong to?	6
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munity all members of co-ops, or not?  6-Yes() 8-Don't know()  (If "no") Within the past year have you tried to interest ll.  any of your non-member friends in joining a co-op?  6-Yes() 7-No() 8-Don't know()  (To be asked of non-members) What changes would a co-op need to make in order to interest you in becoming a member?  If business were poor for a few years which do you think vould be more likely to fall; a farmer-owned cooperative or a business which is not cooperative?  6-Parmer-owned co-op() 7-Non-co-op business() Don't know()  (On alternate schedules Question 13 appeared in this form: If business were poor for a few years which do you think would be more likely to pull through; a farmer-owned co-op or a business which is not a cooperative? 6-Parmer-owned co-op()	means more money to you or mostly because you believe in	
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to make in order to interest you in becoming a member?  If business were poor for a few years which do you think tould be more likely to fail; a farmer-owned cooperative or a business which is not cooperative? 6-Farmer-owned co-op( ) 7-Non-oo-op business( ) Don't know( ) (On alternate schedules Guestion 13 appeared in this form: If business were poor for a few years which do you think would be more likely to pull through; a farmer-owned co-op or a business which is not a cooperative? 6-Farmer-owned co-op( )	any of your non-member friends in joining a co-op?	11
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If business were poor for a few years which do you think would be more likely to pull through; a farmer-omed co-on or a business which is not a cooperative? 6-Farmer-owned co-op( )	would be more likely to fail; a farmer-owned cooperative or a business which is not cooperative?	
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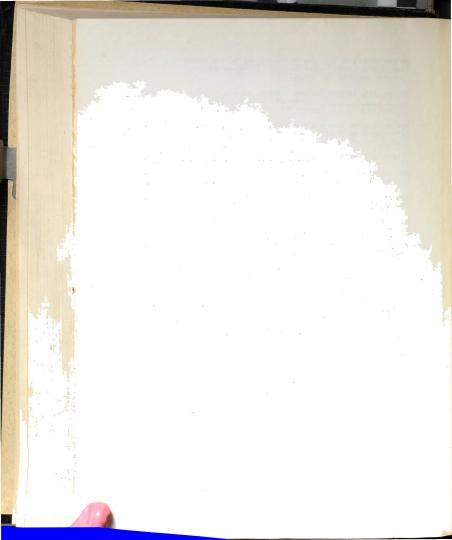


Now a few questions about you and your farm. We need to have this so that we can compare the ideas of men with different backgrounds and experiences. (The names of the people we talk with will not appear in any report which is written and it will not be possible to figure out who gave any part of the information.)

What is the total number of acres you operate? acres (Check here if part-time farmer.)	14	
Are you owner or renter of this farm? 6-0wner( ) 7-Renter() 8-Part-owner()	15.	
(If "ommer" or "part-ommer") Is your farm paid for? 5-Entirely( ) 6-Over 75%( ) 7-50 to 75%( ) 8-25 to 50%( ) 9-Less than 25%( )	16.	
What is your major farm enterprise?	17.	
How many years have you lived in this community? years	18.	
How many years of farm experience have you had since you were 16? years	19.	
How old are you? years	20.	
How many years of school did you complete? years	21.	
Do you belong to any mutual insurance companies, such as: Fire insurance?	22.	
Windstorm insurance?		
Hail insurance?		
Auto insurance?		
Sickness & health insurance?		
Accident insurance?		
Life insurance?		
Other mutual insurance?		
Are you now, or have you been, a member of the following farm organizations: Farm Eureau? 6-Present member( ) 7-Past member( ) 8-Never member( )	23.	
Grange? 6-Present member( ) 7-Past member( ) 8-Never member(	201	
Other farm organization? 6-Present member( ) 7-Past member( ) 8-Never member( ) Name or orgs.		
Are you a member, or have you ever been a member, of the Sichizan milk Producers' Association? 6-Present member( ) 7-Past member( ) 8-Never member( ) 3-N.F.( )	26.	



Do you market, or have you ever marketed, through the Mich. Livestock Exchange? 6-Now markets( ) 7-Once marketed( ) 8-Never marketed( ) 9-N.A.( )	27
Do you ship, or have you ever shipped, any crops to the Elevator? 6-Now ships( )  7-Used to ship( ) 8-Never shipped( ) 9-N.A.( )	28
Are you now, or have you ever been, a member of any crop or livestock association? 6-Present member( ) 7-Past member( ) 8-Never member( ) 9-NA( )	29
(If "yes") Which ones?	30
Do you get your electricity from the Electric? 6-Yes( ) 7-No( ) 8-N.A.( )	31
Are you a member of a Farm Labor Services organization? 6-Yes( ) 7-No( ) 8-NA( )	32
At what hours do you usually listen to farm programs over the radio?	33
Are these the best times for you to hear these programs? 6-Yes( ) 7-No( ) 8-D.K.( ) (If "no") What times would be better?	34
Are there times when you would like to hear a good farm orogram but there isn't one on the sir? 6-Yes( ) 7-No( ) 8-Don't know( )	35
(If "yes") What times are these?	36
Do you market, or have you ever marketed, through the Detroit Packing Company? 6-Now markets( ) 7-Once marketed( ) 8-Never marketed( )	37
Number of visits to the farm required to secure interview.	39



### APPENDIX B

## Cooperatives in which Farmers had Memberships and Mumber of Members in Each Cooperative

#### Area 1: Branch County

Area 1: Dranch Country	
Name of cooperative Mumber of	membership
Coldwater Cooperative Company	57
Batavia Cooperative Company	27
Brench County Farm Bureau Oil Company	27 6 5 5 3 3 3 1
Quincy Cooperative Company	5
Burr Oak Cooperative Company	2
Coldwater Dairy Company	3
Bronson Cooperative Company	2
Litchfield Dairy Association	2
Constantine Cooperative Creamery	7
Tri-State Cooperative Company	. 1
Area 2: Berrien and Cass Counties	
Egu Claire Fruit Exchange	62
Berrien County Farm Bureau Cil Company	28
Dowagiac Farmers Cooperative	16
Millburg Growers Exchange	
Producers' Creamery, Benton Harbor	5
Berrien County Fruit Exchange, Stevensville	6 5 2 1
Farm Bureau Fertilizer Company	1
South Bend Farmers' Public Market Association	1
Credit Cooperative	1
Area 3: Kent, Ottewa, and Allegen Counties	
Salem Cooperative Company	26
Byron Center Cooperative Company	17
Moline Cooperative Company	
Hamilton Farm Bureau Cooperative	9
Hudsonville, Jemestown, Vriesland Farmers' Cooper-	
ative Elevator Company	31
Salem Cooperative Creamery	5
Zeeland Farmers Cooperative	5 2 1
Falmoth Cooperative Company	1
Vriesland Growers Association	1
Otsego Sanitary Milk Company	1
Middleville Cooperative Creamery	1
Ottawa and Allegan Electric Company	1

### Area 4: Huron County

Elkton Cooperative Farm Produce Company	36
Pigeon Cooperative Elevator Company	29
People's Oil and Gas Company	3
Bad Axe Farmers Elevator	1
Huron County Beef Producers' Association	ī
AArea 5: Lenawee and Monroe County	
Blissfield Cooperative Company	39
Deerfield Cooperative Company	20
Lenawee County Farm Bureau Oil Company	3
Ottawa Lake Cooperative Company	2
Farm Bureau Fertilizer Company	2
Farmers' Cooperative, Montpelier, Ohio	1
State-wide Cooperatives	
Michigan Milk Producers' Association	65
Michigan Livestock Exchange	59
Detroit Packing Company	54
Rural Electrification Association	27





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