

AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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NEARLY TWELVE THOUSAND COOPERATIVES

A total of 11,340 farmers' cooperative marketing and purchasing associations were listed by the United States Department of Agriculture on January 1, 1928. This is a larger number than ever before listed. However, there are more active associations than this, as not all the existing associations report to the Department. The total number is probably about 12,000.

Of the associations listed, 30.5 per cent were engaged in handling grain, dry beans or rice; 22 per cent were handling dairy products; 17 per cent were shipping or selling livestock; 11 per cent were receiving, grading, packing, or shipping fruits and vegetables; and smaller percentages were handling cotton, wool, poultry, eggs, nuts, and other products. More than 800 associations, about 7 per cent of all, were operating cooperative stores or warehouses for the distribution of household and farm requisites to farmers and others.

Three-fourths of all the active associations were located in the twelve North Central States. Forty-six per cent of all the associations were in the seven states of this group west of the Mississippi River, and 29 per cent in the five states of this group east of that river. The percentage for the North Central States is larger than when the associations were counted in 1915 and in 1925.

Although there has been a large increase in membership in the cooperatives in the Southern States during the last ten years, and a large increase in the volume of business handled, the actual number of cooperatives in those states is a smaller percentage of all the associations listed than was the case in 1915 or in 1925.

The cooperatives in the Pacific Coast States constitute a slightly smaller fraction of all the associations than they did thirteen years ago.

Minnesota continues as the leading state in regard to the number of live associations, the 1,547 organizations located in that state being nearly 14 per cent of the total number listed by the Department of Agriculture on January 1. Some of the other states credited with large numbers of cooperatives are: Wisconsin, 1,310; Iowa, 1,161; Illinois, 900; Missouri, 624; and North Dakota, 534. More than one-half of the functioning cooperatives to-day are within the boundaries of these 6 states.

ASSOCIATION MARKETS MANY SMALL FRUITS

Twenty-five years of service to members is the record of the Puyallup and Sumner Fruit Growers' Association, Puyallup, Wash. Organized March 22, 1902, for the sole purpose of assembling fresh red raspberries into carlots for shipment, it sometimes shipped as many as 24 cars a day to distant markets. Three hundred cars of fresh red raspberries were shipped in a single year. After a few years the association erected canneries at both Puyallup and Sumner to utilize the berries which were too ripe for shipment. Berries of various kinds are still the main products handled, but many kinds of small fruits are sold, as well as some vegetables. Much of the fruit is canned and quantities are packed in barrels and preserved in sugar.

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PENNSYLVANIA FRUIT COMPANY A PIONEER

Thirteen successive peach and apple crops have been packed for members by the Adams County Fruit Packing and Distributing Company, Biglerville, Pa. For the first five years the company graded and packed the fruit and sold through a special sales agency. Beginning with 1920 it has marketed fruit in addition to grading and packing it.

This association was organized in 1915 by a dozen or more fruit growers who desired to establish a central packing house for handling their apples and peaches. A capital-stock company was incorporated and a packing house established. As there were no official grades at that time the association set up its own standards. Now the fruit is packed according to grades promulgated by the state and federal departments of agriculture. The present capitalization of the company is about \$65,000 with about 20 stockholders. Fruit is handled for members and nonmembers on the same basis, the business being conducted as nearly as possible at actual cost. Apples are handled in seasonal variety pools, final payment being made at the close of the season. Peaches are not pooled but are sold for each grower for his individual account.

During the 1926 season the association packed about 45,000 barrels of apples and 25,000 bushels of peaches. The past year, with much smaller crops, 20,000 barrels of apples and 20,000 bushels of peaches were handled. Owing to great increases in the bearing orchards of its members, the association is handling about twice as much fruit annually as when it began operating. Apples are sold to customers in 18 states and shipments are made to foreign countries.

In addition to its grading, packing and marketing activities, the organization purchases for its members and patrons, spray materials, machinery and orchard supplies. It also operates a barrel factory.

LIMA BEAN ADVERTISING REACHES MANY LANDS

A far more extensive advertising campaign than ever before, was carried on last season by the California Lima Bean Growers' Association, Oxnard, Calif. Advertisements were carried in ten leading magazines of wide circulation for several months. At the beginning of the season each member of the organization received copies of the broadsides and of the recipe book which is sent free to anyone upon request. Facsimilies of the colored advertisements which appeared in the magazines were sent to a large number of wholesale grocers, many chain stores, and many of the leading retail grocers. These were also carried by the salesmen for distribution when soliciting orders, and thousands of window posters and price cards were placed in windows in all parts of the country.

Up to March 1, more than 28,000 requests for recipe books and been received from housewives, and since that date, the requests have been coming in at the rate of 200 per day. These communications have come from all parts of the United States and Canada, also from England, France, Germany, Russia, North and South Africa, Syria, Malay States, China, Philippine Islands, Cuba, Madagascar, Hawaii, Egypt, Holland, Portugal, Australia, New Zealand, and Mexico.

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LARGE REFUNDS TO COLORADO POTATO GROWERS

Within two months the Colorado Potato Growers' Exchange, Deuver, refunded to its members more than \$78,000. The sum of \$33,600 was distributed late in December, followed in February by a distribution of \$44,600, representing the reserve fund set aside during the 1925-26 season. This organization has established the custom of refunding each year the reserve set aside in a previous year for financing the operations of the Exchange and its locals. This is the third time such a reserve has been returned to the members.

The rate of the refund varies according to sales value based on classification of the stock shipped, in some cases being over 3½ cents per cwt. more on Colotato brand stock, which has been handled through an association warehouse, than on potatoes graded and loaded by an individual grower. In one local association the rate of refund on Colotato branded potatoes amounted to more than \$23 per car.

The opening of the Moffat Tunnel under the Rocky Mountains, on February 26, is providing the growers in the northwest district with a shorter and less expensive route for transporting stock to market. Members of the Craig local took immediate advantage of the route and shipped a car through the tunnel on the 28th.

FLORIDA ASSOCIATION SHIPS VEGETABLES

With a membership of approximately 400, the Manatee County Growers' Association, Bradenton, Fla., is shipping about a thousand cars of fruits and vegetables a year. Shipments begin in the late winter and continue through the spring. Celery, tomatoes, peppers, egg plant, lettuce, cauliflower and watermelons are the principal products sent to market. Shipments for the last nine years are reported as follows:

Year*	Celery	Tomatoes	Peppers	Egg plant	Other products	Total
	(Cars)	(Cars)	(Cars)	(Cars)	(Cars)	(Cars)
1919	212	89	3	--	--	304
1920	333	30	2	20	119	504
1921	526	73	2	22	74	702
1922	467	119	1	13	63	663
1923	773	199	15	29	77	1,093
1924	794	165	50	5	49	1,063
1925	673	188	67	20	87	1,035
1926	321	191	48	1	60	621
1927	626	427	12	3	110	1,173

*Ending July 15.

The small business handled in 1926 was a direct result of the Florida land boom of 1925-26.

Gross sales, returns to growers, and net worth are shown below:

Year*	Gross sales	F. o. b. value	Paid growers	Net worth
1919	\$ 479,393	\$ 323,187	\$ 341,872	-----
1920	631,169	441,913	402,945	\$ 17,335
1921	718,862	419,174	366,353	24,288
1922	730,050	495,351	437,222	33,639
1923	1,044,322	614,806	512,299	55,740
1924	815,435	625,976	537,117	56,086
1925	876,039	749,428	634,399	80,166
1926	737,037	681,022	579,750	87,643
1927	892,518	804,634	646,793	102,664

*Ending July 15.

The association's capital is invested largely in five up-to-date packing houses and their equipment.

APPLE ASSOCIATION MARKETS FRUIT IN DISTANT LANDS

So far this season 3,376 cars of apples have been sent to market by the sales department of the Associated Growers of British Columbia, Ltd., Vernon, B. C. Three-fourths of the shipments have been to points in Canada. Nearly one-half of the apples have been sold in Alberta and Saskatchewan. Shipments to the United States amount to 128 cars, and shipments to Great Britain to 373 cars. Lesser quantities of fruit have been sent to Scandinavia, South Africa, China, and New Zealand.

The board of directors at a recent meeting decided to maintain a representative in Great Britain during the marketing season.

An association representative is just back from Australia where he went to urge the lifting of an embargo against apples from Canada. He reports having been partially successful.

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PROGRESS OF A COLORADO FARMERS' ELEVATOR

Since the Seibert Farmers' Equity Association, Seibert, Colo., began business in 1915, it has made steady gains in volume of business and in operating capital. It has also built up a plant to handle its business efficiently. Every year but one, 1921, its operations have resulted in a net gain. Operations of 1921 resulted in a loss of \$1,582, while the net earnings of the other 12 years totaled \$65,100. Available figures for the various years are given below:

Year	Number of members	Volume of business	Net earnings
1916	75	-----	\$ 554
1917	--	-----	3,674
1918	--	-----	6,900
1919	--	-----	3,410
1920	--	-----	11,124
1921	--	225,000	1,582 Loss
1922	--	-----	1,100
1923	130	180,000	7,363
1924	---	400,000	1,483
1925	144	413,800	11,185
1926	---	338,224	11,595
1927	151	-----	6,709

The organization operates a grain elevator and also handles livestock, coal, flour and feed, seeds, fencing, etc. It is serving about 150 members and in addition about 50 nonmembers.

MILK MARKETING ASSOCIATION CONTINUES TO GROW

Copies of a report by a certified public accountant were sent to members of the Berrien County Milk Producers Association, Benton Harbor, Michigan, with the notice of the seventh annual meeting of shareholders.

Net sales for 1927 amounted to \$483,715, other income to \$638, making the total business for the year \$484,354. Manufacturing expense and cost of supplies amounted to \$51,494, delivering and selling expense to \$58,060, administrative expense to \$21,066, and miscellaneous expense to \$11,410, making total expenses \$142,030.

The growth of the enterprise for the last six years is indicated by the following figures:

Year	Net sales		Paid members for milk		Expenses	
	Amount	Relative	Amount	Relative	Amount	Relative
1922	\$297,106	100	\$161,352	100	\$ 84,061	100
1923	376,218	127	200,175	124	98,818	118
1924	403,500	136	217,231	135	104,868	125
1925	420,525	142	229,326	142	112,422	134
1926	441,065	148	231,279	143	121,402	144
1927	483,715	163	235,930	146	142,030	169

Factory, selling and administrative expenses including interest for 1922 were 29 per cent of net sales; for 1923, 28 per cent; for 1924, 28.8 per cent; 1925, 29.3 per cent; 1926, 29.5 per cent; and for 1927, 29.26 per cent. Of the dollar received by the association, the proportion which has gone to the producer for the various years has ranged from 70.5 per cent to 72 per cent.

This association, which was organized in 1918, and began operating a year or two later, is engaged in preparing for consumer use, milk, cream, butter and cottage cheese, and in distributing these products at retail and to dealers, hotels, cafes, etc. It is composed of 176 members who have equities in the enterprise to the amount of \$54,278. Of this amount \$32,710 represents memberships, \$19,949 is in a fund for the redemption of bonds and \$1,619 is surplus. The land, buildings and equipment of the association were valued at \$137,835 on December 31, last. The association at that time had bonds outstanding to the amount of \$74,000.

IRISH CREAMERIES TO SELL BUTTER THROUGH CENTRAL AGENCY

A plan for selling Irish creamery butter through a central agency has been developing for some months, according to a recent consular report from Dublin. Now an organization known as the Irish Associated Creameries, Ltd., has been formed and more than 80 per cent of the cooperative creameries have agreed to sell their product through this agency, beginning April 2, 1928. Arrangements have been made for chilling all butter before it is shipped to purchasers, in order that it may arrive in good condition.

All consignments for export will be examined by the Department of Agriculture, and creameries which produce butter of high quality will eventually be allowed to use the national brand, while butter which fails to measure up to certain standards will not be allowed to be shipped out of the Free State.

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CHEESE FACTORY SERVES LOCAL GROUP

A group of dairy farmers near Soldiers Grove in southwestern Wisconsin early in 1919 formed a cooperative association for making and marketing cheese. The association borrowed money and erected a factory which during the first year served 67 patrons.

The association was organized with share capital of which there has been issued so far shares to the value of \$4,325. On December 31, last, the assets of the association exceeded the liabilities to the amount of \$3,157.

The activities of the association since 1923 are indicated by the following figures:

Year	Milk received (Pounds)	Cheese made (Pounds)	Cheese sales
1923	1,552,340	154,694	\$34,522
1924	1,424,209	145,438	26,195
1925	1,983,396	199,969	43,289
1926	2,199,024	219,932	43,263
1927	2,583,486	255,946	56,317

A by-law of the association provides that "the board of directors shall appoint as manager one of its members who shall have general supervision of the affairs of the association when the board of directors is not in session."

FIFTH MILESTONE PASSED BY BUFFALO PRODUCERS

The fifth annual meeting of the Producers' Commission Association, Buffalo, N. Y., held in February, was attended by livestock men from New York, Ohio, Indiana, and Michigan, some men coming more than 300 miles to attend the meeting.

Reports showed that in the five years the association had sold 2,684,872 head of livestock with a value of \$52,000,000. Commissions had amounted to \$451,831; net earnings came to \$82,752; refunds to members totaled nearly \$56,000; and the surplus on hand was \$26,500, including \$3,500 worth of stock in the Eastern States Company and \$1,000 in the National Producers' Feeder Pool.

During 1927 the association handled 25.89 per cent of the total business on the Buffalo yards, compared with 21.92 per cent in 1926. In number of cars this was an increase of 165, and in number of animals an increase of 106,281. Earnings for the year were \$10,640.

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WISCONSIN ASSOCIATION SHIPS LIVESTOCK AND POULTRY

The 18th annual report of the Elmwood Shipping Association, Elmwood, Wis., shows that the organization shipped 302 cars of livestock during 1927. In addition it forwarded 30 shipments of poultry and also bought binder twine and salt.

This association serves about 500 farmers in western Wisconsin. Livestock is assembled and shipped to the South St. Paul market, and poultry is shipped to the Chicago market. Livestock shipments, including local sales, for the last six years have been as follows:

Year	Cattle	Calves	Hogs	Sheep	Total
1922	1,046	2,632	12,813	1,299	17,790
1923	996	3,020	16,978	979	21,973
1924	1,097	3,481	18,295	1,148	24,021
1925	936	3,670	15,065	1,338	21,009
1926	926	3,699	20,048	1,168	25,841
1927	718	3,536	17,418	1,265	22,937

Receipts from poultry shipments were \$47,554 for 1923, \$54,027 for 1924, and \$8,886 for 1927. In 1922, 1923 and 1924, wool was assembled and forwarded on consignment. Each of the last six years a car of binder twine and another of salt has been purchased for patrons.

MORE COTTON GINS FOR TEXAS FARMERS

Sixteen cotton gins, established by the Texas Cotton Growers' Gin Holding Company, Dallas, have been in operation during the season now closing, and three more, numbered 17, 18 and 19, are to be erected at Edroy, Idalou and Lorenzo and be ready for service the coming season. These gins are built only at points where there is enough cotton and where cotton growers are interested in a cooperative enterprise.

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REFUNDS BY TEXAS COTTON GINNING ASSOCIATION

Refunds to the amount of \$54,000 were paid to the 294 members of the Farmers' Cooperative Society of Childress, Texas, at the annual meeting in March. This was a return of \$6 a bale for the cotton which the members had ginned in their own plant during the 1927-28 season. At the time of ginning the members paid the current price and after the close of the season the refund was ordered from earnings.

This gin, which is owned by the 294 farmers at Childress, is a 10-stand plant valued at \$50,000. In the 1926-27 season it turned out 7,500 bales and in the 1927-28 season, 9,013 bales. The association is free from debt and has sufficient cash surplus to start the coming season.

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WOOL ASSOCIATION OFFERS NEW SELLING SERVICE

Stress is being placed on its selling service by the Pacific Co-operative Wool Growers' Association, Portland, Oreg. A member has the privilege of naming the price at which his wool shall be sold, the date he wants it put up for sale, and stating whether he wants it graded, scoured, and processed, or sold in the original bag.

The association proposes to send each member, within ten days after his wool is received, a confidential statement showing approximate grades, estimated shrinkage, and market values, based on current quotations. It will also make recommendations as to value, grading and marketing, but will be governed by written instructions from the owner of the wool. The owner may do any one of three things. He may (1) authorize the association to sell, grade, process and pool, if he thinks this will bring the most money; (2) he may set a reserve price below which the wool will not be sold; (3) he may instruct the association to sell in the original bag.

Whichever plan is chosen, all wool will be sold on the basis of quality. Weighing and grading will be done by licensed weighers and graders. The association will advance freight charges, will receive, unload, weigh, handle in and out, insure at market value, and furnish storage for five months. Reasonable advances and prompt payment are promised.

CALIFORNIA WALNUTS OFFERED AT BARGAIN PRICES

In five months time the California Walnut Growers' Association, Los Angeles, has sold 25 per cent more walnuts than in any 12 months in its history. These sales amount to $3\frac{1}{2}$ times as many walnuts as were included in the 1926 pack. As a means of stimulating further sales and materially reducing the quantity of nuts being carried over from last season, the management has adopted a plan for newspaper and bill-board advertising, featuring low prices. The management hopes that the reduced prices will result in sufficient sales to permit further payments this spring on the nuts included in the No. 1 pool.

In order that growers might have funds for April taxes, the association distributed \$500,000 April 10 on cull walnuts to members who participated in the shelled walnut pool. This payment was made on the basis of culls rather than on kernels extracted for the reason that the cracking process will not be completed for several weeks. Final settlement on this pool will be made, as usual, on the basis of edible kernels. Sales of shelled walnuts are reported to have held up well and to have exceeded expectations.

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ONTARIO TOBACCO GROWERS ORGANIZING NEW POOL

Tobacco growers of western Ontario, Canada, have recently decided to form an organization to be known as the Canadian Tobacco Pool, which shall be independent of the existing Canadian Tobacco Growers' Cooperative Company, Ltd., Kingsville. A consular report from Windsor states that application is to be made at once for a charter, by-laws and contract prepared, and a membership campaign begun. The pool will not begin to operate until growers' signatures are secured covering at least 22,000 acres of tobacco land, which would be approximately 75 per cent of the 1927 acreage. Contracts will be for five years and Windsor will probably be the headquarters.

Arrangements have been made for the existing Cooperative Company to handle and warehouse the tobacco of the independent pool at a charge of cost plus one-half cent a pound for all leaf, the agreement to cover the 1927, 1928 and 1929 crops, and be subject to renewal or reconsideration thereafter. Plans also provide that the present association shall discontinue its selling activities and devote its attention to the warehousing of tobacco delivered by the pool.

Financial support is promised by Toronto banks, provided the pool will organize properly and be in a position to control a large part of the production.

NEW YORK FARMERS OPERATE RETAIL ENTERPRISE

The Baldwinsville Farmers' Cooperative Association, Inc., Baldwinsville, N. Y., is an independent, cooperative, retail enterprise, engaged in supplying certain needs of its members and others. Flour, feed, seed and fertilizer, are the chief commodities handled. In 1921, the first year of operation, the association transacted business to the amount of \$50,000; in 1923 the figure was \$94,979; in 1924, \$68,840; in 1925, \$66,708; in 1926, \$66,000; and in 1927, \$75,000.

Incorporated in 1921, the association is strictly cooperative. It has no capital stock and handles no farm products. Seventy-five farmers make up the membership, and the number of patrons is about 300.

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TWENTIETH YEAR OF FRUIT GROWERS' SUPPLY COMPANY

Twenty years of service to its members have been rounded out by the Fruit Growers' Supply Company, Los Angeles, Calif., an organization formed to furnish orchard and packing house supplies to citrus fruit growers connected with the California Fruit Growers' Exchange. Starting with a capitalization of \$500,000 the Supply Company has now attained a capitalization of \$6,000,000 and is transacting nearly a million dollars worth of business per month.

During the years the company has made purchases for its members to the amount of \$103,943,760, and has sold lumber and lumber products to nonmembers to the value of \$17,022,319, making a total volume of business of \$120,966,079. Dividends paid members on capital stock to March, 1924, aggregated \$1,553,084, and refunds and deductions on purchases amounted to \$3,975,353, a total of \$5,528,438 returned to members.

Sales to members in 1927 reached a total of \$8,657,876, compared with \$8,286,675 for 1926. Operating costs for the purchasing department, not including interest on reserves, were \$1.53 per \$100 in 1927 and \$1.66 in 1926. Sales of lumber and lumber products outside the association amounted to \$1,607,799, bringing net sales for the year to \$10,265,676.

One-tenth of one per cent of total sales was carried to the reserve for contingencies, and the sum of \$100,000 was distributed to members, \$64,862 as a refund on purchases of orchard supplies, and \$35,962 as a refund on packing house supplies.

(See also Agricultural Cooperation, March 29, 1926, p. 149.)

INDIANA ORGANIZATION OPERATING UNDER NEW SET-UP

The Indiana Farm Bureau Purchasing Department, Indianapolis, Ind., has completed its first year under a new set-up with the County Farm Bureaus as shareholders. The amounts of patronage refunds due the various counties are credited to them as payments on share capital and the shares are issued as the county organizations are incorporated.

This cooperative purchasing enterprise was originally incorporated March 28, 1922, as the Federated Marketing Service, Inc. On July 5, 1923, the name was changed to the Indiana Farm Bureau Purchasing Department, Inc., and in February of 1927 the plan of organization was changed to make the counties the shareholders.

The amount of business handled annually has been increasing until now it amounts to more than \$2,000,000. About one-half of the total business consists in the handling of fertilizers. Among the other commodities purchased by the association for the county farm bureaus are feeds, coal, seeds, binder twine, fencing, lubricating oils, greases, tires, and batteries.

The quantities of commodities handled for the years 1924, 1925, 1926 and 1927 are as follows:

Commodity	1924*	1925*	1926*	1927#
Fertilizer, tons	16,695	24,890	25,018	33,962
Feeds, tons	7,481	17,154	13,760	11,862
Coal, tons	21,150	32,320	37,600	50,002
Seeds, bu.	-----	9,222	11,521	14,867
Binder twine, lbs.	663,000	603,255	797,300	456,470
Lubricating oils, gals.	-----	-----	328,538	14,734
Greases, lbs.	-----	-----	-----	2,352

* Year ending October 31. # Year ending December 31.

For the last two years patronage refunds have amounted to more than \$128,000 for each year. This figure, however, does not represent the total benefits to the farmers as they are allowed certain handling charges, which formerly went to dealers. These charges for 1927 amounted to \$90,911.

Total business reported for the several years has been as follows: 1924, \$1,069,959; 1925, \$2,260,178; 1926, \$2,063,819; 1927, \$2,120,567. Patronage refunds in 1924 amounted to \$36,737; in 1925, \$69,680; in 1926, \$128,693; 1927, \$128,948.

(See Agricultural Cooperation for January 19, 1925, p. 37, and December 20, 1926, p. 510.)

BUYING ASSOCIATION HELPS FARMERS REDUCE COSTS

"Reducing the cost of production for eastern farmers by reducing the cost and improving the quality of their supplies," is the purpose of the Eastern States Farmers' Exchange, Springfield, Mass., as stated at the recent annual meeting. In its ten years of work in buying feeds, fertilizers and seeds for farmers, the growth has been steady as well as sound and conservative. At first the Exchange helped farmers to organize local buying groups which could combine their purchasing power and buy at wholesale, distributing their purchases to their own members. The Exchange had to locate firms which would sell to cooperatives and, therefore, had to act as a broker. Now, instead of accepting such feeds, fertilizers and seeds as the trade has to offer, the Exchange works with the scientific staffs at the agricultural colleges and experiment stations, reviewing experimental evidence, studying the productive powers of raw materials in relation to their costs, and, from the information secured, making up the formulas for the most desirable feeds and fertilizers.

Manufacturing and distribution are now carried on in a large way. Raw materials are purchased from primary sources in hundreds and thousands of tons and manufactured, processed and distributed in wholesale quantities. The Exchange has a large feed mill at Buffalo which is used to the fullest extent. Machinery for crushing cottonseed cake into meal was installed during 1927. The seed business, which has been handled in a part of the feed warehouse, has grown to such proportions that a new building is to be erected this year for this special branch of the work. While the Exchange does not own a fertilizer plant, it hires the services of such a plant, purchasing its own raw materials and specifying the formulas under which they shall be mixed. Paint and cod liver oil are also handled.

The 1927 season brought more business than ever before, the volume amounting to 155,275 tons, 18 per cent more than in 1926. Due to high market prices, the increase in gross sales was even higher, the figure being \$7,722,900, 23 per cent more than the previous year. In terms of carlots ordered for farmers, the increase was from 5,498 cars in 1926 to 6,373 cars in 1927, 16 per cent increase. The membership increased by 4,200, reaching a total of 22,000 at the end of the year.

Net earnings amounted to \$94,180. Of this amount the sum of \$7,377 was expended in flood emergency work in Vermont, largely in trucking feed to farmers who were cut off from railroad communication. This left earnings of \$86,803, compared with \$77,066 in 1926. The ratio of expenses to gross sales was reduced from 3 per cent in 1926 to 2.8 per cent in 1927, or an expense per ton of \$1.43 and \$1.39 respectively.

The patronage dividend for 1927 amounted to \$57,767, and the tonnage refund on feed contracts to \$52,000, making a total cash return of \$109,767, 17 per cent more than in 1926. Fixed surplus now amounts to \$172,000.

LEGAL RESIDENCE OF A COOPERATIVE

The question of what is the "place of business" of a cooperative marketing association sometimes arises. The laws under which these associations as well as commercial corporations are formed provide that the articles of incorporation shall specify the place of business. Therefore, the residence of a corporation is to be determined by an examination of its articles of incorporation although the major part of its business may be done at a place other than that named in the articles of incorporation as its principal place of business.

Of interest in this connection is a recent case which the Dairy-men's League Cooperative Association brought against Jacob A. Brundo, 227 N. Y. S. 203. Brundo is a resident of Kings County and he contended that the principal place of business of the association is in the borough of Manhattan, City and County of New York, where it maintains an office and transacts a large part of its business. The articles of incorporation of the association designate Utica, Oneida County, as its principal place of business.

In this connection the Court said:

That fixes its residence. The fact that the plaintiff maintains an office in New York City, where a large part of its business is actually transacted does not change its residence. That can only be done as provided by statute.

It was pointed out by the Court that the rule giving a railroad company "a residence in each county through which the road runs does not apply to the ordinary domestic corporation having its principal place of business fixed by its certificate of incorporation and maintaining offices in different counties where it transacts a part, or even a larger part of its business."

H. M. Bain.

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DEATH DID NOT REVOKE ORDER

The District Court of Appeals, Second District, Division 2 of California, on February 17, 1928, decided the case of Goodwin v. Riverside Heights Orange Growers Association, 264 Pacific 560.

Some time between December 14 and December 20, 1919, Wm. H. H. Goodwin signed an agreement with the Association whereby the latter was to

pick, hand pack, ship and market all the citrus fruit now growing on his (Goodwin's) land and all that, during the term of this agreement, may be grown upon his lands and premises.

This agreement was to run for five years unless terminated on November 15 of any year by either party giving notice during the last fifteen days of the preceding August.

Wm. H. H. Goodwin notified the association in writing on January 14, 1920, that he had leased his grove to W. A. Pfunder and S. D. Vincent, and to make all payments for December, 1919, and thereafter to them.

About January 27, 1920, Goodwin executed two deeds to Jennie Cook covering the property upon which the groves were located. Goodwin died May 6, 1920. The deeds above mentioned were recorded May 7, 1920. The association was notified of his death on May 10, 1920.

The administrator of the estate of Wm. H. H. Goodwin brought this action against the association to recover the money paid by it on account of oranges received from the groves in question to Pfunder and Vincent and Jennie Cook. The administrator stated that the only question in the suit was whether the death of Wm. H. H. Goodwin revoked the order to the association to pay Pfunder and Vincent.

The Civil Code of California provides:

Unless the power of an agent is coupled with an interest in the subject of the agency, it is terminated as to every person having notice thereof, by: (1) Its revocation by the principal, (2) His death, or (3) His incapacity to contract.

The administrator's argument assumed two propositions: (1) That the so-called "order" constituted Vincent & Pfunder the agents of Goodwin, and (2) that if it did it was not "coupled with an interest in the subject of the agency."

The Court said that in that event the first question to be decided was whether it was "coupled with an interest in the subject matter of the agency" and therefore not revoked by Goodwin's death; further that if there was an agency the "subject matter" of it was the contract between the association and Wm. H. H. Goodwin, which the administrator "admitted was in force up to Goodwin's death, under which Vincent and Pfunder were interested directly and continuously to the extent at least of being entitled to receive all this money which, except for the said "order" Goodwin would have been entitled to receive; a very material interest it appears to us."

The Court concluded that on either alternative the order was not revoked under the section of the California code quoted above "for if we consider that Vincent and Pfunder under the terms of the "order" simply became subrogated as lessees to Goodwin's rights under the contract to receive the money there was no agency and section 2356 of the Civil Code does not apply. If on the other hand we assume the agency, then the power of the agent was coupled with an interest in the subject matter of the agency and the agency was not terminated by Goodwin's death." The judgment of the lower court in favor of the association was affirmed.

MORE SCHOOLS FOR ARIZONA AND TENNESSEE

Special courses in cooperative marketing are being conducted in a number of the Smith-Huges schools of Arizona during the month of April. Teachers who have had practical experience with active cooperatives are using motion pictures and film strips dealing with cooperation to supplement their lectures.

In Tennessee the State Board of Education is planning for eight weeks of cooperative marketing schools in the middle and western parts of the state. A one-week school in connection with the summer short course at the College of Agriculture at Knoxville, is announced. This will be a special course for 75 vocational teachers.

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SECOND TRAINING SCHOOL FOR COOPERATIVE EMPLOYEES

Plans are maturing for another Cooperative Training School under the Eastern States Cooperative League, New York City. This school will be for the benefit of young people who wish to qualify for responsible positions with cooperative organizations. The school is to run six weeks, seven hours each day, with home study in addition. The courses offered include bookkeeping, history and principles of consumers' cooperation, organization and administration of cooperative business. A few scholarships are offered to deserving students.

Sixteen young men and women attended the school held one year ago and most of them are now connected with cooperative organizations.

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TEXAS FARMERS HOLD NIGHT SCHOOL

"Five live sessions" on five successive evenings, made up the first Farmers' Night School sponsored by the Texas Wheat Growers' Association, Amarillo. This school was held in Armstrong County early in March and the attendance ranged from 125 to 300 persons every night with a total attendance of nearly one thousand. Sessions lasted from 7:30 to 10:00 o'clock. The programs included devotional exercises and talks, also music and other entertainment features. Three lessons and several informal talks dealt with the subject of marketing farm products. Among the other subjects presented were: A story of rural life in Denmark; Teaching agriculture in high schools; Need of organized dairying in Armstrong County; A balanced food ration for the farm home; Plans for building up the rural school; Putting the farmer on a cash basis. The last night was Community Night with a suitable program. At the closing session those present voted to keep up the school by holding one session a month, beginning the first Friday evening in April.

ADULT EDUCATION IN COOPERATIVE MARKETING

A series of ten-day schools in cooperative marketing, recently held in Colorado, have helped to develop methods and subject matter useful in teaching cooperation to farm men and women. Schools were held in nine communities; one school held its sessions in the forenoon, four schools in the afternoon, and four in the evening. Average attendance at the afternoon sessions was approximately 25 farmers, and at the evening schools the average exceeded 60. Many individuals attended all of the ten sessions.

The course, as a rule, comprised the following subjects, although changes were made from time to time to fit local conditions: (1) Survey of cooperative marketing in the United States; (2) Experiences of successful cooperatives; (3) Economic and historic basis of cooperation; (4) Marketing functions; (5) Organization and legal phases of cooperation; (6) Responsibilities of members, directors and managers; (7) Business structure of cooperative associations; (8) Pooling by cooperative associations; (9) Things cooperatives can and can not do; (10) The validity of objections to cooperative marketing.

Greatest interest was manifest in the discussions of "marketing functions" and "things cooperatives can and can not do." The farmers in attendance at the schools were vitally interested in the services necessary to market their crops and the cost of these services. They also wanted to know the practical advantages of cooperation and were equally anxious to understand its limitations. The fact that the course was an impartial discussion of the strength and weaknesses of cooperative marketing organizations added greatly to its effectiveness.

As far as possible the schools were conducted according to the conference method. It was necessary for the teacher and students to become acquainted before this method could be employed most effectively, and usually the first two sessions consisted of illustrated talks, followed by 30 to 45 minutes of discussion. The conference method was most effective with groups which numbered 25 to 35. In all cases, however, it was apparent that the instructor was most successful when the various points which he wished to bring out were presented and developed by the audience. Many sessions were conducted altogether in this way. The study of marketing functions, for example, was carried on entirely by the conference method. The group outlined and discussed the services necessary to market a crop with which they were familiar. It was then easy to agree upon a list of essential marketing functions and to develop the fundamental purposes of cooperative marketing.

Motion picture films and film strips illustrating cooperative marketing practices were shown at several sessions. These films, which were prepared by the U. S. Department of Agriculture, presented the subjects in an effective way and helped to stimulate interest in the schools.

REPORTED BY THE ASSOCIATIONS

Sales by the Manitoba Cooperative Poultry Marketing Association, Brandon, Canada, amounted to \$757,925 for 1927. On March 20, five stations were opened to receive eggs for the 1928 season.

A cooperative marketing school extending over a period of two weeks was held recently at Marana, Ariz. Among the topics covered in the discussions were: "The business structure and organization of a co-op," "Responsibilities of members, directors and managers," and "Sales methods of cooperatives."

The management of the Manitoba Cooperative Wheat Producers, Ltd., Winnipeg, announces that 32,040 contracts signed by 19,610 grain growers were in force at the close of February. During the winter 148 pool elevator meetings were held and, as a result, country elevators will be erected at 50 or more points this season.

Plans are now being made to establish a South-wide Cotton Council which shall serve as an agency for coordinating the interests of all persons or organizations interested in stabilized production and marketing of cotton. Several meetings have been held by the general committee and a meeting is called for July 6 at New Orleans to complete the organization of the Council.

After many months of investigational and preparatory work, the Manitoba Cooperative Wholesale, Limited, secured its charter in November, 1927, and began business in Winnipeg, February 18, 1928, with 14 paid-up member associations. Only incorporated associations will be admitted to membership in the wholesale, and no business will be done with individuals.

A recent consular report from Mexico City states that the activity of the Cooperative Society of Henequin Growers has relieved an acute situation in Yucatan. The society, through the sale of about 300,000 bales of fiber for about \$8,500,000, has brought about a material improvement in the local situation, which had become serious because of over-production. Production of fiber is now limited to 53,023 bales a month.

After 90 credit unions had been established by postal employees, the pace quickened, the next 10 came speedily into existence and soon the number had reached 122. Assistance in this work is given by the Credit Union National Extension Bureau, Boston, Mass., and also by the Director of Service Relations of the office of the Postmaster General. The Extension Bureau estimates that from 45,000 to 50,000 loans have been made to postal employees and that these loans would total over \$5,000,000.

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- Highlen, Lee R. Future of Livestock Marketing. Hoosier Farmer, Indianapolis, Ind., March 15, 1928, p. 11.
- McKay, A. W. Let's Get That Top Dollar! Efficient Production and Marketing Must Be Coupled Together to Bring This About. Kansas Farmer, Topeka, Kans., March 3, 1928, p. 18.
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