

AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

December 10, 1927.

Vol. V, No. 25.

CHANGES IN RELATIVE COOPERATIVE IMPORTANCE OF STATES

Numerous changes in the relative importance of the various states in regard to activity in cooperative marketing and purchasing took place during the first five years of the present decade. In that period occurred the almost nation-wide movement in behalf of what was termed commodity marketing. More than a half-million farmers were interested for the first time in marketing their products cooperatively. During the five-year period no less than 50 large-scale associations for handling single commodities were formed and began operating. Among the new associations were 15 for marketing cotton, 6 for marketing tobacco, 15 for handling wheat, 3 for potatoes, 2 for rice, 2 for peanuts, 1 for broomcorn, 4 for wool, and others. Not all the organizations survived the vicissitudes of infancy. However, the cooperative map of the United States was changed, as is noted by an analysis of the data compiled from the agricultural censuses of 1920 and 1925.

At the beginning of 1920 the ten states in which there was the greatest amount of cooperative activity, in the order of their relative importance, as measured in dollars, were: (1) California, (2) Minnesota, (3) Iowa, (4) Nebraska, (5) Kansas, (6) Illinois, (7) New York, (8) South Dakota, (9) Wisconsin, (10) North Dakota. At the close of 1924 California was still in first place but all the other nine states had either gained or lost in relative importance. Iowa was in second place and Minnesota in third, just the reverse of the situation at the beginning of the five-year period. Illinois had advanced from sixth place to fourth, and New York from seventh place to fifth. Kansas had dropped back to sixth place, and Texas and Missouri, which were not among the ten leading states at the beginning of the period, were in the seventh and eighth places, respectively, having advanced from twenty-third and fourteenth places. Nebraska, which was in fourth place in 1919, dropped to ninth during the five years, and Ohio established itself in tenth place, whereas it had formerly been in the twelfth.

Some of the marked changes were the advance of Kentucky from twenty-ninth place in 1919 to twelfth place in 1924; the advance of Oklahoma from twentieth place to seventeenth; the advance of North Carolina from thirty-seventh place to twenty-second; and the advance of Georgia and South Carolina to twenty-fourth and twenty-seventh places. South Dakota and North Dakota, which were among the leading states in 1919, dropped to eighteenth and twentieth places, respectively, in 1924.

COLORADO POTATO EXCHANGE GAINS IN MEMBERSHIP

In the 1926-27 season the Colorado Potato Growers' Exchange, Denver, shipped 5,269 cars of potatoes which brought a gross price of \$4,689,738. On November 1, 1927, the Exchange had a membership of 2,821, grouped in 24 local units. The heaviest shipments for the season, 456 cars, were made by the Montrose association. In the previous year the Exchange had 21 local units with 2,312 members, and shipped 5,660 cars of potatoes which sold for \$6,407,132.

-----0-----

SALES OF CERTIFIED SEED POTATOES BRING NET GAIN

Commissions of the Michigan Certified Seed Potato Growers' Association, Inc., Cadillac, Mich., amounted to \$8,163 for the year ending July 31, 1927. More than 71,000 bushels of potatoes were handled. Expenses for the year amounted to \$5,739, leaving a balance of \$2,423, of which half was turned over to the Michigan Potato Growers' Exchange to be retained as a working fund to finance the seed association, and half was carried to the surplus account of the seed association itself. Net worth at the end of the fiscal year was \$851, compared with \$46 in 1926.

-----0-----

MELON ASSOCIATION EXPELS UNFAITHFUL MEMBERS

Acting upon instructions from the board of directors, the executive committee of the Sowega Melon Growers' Association, Adel, Ga., recently expelled 113 members for violation of contracts and selling melons outside the association. Charges were preferred against 158 members but upon investigation it was found that 48 had not wilfully violated their agreements and charges against them were withdrawn. A few other cases were left open pending further investigations as there was a possibility that the members were not technically guilty. Of the 113 expelled fully half had also violated their agreements in 1926.

The management is convinced that this honor system is greatly preferable to the old system of liquidated damages, as a grower held in an association against his will becomes a liability instead of an asset.

Many new members are being enrolled. Twenty-seven new contracts were received during the first half of November and many blank contracts have been mailed out upon request.

The Sowega Fertilizer Corporation is beginning its work for the 1928 season early, in order to be able to supply the needs of the growers in Florida in January. Questionnaires were to be mailed to all stockholders of the Corporation on December 1, in order to be able to make an estimate of the tonnage required.

OREGON APPLE ASSOCIATION REPORTS INCREASED BUSINESS.

More than twice as many packages of apples were handled by the Apple Growers Association, Hood River, Oregon, during the 1926-27 season, as in the previous year. Among the other fruits marketed by this association are pears, cherries, strawberries, raspberries, loganberries, plums and crab apples.

The value of the fruit handled of each kind during the past three seasons is shown in the table below:

Fruit	Year ending May 31		
	1925	1926	1927
Apples	\$ 3,403,660	\$ 1,688,876	\$ 2,342,507
Pears	207,996	314,032	401,759
Cherries	37,447	40,380	72,358
Strawberries	106,554	172,442	121,638
Raspberries	7,682	8,477	12,828
Blackberries	2,101	437	1,162
Loganberries	735	---	---
Plums	---	39	---
Crab apples	493	373	---
Total	\$ 3,766,668	\$ 2,225,056	\$ 2,952,252

In addition to marketing fruit the organization purchases large quantities of supplies for its members. The supply business for 1925-26 season amounted to \$463,418 and for the 1926-27 season to \$895,345. The refund to members the first season was \$58,941; and for the second year, \$76,114.

Trucks were operated both seasons for the members and the refunds on charges for services were \$660 and \$1,385.

On May 31, 1927, the real estate, buildings and equipment belonging to the association, had a depreciated value of \$659,500. The surplus on the same date was \$847,850, which was an increase from the previous year of \$110,416. Bank deposits on May 31 were \$257,716.

The present association was formed in 1913 to succeed an organization formed many years before. The apple growers of the Hood River Valley have been marketing their fruit cooperatively since 1892. The present association has a membership of about 800.

HEALTHY GROWTH REPORTED BY ORANGE ASSOCIATION

Heavy shipments and favorable prices marked the business year of the Mutual Orange Distributors, Redlands, Calif., which year ended October 31, 1927. By adopting the plan of selling fruit direct to chain stores the association was able to sell on a narrow margin with better returns to the growers and low prices to the consumers.

In the face of keen competition the association increased its tonnage of sales by 16.75 per cent, shipping 7,901 cars of 400 boxes each, compared with 6,767 cars the year before. The management reports that in 1924-25 the Mutual Orange Distributors handled 6.8 per cent of the total citrus shipments from the state; in 1925-26, 8.8 per cent; and in 1926-27, 9.8 per cent, or, excluding lemons, 11.1 per cent.

One of the contributing factors of the satisfactory sales and prices, is believed to be the juice extractors and the fact that consumers are cultivating a habit of "drinking oranges and lemons" as well as eating them.

Since the Mutual Orange Distributors began shipping citrus fruit through the Panama Canal, it has been active in extending foreign markets, seeking new buyers, and developing the demand for California citrus fruits. In 1925-26, its foreign trade amounted to 30,331 boxes, and in the year just ended, to 135,675 boxes. The foreign business resulted in a gain to the growers of \$38,385, which sum has been retained as a reserve fund toward financing future foreign market pools. For selling fruit outside the auction the association retains 15 cents a box, and for fruit sold at auction, 8 cents, plus \$15 per car.

A gratifying increase in business was transacted by the supply department. Figures for the past three years are as follows: 1924-25, \$741,221; 1925-26, \$1,195,202; 1926-27, \$1,239,657. This increase in business resulted in a decrease in the operating expenses of the department amounting to nearly one-fourth of one per cent, the business being handled last year for a small fraction over two per cent. Among the purchases were more than 30,000 orchard heaters and over 70 per cent more fertilizer than the year before. This department has secured the services of an expert on soils and diseases of trees, to aid the growers.

Advertising expenses of the association amounted to \$13,566, not including a large amount spent by the chain stores for advertising Pure Gold oranges without cost to the growers.

Several new associations and new packing houses have been added during the past year. Many packing houses have installed machines for stamping the fruit. A new headquarters building is now nearing completion. The manager states that when completed it will be fully paid for. This has been accomplished through the small accumulations of the emergency fund year by year.

GROWERS MUST DECIDE HOW THEY WANT TO SELL

Members of the Marietta Truck Growers' Association, Waterford, Ohio, are to be given their choice of turning their entire supply of products over to the association for marketing or of doing their own marketing. Some growers have been marketing such portions of their produce as could be sold to advantage and delivering the remainder to the association, which procedure made it difficult for the association to function efficiently. Among the products marketed by this cooperative are tomatoes, green corn, cabbage, and other garden products.

-----0-----

ARIZONA CITRUS ASSOCIATION FILES REPORT

Fruit sales by the Arizona Citrus Growers, Phoenix, Ariz., amounted to \$590,581 for the year ending August 31, 1927. The output of the association warehouse was 169,843 packed boxes of citrus fruit, and culls and unwrapped fruit equal to 21,425 boxes. Average cost of packing was 59.15 cents a box, and selling costs were 8.80 cents a box, making the total for packing and selling 67.95 cents. The operating expense was \$121,915. Net earnings to the amount of \$7,145 were carried to surplus, and refunds of \$11,369 were made from packing house charges.

-----0-----

RESULTS OF CALIFORNIA LIMA BEAN POOLS

A summary of the operations of the 1926-27 pool of the California Lima Bean Growers' Association, Oxnard, Calif., shows that 76,172,488 pounds of regular limas were handled; sales aggregated \$4,708,839, or \$6.18 per bag, of which \$4,392,105, or \$5.76 per bag, was credited to locals. Expenses for the season were \$316,734, or 41.2 cents per bag. Of this, advertising accounted for nearly 8 cents; brokerage, 10 cents; discounts and exchange, 5 cents; storage 7.6 cents; and many smaller items.

The baby lima pool contained 19,886,823 pounds. Sales amounted to \$996,228, or \$5.01 per cwt. Expenses totaled \$65,525, or 32.95 cents per cwt.; and net returns to locals were \$930,703, or \$4.68 per cwt. Storage and brokerage were the two large items of expense, the former amounting to 9.5 cents and the latter to 7.6 cents.

(Further information regarding this cooperative may be found in Agricultural Cooperation for October 12, 1925, and August 16, 1926.)

ANNUAL REPORT OF KANSAS WHEAT POOL

The annual report of the general manager of the Kansas Cooperative Wheat Marketing Association, Wichita, for the 1926-27 season has been printed for the convenience of the members of the organization. With the addition of a report prepared by the legal department of the association, it makes a pamphlet of 44 pages. The report shows that the association received 4,055,243 bushels of wheat of the 1926 crop, which was marketed at an average price of \$1.3731 a bushel, Kansas City basis. Expenses of operation and the two per cent reserve deducted amounted to 12.65 cents a bushel. Average expense for country handling and average freight paid on grain to Kansas City, amounted to 14.28 cents a bushel. Thus the average credit to members for the wheat delivered at their own shipping points was \$1.1038. This average credit included 2.26 cents a bushel for farm storage. Some wheat growers received less than 2.26 cents a bushel for storage and some more than that amount. There was also deducted 3 cents a bushel for a contingent or temporary reserve. The money thus obtained is used as working capital.

There was an increase of 1,261 in membership during the year. Field service work was carried on in five districts, each under the supervision of a member wheat grower. These district leaders attended to complaints of members and had general supervision of the local elevators which were handling wheat for the association. They also directed the organization work in the several districts.

In reviewing the field work for the year the management makes the following observation, "We must make sure that the farmers' wives and children are educated to the pooling proposition as well as the farmer. It is safe to say that at least 50 per cent of the contract violations of the Kansas pool since 1922 are the result of a lack of understanding of the pool on the part of farm wives."

Publicity work was carried on chiefly along two lines, namely, issuing the Wheat Growers' Journal, and conducting an annual essay contest. The scope of the Journal was increased the past year and the scope of the essay contest enlarged. Seventy manuscripts were submitted and prizes aggregating \$100 were awarded.

News letters were issued by the publicity department to the weekly and daily newspapers of Kansas, and special articles were prepared for farm magazines and cooperative publications.

Few suits because of contract violations were started against members by the legal department which has adopted the policy of arranging settlements with delinquent members whenever possible. This policy is set forth as follows: "We are trying to show him (the member) that the life of the association depends on the adherence of all members to the contract, that his contract is with the other members of the association, and that we prefer to have him make amends for his violation and fulfill the terms of his contract in the future rather than sue him."

ANNUAL WHEAT POOL MEETING LASTED SEVEN DAYS

Seven days of continuous sitting, except for a Sunday, is the record established by the delegates to the annual meeting of the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, Canada, held November 15 to 22, 1927. The 160 delegates elected by contract signers in the 6 districts in which the 85,000 members of the association are located, reviewed the annual report of the board of directors, section by section, analyzing every fact and figure with the thought of obtaining all possible information about the business of the past year and the present status of the enterprise. The delegates also formulated policies for the guidance of the board for the coming year. No section of the report was passed until every question regarding it was answered and every proposed resolution bearing upon it had been fully considered.

The report states that the number of contracts in force on November 1, 1927, was 85,059. The quantity of grain delivered to the association during the three seasons of operation was given as follows:

Grain	1924-25 (Bushels)	1925-26 (Bushels)	1926-27 (Bushels)
Wheat	50,251,181	129,708,034	119,488,976
Oats		6,659,646	3,363,365
Barley		2,569,071	2,357,181
Flax		1,353,617	1,012,997
Rye		783,820	1,633,796
Total	50,251,181	141,074,188	127,856,315

It is estimated that the association handled 57 per cent of all wheat marketed in the province.

Net operating expenses for the 1926-27 wheat pool were reported as one-half cent a bushel, and total expenses, including carrying charges, 1.44 cents a bushel. A deduction of 2 cents a bushel, amounting to \$2,513,637, was made for grain handling facilities, and a deduction of 1 per cent, amounting to \$1,660,137, was made for operating capital.

The report of the Saskatchewan Pool Elevators, Ltd., a subsidiary, indicated that 145 country elevators had been acquired during the year. Five hundred eighty-six country elevators were operated. A total of 90,191,342 bushels of grain was handled by these elevators. The average quantity of grain handled per elevator was 136,707 bushels.

More than 7,883,900 bushels of wheat and coarse grains were dried in terminal elevators.

Operating earnings of the country and terminal elevators amounted to \$2,495,814. A refund of \$1,372,537 was made to shippers on the basis of $1\frac{3}{4}$ cents a bushel for grain handled through country elevators and 1 cent a bushel on grain handled over the platform.

LARGE BUSINESS BY CANADIAN GRAIN SALES AGENCY

Wheat sales by the Canadian Cooperative Wheat Producers, Ltd., Winnipeg, Canada, the sales agency for the three provincial pools, amounted to \$295,750,764 for the 1926-27 season. A total of 209,501,478 bushels of wheat was handled, including purchases to complete shipments of specified grades and the carry over into the 1927-28 season. The quantities of wheat delivered by the three provincial pools to the central sales agency for marketing were as follows: Manitoba, 16,208,625 bushels; Alberta, 44,282,139 bushels; Saskatchewan, 119,459,478 bushels. The management of the agency estimates that these deliveries constituted about 53 per cent of the total quantity marketed for the three provinces.

As most of the sales were made on a delivered basis, the cost of moving the wheat to purchaser was a charge against the gross proceeds of sales. A few of the expense items were as follows: moving grain to seaboard, \$12,696,978; ocean carrying charges, \$10,134,173; storage, \$2,897,380; elevation at lake ports, \$1,994,109; bank charges, \$1,258,037; superintendence at unloading points, \$1,127,620; insurance, \$911,790; port terminal charges, \$629,023; etc. The administrative expense, which represents the cost of operating the sales agency, was \$312,926, which was less than the one-fifth of one cent a bushel allowed for the operation of the agency. Local purchases to complete shipments of specified grades amounted to \$43,149,921. The sum available for distribution to the provincial pools was \$232,930,969. Net surplus remaining with the association was \$217,408.

Of the wheat sold during the year, 77,947,199 bushels were disposed of in the local market and 124,135,308 bushels were sold in the export market. Shipments were made to 24 countries through 60 ports. The countries to which the larger quantities of wheat were exported and the quantity to each were as follows: United Kingdom, 50,152,558 bushels; Italy, 14,584,547 bushels; Holland, 13,423,454; Germany, 10,424,000; Belgium, 10,280,781; France, 8,119,411; Japan, 6,422,828; Portugal, 1,952,000; Greece, 1,816,000; etc. In accordance with the policy being fostered by the agency, as large a portion of the grain as possible was sold direct to the consuming mills. The portions of the total quantity sold during the different months of the year were as follows: September, 1926, 5 per cent; October, 7.1 per cent; November, 9.8 per cent; January, 1927, 8.3 per cent; February, 6.5 per cent; March, 6.9 per cent; April, 7.5 per cent; May, 10.4; June, 6.8; July, 3.5; August, 8.2; September, 6.9; carry over, 3.5.

In addition to marketing wheat, the sales agency marketed 24,102,941 bushels of coarse grains as follows: barley, 12,864,309 bushels; oats 6,995,719 bushels; rye, 2,735,093 bushels; flax, 1,507,820 bushels. This grain was handled on a charge of one-fourth of one cent a bushel.

During the year the central sales agency opened offices in Montreal and London in order to facilitate the prompt handling of its business.

REPORT OF NEBRASKA WHEAT POOL

Proceeds from wheat sales and inventory for the Nebraska Wheat Growers' Association, Hastings, Nebr., amounted to \$1,090,202 for the year ending June 30, 1927, according to a recent report by certified public accountants. A total of 818,292 bushels of wheat was marketed for the members of the association. Deductions amounted to \$315,850, made up of the following items: freight, handling and sundry shipping charges, \$197,068; storage, \$69,511; general administration, \$17,652; field service, \$6,990; interest, \$13,725; reserve for contingencies, \$10,901. Advances to growers amounted to \$774,351. At the close of the year the reserve for contingencies was \$18,768.

-----0-----

RICE ASSOCIATION TO SELECT ITS MEMBERS

Growers who want to join the Arkansas Rice Growers' Cooperative Association, Stuttgart, from now on will have to make application for membership and sign the contract which will have to be approved by a local board of five members in each district, including the director from that district and four others whom he may appoint. This local board will investigate the character and desirability of the applicant and also the condition of the rice which he wishes to deliver this year. A written report of the findings of the local board will be submitted to the association, and if favorable, such member will be accepted and a certificate of membership will be issued to him. This plan was recently adopted by the board of directors.

-----0-----

MINNESOTA WOOL ASSOCIATION HAS MANY MEMBERS

A report from the Minnesota Cooperative Wool Growers' Association, Wabasha, Minn., states that it has handled about 650,000 pounds of 1927 wool and shipments are still straggling in. This is about 15 per cent more than was handled last year.

The management reports that practically all of the medium and off grades have been sold. Over 400,000 pounds was sold to one eastern mill this year. About 40,000 pounds of half-blood and fine wool is still on hand. When this is sold the final accounting for the season will be completed.

The association continues to grow in membership and applications are coming in practically the year around. On October 15, 1927, the membership numbered 1,392, and the patrons numbered 1,645.

LIVESTOCK POOLS LINK RANCHMEN AND CORN BELT FARMERS

Approximately 85,000 head of livestock were bought cooperatively this fall by farmers of the Corn Belt. These purchases were made through pools conducted by the National Livestock Producers' Association, Chicago. The lamb pool included 68,670 animals, mostly from the ranges of Montana, Idaho and Washington; the cattle pool included 6,425 calves, 2,200 yearlings, and 2,000 two-year-olds from Texas; 3,200 Kansas yearlings and 600 Kansas two-year olds. Shipments were made direct from the western ranges to the farmers' feed lots in the Corn Belt area. The present season is the third in which the National Producers' Association has conducted buying pools for ranchmen and feeders of livestock.

-----0-----

STEADY GROWTH OF KANSAS CITY SALES AGENCY

A steady growth in business since it started operations is shown in the report of the Farmers' Union Livestock Commission, Kansas City, Mo., recently published. This agency was established by the Kansas branch of the Farmers' Educational and Cooperative Union, October 14, 1918, and in July, 1919, was incorporated with share capital of \$25,000.

At first the organization met with much opposition from the old established firms, of which there were more than 90 on the market. By 1924 it had risen to second place on the market in volume of business and has ever since been in second or third place.

The following table shows number of animals handled and sales value for each of the eight years, as reported by the management of the organization:

Year	Stock handled			Value of stock handled
	Cattle	Hogs	Sheep	
1919	43,760	99,775	11,575	\$ 4,720,751
1920	57,369	127,640	13,359	5,962,875
1921	81,655	157,355	23,895	6,745,850
1922	97,852	187,839	28,241	7,655,768
1923	122,316	234,798	35,301	9,319,710
1924	163,088	313,065	47,069	11,092,847
1925	132,595	216,076	47,751	11,394,114
1926	108,410	202,306	51,269	11,501,613
Total	807,045	1,534,854	258,460	68,393,528

ARIZONA ASSOCIATION SELLS COTTON SEED COOPERATIVELY

During its first year of operation the Yuma Farmers' Cooperative Association, Yuma, Ariz., made returns to its members for 4,171 tons of cotton seed, and the second year it made returns for 3,180 tons. The association was formed in the spring of 1925 for the purpose of ginning cotton and marketing cotton seed cooperatively. On May 31 of this year it had land, buildings and equipment to the value of \$99,312. Outstanding share capital on that date amounted to \$59,730. One hundred eighty farmers are the shareholders.

-----0-----

SIX YEARS OF STAPLE COTTON MARKETING

Under the caption "After Six Years," the Staple Cotton Review, official organ of the Staple Cotton Cooperative Association, Greenwood, Miss., publishes a review of the work accomplished by the organization, with comments. It also reproduces the first declaration of principles and policies upon which the management believed a cooperative cotton marketing service must be founded in order to endure. This declaration which was published as an advertisement August 18, 1921, to announce the fact of the organization of the Staple Cotton Cooperative Association, still holds good.

A table showing the number of bales handled each year, the proceeds realized, and the average prices, is reproduced below:

Crop	Bales	Gross value	Av. price
			(Cents)
1921	156,026	\$20,299,395	25.96
1922	168,021	24,943,174	29.69
1923	107,432	17,410,097	32.41
1924	124,542	17,792,580	28.74
1925	263,257	26,528,104	20.29
1926	238,073	18,649,004	15.24
Total	1,057,351	\$125,622,354	
Average	176,225	20,937,059	23.76

After reviewing various accomplishments, the article closes with the statement:

And after six years we can also say that we have made of this association something more than a bloodless mechanism of business, that we have put our principles into practice and have translated our ideals into action; and that in all things with all men we have kept the faith.

FINAL SETTLEMENT FOR ARKANSAS SHORT-TIME COTTON POOL

Final settlement was made recently by the Arkansas Cotton Growers' Cooperative Association, Little Rock, for the cotton in the first of the 1927 short-time pools, which closed October 15. This payment amounted to more than \$53,000. Seven hundred eighty-nine members delivered cotton for inclusion in this pool.

-----0-----

TEXAS COTTON ASSOCIATION ADVOCATES CERTIFIED SEED

"The biggest advantage of cooperative marketing will come when the associations become the quality merchants of cotton," states the director of field service of the Texas Farm Bureau Cotton Association, Dallas. In accordance with this belief the association is working to convince growers that good seed is a requisite for production of high quality cotton, and has provided a service for purchasing certified cotton seed. This service was offered last year and a limited supply of four kinds of certified seed is available again this year.

Cotton-seed clubs have been formed by a number of the local units. One of these has been in operation several years. The first year one of the farmers plants the seed; the second year it is distributed among the members of the club, and the third year it is available to outsiders who can buy it from the members. The seed is grown under direct supervision of the U. S. Department of Agriculture.

-----0-----

OFFICERS OF ARIZONA PIMACOTTON ASSOCIATION REPORT

Among the outstanding accomplishments of the Arizona Pimacotton Growers, as recorded in the annual reports for the 1926-27 season, was the reduction of the cost of marketing to \$2.04 a bale. The per-bale costs for the last four years are given as follows: 1923-24, \$5.06; 1924-25, \$4.20; 1925-26, \$4.18; 1926-27, \$2.04.

In commenting on the purpose of the association, the general manager said: "Cooperative marketing is a business undertaking created to help the individual growers secure better prices for their products by pooling and marketing them through a strong, efficiently managed cooperative association."

The president, in his report, calls attention to the activities of the production credit corporation, through which \$575,000 was loaned to growers at an interest rate of 6½ per cent. In the opinion of the president, the greatest need is field-service work of an educational character, in order that the true facts regarding the association may be circulated among the cotton growers.

INCREASED BUSINESS BY SASKATCHEWAN EGG ASSOCIATION

Approximately 47 per cent more eggs were handled by the Saskatchewan Cooperative Poultry Producers, Ltd., Regina, Canada, during the 1927 season than in the 1926 season. The association began operating March 29, 1926, with 10,230 members, and now has 18,615.

During 1926 the association handled 1,206,403 dozens of eggs, and the past season, 1,766,363 dozens, which quantity is reported by the management to be about 70 per cent of the total exportable egg surplus of the province.

Average net payments to members last year was at the rate of 16 cents a dozen, and this year it was 21 cents. Actual payments this year were: extras, 25 cents; firsts, 22.5; seconds, 18.9; cracks, 14.3.

Live poultry weighing 250,044 pounds was marketed last year, also 554,323 pounds of dressed poultry. The association is now operating feeding and killing stations at Regina, Saskatoon, North Battleford and Yorkton.

----0----

THREE YEARS OF EGG MARKETING IN CONNECTICUT

In its first three years of existence the Connecticut Poultry Producers, Inc., New Haven, has handled sales aggregating over three-quarters of a million dollars. Starting in 1924 with 127 members, it now has a membership of 207, owning 90,000 birds.

Receipts and sales of eggs for the three years are shown below:

Year*	Eggs received (Dozens)	Egg sales	Average pool price (Cents)
1925	448,274	\$ 214,317	47.8
1926	527,251	250,721	47.7
1927	680,308	292,457	43.1

*Year ending September 30.

Taking the yearly costs on a unit basis as a gauge, the general progress of this enterprise is indicated by the following comparative costs per dozen for each year: 1925, 5.7 cents; 1926, 4.8 cents; 1927, 4.1 cents.

In a spirit of true cooperation the Eastern Connecticut Poultry Producers, Inc., Williamantic, has granted to the Connecticut Poultry Producers, Inc., the use of its brand name, "New England Maid," and all eggs are now sold under this brand. With the two associations using one name, about one million dozen eggs are now being sold yearly under the same trade-mark.

FOREIGN CORPORATION HELD TAXABLE IN MASSACHUSETTS.

The appeal in the case of the Connecticut Valley Tobacco Association, Inc., v. Inhabitants of town of Agawam, was decided against the association by the Supreme Judicial Court of Massachusetts, October 15, 1927, 158 N. E. 506.

In 1924 the association paid under protest the tax assessed against it by the town of Agawam, Massachusetts, as a foreign corporation. The association contended that the tax was void and illegal and brought suit to recover the amount paid.

The association is a cooperative, non-profit agricultural association, without capital stock, organized under the laws of the State of Connecticut. Its membership consists of farmers resident in that state and the State of Massachusetts. In accordance with the law of Massachusetts, the association registered as a foreign corporation doing business in that state; and on April 18, 1923, it filed the required tax return for the determination of taxes to become due from a foreign corporation. In reply to an inquiry from the Commissioner of Taxation, the association disclosed that on April 1, 1923, it had within the State of Massachusetts tobacco of the value of \$1,824,771, of which 126,650 pounds was located in a warehouse in the town of Agawam.

The assessors of the town of Agawam for the year 1923 required all persons, firms, and corporations to bring in lists of their taxable property situated within the town. The association did not file a list, and the assessors made no assessment of the association's property as of April 1, 1923, but in December, 1923, assessed a tax on the tobacco situated within the town on April 1, 1923, and entered the assessment on the tax list. The collector of taxes presented a bill to the association which it declined to pay, claiming that the tax was illegal and void. On February 11, 1924, the association made application to the assessors for an abatement and at their request filed a list as required by law. After a hearing, the assessors made a partial reduction of the valuation as originally fixed and in due course the collector presented a bill for the taxes due, which, as indicated above, was paid under protest.

The association contended that the right of local taxation did not exist because of a statute of the state which provided that "the tangible personal property . . . of foreign corporations subject to this Act . . . shall be exempt from local taxation." But the court called attention to that section of the law of the State of Massachusetts relating to corporations, wherein it is provided that any corporation, association, or organization now or hereafter established, organized or chartered without capital stock for a similar purpose under laws other than those of the Commonwealth shall be liable to taxation in the same manner and to the same extent as an individual or partnership.

Accordingly, it was held that the tax imposed by the assessors was lawful, and the judgment of the lower court was affirmed.

COPIES OF HOUSE ORGANS FOR TEACHERS

Teachers giving courses in cooperative marketing and desiring a few sample copies of the house organs issued by the various active associations, can have their needs supplied by advising the Division of Cooperative Marketing, Bureau of Agricultural Economics, Washington, D. C.

----0----

A TEXT ON COOPERATIVE MARKETING FOR ARKANSAS SCHOOLS

"A Brief Elementary Course in Cooperative Marketing," is the title of a publication recently prepared by the supervisor of the educational department of the Arkansas Cotton Growers' Cooperative Association, Little Rock, for use in the schools of the state. The publication has already been adopted by the Smith-Hughes schools of Arkansas, by the agricultural department of the State Teachers' College, by the Arkansas Technical Institute, and it has been included in the course of study of the public schools of Pulaski County.

----0----

COURSES IN LIVESTOCK MARKETING FOR MISSOURI MEN

Two short courses in livestock marketing were conducted by the Missouri College of Agriculture at the National Stock Yards, Ill., and the Kansas City Stock Yards, Mo., during the week of November 15. Seventy-five men were enrolled, representing 29 livestock shipping associations from 28 Missouri counties. At the end of each of the two-day courses, an examination was given at the stockyards, in which the students were required to pass judgment on each of from five to eight lots of cattle, giving the classification, grade, age, weight, dressing percentage, and price.

----0----

THREE COOPERATIVE INSTITUTES IN OHIO

Institutes dealing with cooperative marketing of farm products are scheduled for Toledo, Cleveland and Cincinnati, Ohio, for the early part of December. A two-day program will be carried out at each place by representatives of the Ohio State University, the Ohio Farm Bureau Federation, the Division of Cooperative Marketing of the U. S. Department of Agriculture, and officials of local cooperative marketing enterprises. Among the commodities to be given special attention are dairy products, livestock, grain, poultry, eggs, fruits and vegetables. Field service, membership problems, and business practices will also be discussed.

SCHOOLS FOR TEACHING COOPERATION IN SASKATCHEWAN

Schools for teaching cooperation are to be held in Saskatchewan during the winter under the joint leadership of the cooperative associations, the Saskatchewan Department of Agriculture and the University of Saskatchewan. Plans have been made to hold these schools at many different points with the hope of reaching a large number of farmers.

-----0-----

CORRESPONDENCE COURSE IN COOPERATIVE MARKETING

A progressive step has been taken by the University of Alberta, Edmonton, in offering a correspondence course in cooperative marketing for the winter season of 1927-28. The course has been arranged by the Extension Department of the University and will deal with both the principles of cooperative marketing and their application to specific products. There will be no charge for tuition but a fee of \$5 will cover textbook, office expenses, postage, and other items.

The hope is expressed that the teaching of the principles, history, and present extent of cooperation, may command an increasingly important place in the regular courses of this university. In the meantime this correspondence course will aid in stimulating the interest which the farmers of the province have taken for some years in this important economic development.

-----0-----

COLORADO COOPERATORS BELIEVE IN EDUCATION

Approximately 150 Colorado farmers, association officials, and extension workers registered at the School of Cooperative Marketing held at Colorado Springs, November 14-16. The average attendance was between 50 and 60. The school was conducted by the Colorado Director of Markets and the Agricultural College of the state, in cooperation with the Division of Cooperative Marketing of the U. S. Department of Agriculture and the cooperative associations of Colorado.

Education was the keynote of the school, and, as an outgrowth of the sessions, the Department of Education of the Agricultural College has planned to conduct two experimental 10-day schools in cooperative marketing for farm men and women and farm boys who are out of school. These schools will be held simultaneously at Greeley and Eaton, Colo., December 5 to 16, the sessions at Greeley being held in the afternoon and those at Eaton in the evening, under the supervision of the agricultural high school in each community. The courses will be conducted by a representative of the Division of Cooperative Marketing.

MEMBERSHIP DATA FOR AMERICAN SOCIETY OF EQUITY.

Since 1907 the membership of the Wisconsin State Union, American Society of Equity, has varied from less than 4,000 members to nearly 29,000. The number of members for 1907 was 10,109; for 1919, 28,905 and for 1927, 3,894. The average number of members for 21 years was 10,696. The number of members each year for the last five years is given in the annual report of the organization as follows: 1923, 6,718; 1924, 4,844; 1925, 4,373; 1926, 4,201; 1927, 3,894.

-----0-----

COMMUNITY DEVELOPMENT IN LOUISIANA.

The development of "Community Nights" organizations in Louisiana during the past year is said to have far surpassed expectations. There are now 115 such organizations with thousands of men and women working for better living conditions in rural communities, and these people are beginning to learn what can be accomplished through cooperation. A special topic is assigned for each month and the program of each organization features this topic. Community opportunities was the subject considered in January, reading in February, and dairying in March. Some of the other subjects were: home and community, health, State School for the Blind, fun and frolic, cooperative marketing, farm bureau work. With the organization work well in hand it is proposed that the communities now direct their efforts toward the work of developing a better citizenship.

-----0-----

FARMERS' UNION OF NORTH DAKOTA FORMED.

The Farmers' Union of North Dakota, a branch of the Farmers Educational and Cooperative Union of America, was formed at Jamestown, N. D., November 4, under the North Dakota cooperative marketing law. The organization started with more than 13,000 farmers as members.

Although the statute provides for cooperative selling and buying it appears that at first the organization will confine itself largely to educational work and to the development of business for existing cooperative enterprises under the management of men identified with the Farmers' Union movement.

Among the resolutions passed at the Jamestown meeting was one demanding "the establishment of courses in marketing in the State University and Agricultural College of the State, and also in the high schools of North Dakota, and particularly, courses in cooperative marketing, to the end that our children may be taught the fundamentals of selling the products of North Dakota Farms."

REPORTED BY THE ASSOCIATIONS

At the close of the Twelfth International Congress, held in Stockholm in August, the Prime Minister of Finland was elected president of the International Cooperative Alliance. The new president has been a member of the central committee of the organization since 1921, and has held responsible positions in other cooperative organizations.

Up to November 1, 1927, the Central States Soft Wheat Growers' Association, Indianapolis, had received 2,102,691 bushels of 1927 wheat. Of this quantity 341,359 bushels had been sold; there was on hand in country elevators 305,928 bushels; and in terminal storage, 1,455,503 bushels. Advances to members had reached a total of \$1,563,636, with the average advance 74.36 cents a bushel.

Orders for more than 15,000 tons of nitrate of soda have been handled so far this season through the purchasing department of the Mississippi Farm Bureau Federation, Jackson. The Federation announces that arrangements have been completed whereby members of the organization can be supplied with synthetic nitrogen products. Contracts have also been made for obtaining acid phosphate and potash materials in quantity.

Representatives of the Land O'Lakes Creameries, Inc., Minneapolis, at a recent meeting recommended that the boards of directors of local creameries meet at least once a month and that they review all the activities of the officers of the creameries, in order that the directors may be qualified at all times to pass intelligently upon all questions of policy, and that none of the creameries may be in danger of becoming subject to "one-man" control.

Among the supplies purchased by the Indiana Farm Bureau Purchasing Department, Inc., Indianapolis, since January 1, 1927, the following items are noted: 34,040 tons of fertilizer, an increase of 36 per cent over the same period in 1926; 48,050 tons of coal, an increase of 33½ per cent over 1926; and 14,073 bushels of grass seed, a 24 per cent increase over the same period in 1926. Feeds, binder twine, oils, fencing, and other supplies were also purchased.

One of the directors of the Texas Wheat Growers' Association, Amarillo, invited farmers in his community to attend a meeting in a school house, with a view to organizing a class to study marketing problems. Officials of the wheat association attended the meeting and assisted in outlining a course of study. As a result, the older pupils of the school are to have one lesson each week in cooperative marketing and the farmers and their wives are to meet twice a month for the study of lessons to be assigned.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Cooperative Marketing Journal, Memphis, Tenn., November, 1927. Contents:
Hathcock, James S. The Development of Cooperative Cotton Gins;
Waldauer, Abe D. What is a Legal Department? Butler, Tait
The Farm Problem Viewpoint of the Southern Cooperatives; Schlaman,
E. D. There are Three Problems in Leadership Service; Cummins,
J. W., Build a Foundation if You're Building for the Future;
Hood, Robin. Cooperative--Co-operative--Cooperative.
- Downie, Ernest R. Annual Report of the General Manager of the Kansas
Cooperative Wheat Marketing Association, for the 1926 Pool Year.
Wichita, Kans. 1927. 44 p.
- Duis, George E. Pool President Discusses Farm Situation at Rate Hear-
ing. Wheat Grower, Grand Forks, N. D., November 15, 1927, p. 6.
- Hellwarth, K. D. Arizona Pimacotton Growers' Success---and Why. Associ-
ated Arizona Producer, Phoenix, Ariz., November 1, 1927. p. 3.
- Relationship of Wheat Pool to Line Elevator Companies. Western Producer.
Saskatoon, Canada, November 24, 1927, p. 29.
- Richard Pattee, Father of N.E.M.P.A., Succumbs in Valiant Life Fight.
Dairymen's League News, New York City, November 18, 1927, p. 2.
Also editorial, p. 4.
- Robertson, George W. Informed Membership is Pool's Best Defense. Cooper-
ative Spirit is Pool's Greatest Reserve. Western Producer, Sas-
katoon, Canada, November 24, 1927, p. 6.
- Robotka, Frank. Financial Records for Country Creameries. Ames, Iowa.
Agricultural Experiment Station, Iowa State College of Agricul-
ture and Mechanic Arts. 1927. 32 p.
- Waldron W. Cooperation in Saskatchewan. Western Producer. Saskatoon,
Canada, November 24, 1927, p. 43.
- Ward, Gordon R. Financing Cooperative Marketing Associations. Harvard
Business Review, Cambridge, Mass., October, 1927, p. 66.
- Wheat Pool Reinforces the Entire Social and Economic Structure of Sas-
katchewan. (With organization chart) Western Producer, Saskatoon
Canada, November 24, 1927, p. 26.
- Wooley, G. L. The Cooperative Marketing of Cotton. Louisiana Farm Bu-
reau News, Baton Rouge, La., November 15, 1927, p. 1.

IN THIS ISSUE

	<u>Page</u>
Statistical studies:	
Changes in relative cooperative importance of states.....	477
Fruits and vegetables:	
Colorado Potato Exchange gains in membership	478
Sales of certified seed potatoes bring net gain (Mich.)	478
Melon association expels unfaithful members (Ga.)	478
Oregon apple association reports increased business	479
Healthy growth reported by orange association (Calif.)	480
Growers must decide how they want to sell (Ohio)	481
Arizona citrus association files report	481
Results of California lima bean pools	481
Grain:	
Annual report of Kansas wheat pool	482
Annual wheat pool meeting lasted seven days (Sask.)	483
Large business by Canadian grain sales agency	484
Report of Nebraska wheat pool	485
Wool:	
Minnesota wool association has many members	485
Livestock:	
Livestock pools link ranchmen and Corn Belt farmers	486
Steady growth of Kansas City sales agency.....	486
Cotton:	
Arizona association sells cotton seed cooperatively	487
Six years of staple cotton marketing (Miss.)	487
Final settlement for Arkansas short-time pool	488
Texas Cotton Association advocates certified seed.....	488
Officers of Arizona Pimacotton Association report	488
Poultry products:	
Increased business by Saskatchewan egg association	489
Three years of egg marketing in Connecticut	489
Legal:	
Foreign corporation held taxable in Massachusetts	490
Education:	
A text on cooperative marketing for Arkansas schools	491
Courses in livestock marketing for Missouri men	491
Three cooperative institutes in Ohio	491
Schools for teaching cooperation in Saskatchewan	492
Correspondence course in cooperative marketing (Alberta)	492
Colorado cooperators believe in education	492
Miscellaneous:	
Membership data for American Society of Equity (Wis.)	493
Community development in Louisiana	493
Farmers' Union of North Dakota formed	493
Reported by the associations	494
Selected list of publications and articles	495