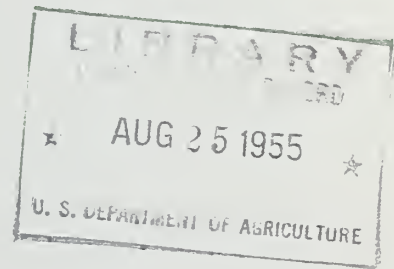


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Agricultural Cooperation in **WESTERN EUROPE**



Section B: England, France, Italy, and Switzerland

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The Farmer Cooperative Service conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying business services. The work of the Service relates to problems of management, organization, policies, financing, merchandising, quality, costs, efficiency, and membership.

The Service publishes the results of such studies; confers and advises with officials of farmers' cooperatives; and works with educational agencies, cooperatives, and others in the dissemination of information relating to cooperative principles and practices.

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FOREWORD

Farmer cooperatives and general farm organizations of Western Europe are of increasing interest to the people of the United States. At least two factors are responsible. One is the close working relations developing between the agricultural organizations of Western Europe and those of the United States. The other is the important role which these organizations play in the economic life of their countries.

Thus, in the United States, there is a continuing and growing need on the part of cooperative and other groups for information on agricultural cooperatives in these Western European countries. This report is an attempt to fill the need for such information.

This section B of General Report 4 is the second of a series of three studies. It covers several phases of cooperation and cooperative development in the countries of England, France, Italy and Switzerland. Section A contains information on the agricultural cooperatives of the Benelux countries -- Belgium, the Netherlands, and Luxembourg. Section C contains information on the cooperatives of the Scandanavian countries of Norway, Sweden, and Denmark.

Section B discusses the time and place of the first cooperatives in England, France, Italy, and Switzerland, the reasons for organizing, the services performed, and the periods of greatest activity. It shows the organization set-up and relative national importance of each commodity or enterprise cooperative in its field. In addition, it presents the relationships of the agricultural cooperatives with the general farm organizations, with government, and with the consumer cooperatives.

This publication reports the results of work carried on jointly by the Farmer Cooperative Service and the Foreign Agricultural Service of the United States Department of Agriculture. Primary sources of information have been documents on farm organizations prepared by the various foreign missions as part of the Agricultural Reporting Schedule of the Foreign Agricultural Service. In some countries these documents have been supplemented by additional information supplied by United States representatives stationed in the countries concerned. Also, in some instances, where necessary to round out the picture, other information from cooperatives or other sources has been drawn upon.

This is a factual presentation of the set-up and programs of the agricultural cooperatives of Western Europe. As conditions, laws and customs differ so widely in these countries, naturally these programs vary from those of farmer cooperatives in the United States. Thus, this factual presentation is not an endorsement of these programs or a suggestion that they be adopted by cooperatives in this country.

ENGLAND

England has some 230 agricultural cooperatives, as well as a large consumer cooperative structure. These agricultural cooperatives purchase the farm requirements and market the produce of the gardenlike British countryside. In 1953, these cooperatives had a total membership of 188,000 and an annual business volume of £92 million (\$258.5 million).

The cooperative experiences of the entire United Kingdom are interwoven. Therefore, it is impossible to separate them completely and study one country independently. However, the main objective of this section is to present the agricultural cooperatives of England. (Figure 1.) Thus, the references to and illustrations of cooperatives in other United Kingdom countries are developed to strengthen and clarify the picture.

England is the largest, wealthiest, and most populous of the units of the United Kingdom. The United Kingdom consists of England, Scotland, Wales, Northern Ireland, the Isle of Man, the Channel Islands, and a great number of smaller islands off their coasts. England covers 50,327 square miles, approximately the size of the State of New York. It is densely populated, with over 41 million persons in 1951 compared to New York with about 15 million. The agricultural lowlands of England contain most of the large-scale production. The midlands, or center, is the industrial part of the country.

Because of the nearness of the Gulf Stream, the climate of England is mild and somewhat warmer than that of the other portions of the European Continent in the same latitude. Rainfall is abundant, averaging 41 inches a year. This moist, mild climate has induced lush growth of all vegetation. The natural fertility of the soil is varied, however, and agricultural conditions differ greatly from one part of the country to another. In each area a large part of the acreage is given to permanent grass or grazing purposes. Crop and livestock production is highest in the eastern part of England.

Crop farming (wheat, barley, potatoes, and sugarbeets) is generally restricted to the drier East and Southeast England. Truck gardening is found near large towns but on a large scale only on good soil. Although fruit farming and poultry raising are fairly widespread, they are most important in the eastern and southern parts of the country.

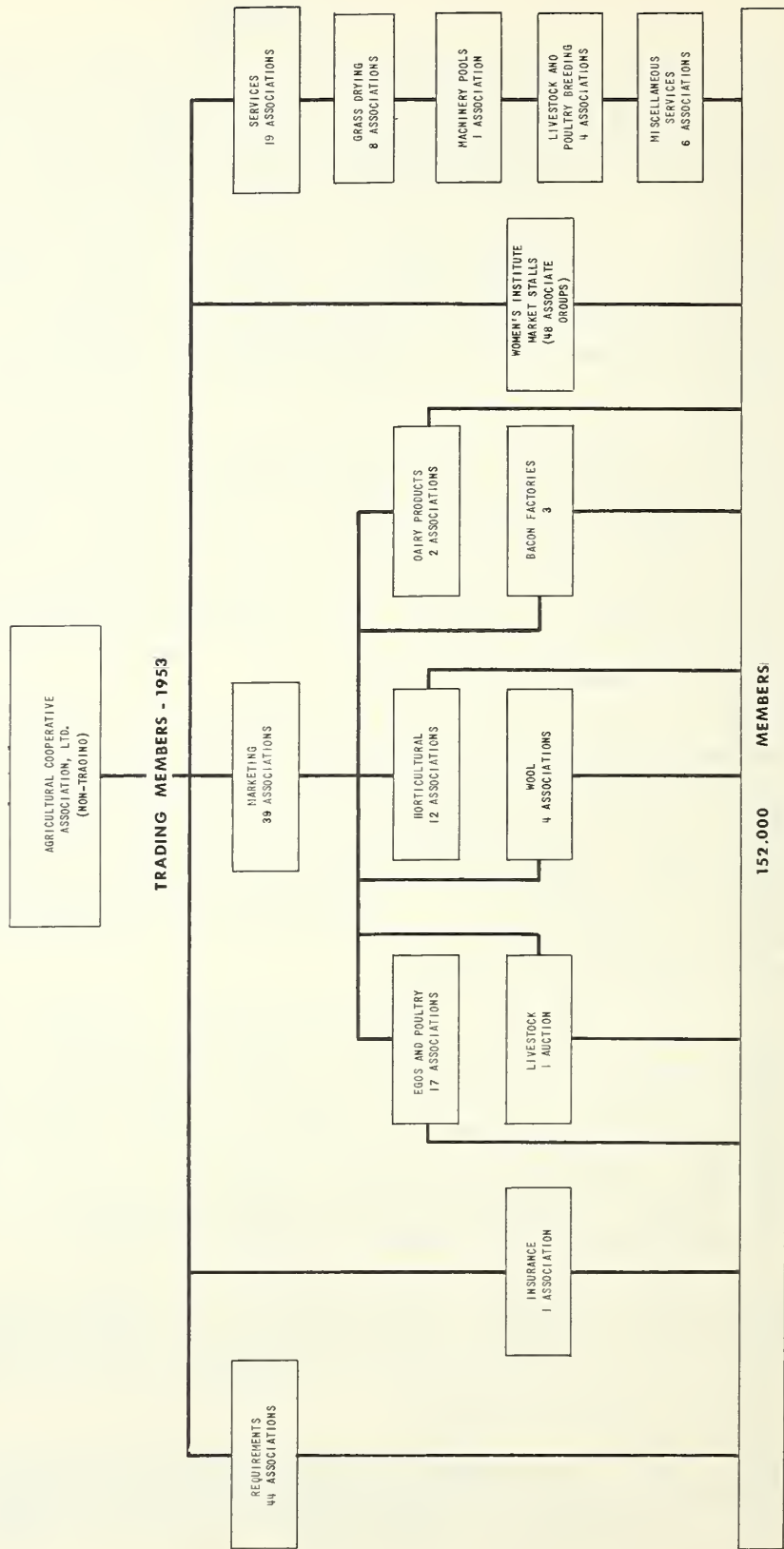
Dairying, especially fluid-milk production for sale in towns, has become the dominant farming enterprise over the greater part of the lowlands and broad valleys of central and western England.

Since World War II, a rapid increase in mechanization of farming has taken place throughout the country. In 1954 there were 251,000 land holdings of more than 5 acres in England. Size of farms is small compared with ours in America. About one-half of those in England are between 5 and 50 acres.

Note - The authors are indebted to William Kling, First Secretary of the American Embassy, London; A. T. S. McGhie, Secretary, Agricultural Cooperative Association, Ltd.; and Miss E. M. Walters, Assistant Education Officer, Agricultural Cooperative Association, for assistance in providing materials, for helpful suggestions, and painstaking review of the manuscript of this report. In general, this report is based on material available to the authors as of mid-1953.

FIGURE 1

MAJOR AGRICULTURAL COOPERATIVE ORGANIZATIONS IN ENGLAND



BACKGROUND OF COOPERATIVE DEVELOPMENT

Agricultural cooperation in England may be divided into four periods: (1) The period before the formation of any national agricultural cooperative association, when spasmodic and isolated attempts were made to develop independent societies; (2) the period beginning with the start of this century when producer cooperation first had the benefits of a central guiding authority; (3) the period of the depressing inter-war years when both cooperation and agriculture were at a low ebb; and (4) the period of reawakening of cooperative activity after the end of World War II, or cooperation today.

The Raiffeissen credit movement vitally influenced the peasants of Western Europe in their attitude toward cooperation. The farmers' cooperative movement sprang from the credit societies in many of these countries. Under the British system of land tenure, however, the landlord provided capital investment for long-term improvements and there was somewhat less incentive to form cooperative credit groups.

Thus the purpose of the first agricultural cooperative in England, opened in 1868, was not credit but an attempt to combat the adulteration of fertilizers. This was a serious problem before the Fertilizers and Feedingstuffs Act was passed in 1906, which made adulteration illegal.

Registration of a cooperative in England corresponds to incorporation in the United States. Many of the early cooperatives registered under the same act as regular companies. However, the Industrial and Provident Societies Act, passed in 1893, came to be accepted as the best basis for registration by farmers' groups. Joint stock companies, on the other hand, come under the Companies Act of 1948.¹

To be registered, a society must have at least seven members. Liability of members is limited to the face value of shares held. Also no member may hold shares exceeding £500, or approximately \$1,400.² The Registrar of Friendly Societies has charge of the registration of cooperatives under this Act.

The Registrar has more supervisory authority over these cooperatives than the corporation commissions have over cooperatives in this country. This authority consists of periodic inspection and supervision during liquidation.

Other than the points mentioned above, however, the cooperatives have complete liberty in developing their own procedure and distributing equities. All associations, however, have adopted the "one man, one vote" method of voting.

¹Cooper, D. W., Farmers' Cooperation in England, Agricultural Cooperative Association, Ltd., 28 p. 1954.

²Amendment to the Industrial and Provident Societies Act, 1952 (Yearbook of Agricultural Cooperation, p. 188, 1953).

PIONEER SOCIETIES -- THE INDEPENDENT LOCAL PERIOD

The first agricultural cooperatives in England drew their leadership from the industrial or consumer groups. These consumer cooperatives preceded the purely agricultural associations by about 25 years. The pattern of consumer cooperation throughout the world has largely been shaped by the program of the Rochdale Equitable Pioneers Society. This society was established at Rochdale, England, in 1844.

In 1868, the Agricultural and Horticultural Association was formed in the Home Counties of Southeast England. Edward Owen Breening, one of the leaders of industrial cooperation, was the sponsor. Its objective was to sell farm supplies. Especially, however, the members wished to prevent adulteration of fertilizers and feedingstuffs. The membership, chiefly smallholders, finally grew to 4,000. This society was active for nearly 50 years, but went out of business during the first World War.

The first British farmers' society to spring from farmer leadership was the Aspatria Agricultural Cooperative Society organized at Aspatria, in West Cumberland, in 1870. Leaders in this area heard of the success of the Agricultural and Horticultural Association organized two years earlier. The farmers in West Cumberland were the victims of the same fraudulent practices in the fertilizer and feed industries. So they formed their own association with the specific object of insuring the quality of fertilizers and feeds. To accomplish this, they set up a program for testing these items. It is still in operation.

The Cumberland cooperative was followed by several others of similar type in the immediate area. Also a number of cooperative dairies were formed to make butter and cheese. About 30 farmers' societies were established in England and Wales by 1893. Progress was slow, however, and it was after the turn of the century before a national cooperative program emerged.

ATTEMPTS AT FEDERATION

Development of federations in England was tied in with their progress in the whole of the British Isles. By 1894 Horace Plunkett, crusading for the Irish peasantry, had established the first nationally representative union of cooperatives in the British Isles - the Irish Agricultural Organization Society. Its membership included both individuals and cooperative societies.

Success of this program attracted attention in England. As a result the Central Chamber of Agriculture of England appointed commissions to study cooperative methods. The first commission of 1891 made a favorable but vague report. However, the second commission five years later took a more positive position. This commission recognized the need for assistance by the 15 to 20 agricultural requirements societies with warehouses, the 10 or 12 credit banks making advances to smallholders and villagers, and the few marketing societies for the sale of butter, cheese, fluid milk, and grain.

Agricultural Organization Society

Largely as a result of the recommendations of this commission, the Agricultural Organization Society was formed in 1901. Its efforts were mostly promotional and educational. Though recommending an educational program, the commission did not provide any financial help. Thus the new association was financed by voluntary subscriptions. With limited resources, the society worked with vigor and enthusiasm to draft model rules and to establish and encourage new societies.

The passage of the Smallholdings Act in 1907 was welcomed as a means of aiding the organization of farmers. By 1908, the approximately 40 associations, at the turn of the century, had increased to 114. These were mostly farm supply cooperatives. However, a few groups marketed wool, livestock, and horticultural products.

In 1912 the Agricultural Organization Society received the first financial assistance from the new Agricultural Development Commission, an official board set up to assist the cooperatives. This aid, received annually, enabled the organization to increase the scope of its work. By 1914, 200 supply societies had been established in England and Wales with a total membership of 24,000.

Early relations between the producer and the consumer movements were fairly amicable. In 1910 representatives of the Agricultural Organization Society and the Cooperative Union which is an organization of cooperatives to promote their general welfare combined to urge the Cooperative Wholesale Society -- the wholesale operating federation for the consumer cooperatives -- to establish a special agricultural department. But the Cooperative Wholesale Society considered this outside its main function of wholesaling. Here the consumer and producer cooperatives missed a golden opportunity to develop a strong joint program.

Farmers' Central Trading Body

Both the need and the urge for wholesale service by farm supply cooperatives existed. Thus in 1912 the Agricultural Organization Society sponsored the organization of the "Farmers' Central Trading Body." Its function was to serve as central wholesale purchasing agent for its member associations.

As stated, the Cooperative Wholesale Society (C.W.S. as it is known popularly) remained on the side lines while this development was taking place. However, in 1917, it established an agricultural department to handle farm supplies.

INTER-WAR YEARS

The years between World War I and World War II were years when both agricultural cooperation and agriculture itself were at lowest ebb. Toward the end of this period, however, there came a marked resurgence of interest in farmers' supply purchasing, marketing, and service associations.

Agricultural Wholesale Society

Rapid expansion among the local farm supply cooperatives encouraged an expansion and a reorganization of the Farmers Central Trading Body. This federation was reorganized in 1918 and emerged as the Agricultural Wholesale Society (A.W.S.) In view of the oncoming depression around 1920, the rapid expansion of both the wholesale society and the locals was disastrous.

Many of the new societies formed were too small and sometimes overlapping in area. Numerous weaknesses incident to their sudden growth appeared. Some of the hastily organized locals were liquidated. Some others consolidated and all had difficulty. By 1922, 17 societies had closed and others were losing members because of the need for cooperative credit.

At the same time the undercapitalized A.W.S. found itself with large stocks of heavily depreciated goods on hand. In 1924, it was forced to go into liquidation with heavy losses to its membership - most of them local societies. As a result many societies were liquidated. Here the consumer Cooperative Wholesale Society (C.W.S.) re-entered the picture by extending loans to many of the farm supply locals. This long-term credit enabled many locals to withstand the storm.

Waning Interest

Collapse of the Agricultural Wholesale Society naturally lowered the prestige of its sponsoring and development organization, the Agricultural Organization Society. Partly as a result of this and partly as an economy move, the government grant was stopped. Shortage of funds and a waning interest in cooperation resulted in the folding up of the Agricultural Organization Society soon after the liquidation of the Agricultural Wholesale Society.

After the wind-up of the Agricultural Wholesale Society, the National Farmers' Union, (N.F.U.) - a large general farm organization set up in 1904 - at the request of the Ministry of Agriculture, became technically responsible for agricultural cooperation in England. But apart from drafting model rules and keeping a register of the societies, it took few active steps to encourage cooperation.

From 1931 onward, the N.F.U. turned its attention to the possibilities offered by producer-controlled marketing boards fostered by the Agricultural Acts of 1931 and 1933. Thus the cooperatives were largely "on their own."

Management Aroused

By 1937, however, the English agricultural cooperatives had become rehabilitated to such an extent that their managers were able to form an Agricultural Cooperative Manager's Association. Its objective was professional improvement and protection.

By 1944 there were 363 societies in England, Wales, and Scotland with an annual turnover of more than £27 million (\$108.7 million). But some 40 large societies handled most of the trading. Many smaller ones served local needs in scattered areas. Trade in machinery was relatively small and the machinery manufacturers themselves offered little encouragement to societies to expand machinery sales. In 1945, largely because of the efforts of the Agricultural Cooperative Managers' Association (founded in 1937), a central body was once more established in England - the Agricultural Cooperative Association (see below).

PRESENT-DAY OPERATING AGRICULTURAL COOPERATIVES

As in this country, English cooperatives may be divided into three main groups: purchasing, marketing, and service. The farm-supply purchasing associations are those which provide all kinds of farm requisites or supplies known as "requirements". The marketing associations sell members' produce, such as grain, wool, bacon, eggs, dairy, and horticultural crops. The third group renders special services such as the hire of machinery, threshing, hatching, and artificial insemination.

These organizations vary greatly in size and scope. At one end of the scale we have the large multi-purpose society with several thousand members covering a wide area and having an annual turnover of £4 million (\$11.2 million) or more. At the other, we have the very small society of, say, a dozen members, providing a special service, as hire of machinery. Whatever their variation in size and scope, all these societies have one thing in common - farmers themselves own and operate them to provide services to members. (Figure 1.)

Agricultural Cooperative Association, Limited, formed in 1945, is the only central organization for agricultural cooperatives in England.

Agricultural Cooperative Association, Ltd.

There is no trading federation among the English agricultural cooperatives. However, their general interests are promoted by the Agricultural Cooperative Association, Ltd. This is a self-supporting federation of farmers' associations of all types. Its membership includes most of the larger operating agricultural cooperatives in England. A few large operations are conducted by nonmember groups.

At first, the Agricultural Cooperative Association permitted membership only by agricultural cooperative societies registered under the Industrial and Provident Societies Acts. However, in 1951, it was decided to invite certain prominent persons to become connected with the organization as honorary associate members. Membership in 1953 totaled 102 societies. Of these, 44 were purchasing groups and 34 were marketing societies. (Tables 1 and 2, pages 8 and 9.) In addition, 20 of the member societies provided some form of special service to farmers. (Table 3, page 10.) Again, some of the purchasing and marketing organizations also do some related services that belong in the other fields.

Table 1. - Major farm purchasing associations in England, 1953¹

Name of association	Membership	Average annual volume
		\$1,000
Buckingham Agricultural Trading Association, Ltd.-----	208	238
Brandsby Agricultural Trading Association, Ltd.-----	1,757	217
Calder Vale Agricultural Trading Society-----	326	260
Cheshire, Shropshire and North Wales Farmers' Supply Association, Ltd. ² -----	5,666	12,369
Chester and District Farmers' Trading Society, Ltd.-----	1,390	2,525
Dorset Farmers, Ltd.-----	2,522	2,762
East Devon Farmers, Ltd. ³ -----	483	1,076
Eastern Counties Farmers' Cooperative Association, Ltd.-----	4,591	10,496
East Surrey Farmers' Trading Association, Ltd.-----	196	361
East Yorkshire Farmers, Ltd.-----	1,395	940
Edgworth and District Farmers' Trading Society, Ltd.-----	247	202
Furness and South Cumberland Supply Association, Ltd. ² -----	1,339	1,208
Isle of Wight Farmers' Trading Society, Ltd.-----	316	403
Kent and Sussex Farmers, Ltd.-----	2,016	703
Ledbury Farmers, Ltd. ³ -----	343	629
Lunesdale Farmers, Ltd. ^{2 4} -----	3,281	5,807
Lydney and District Farmers' Cooperative Society, Ltd.-----	1,307	991
Macclesfield and District Farmers' Trading Society, Ltd.-----	802	1,642
Northamptonshire Farmers, Ltd.-----	1,201	2,426
North Devon Farmers, Ltd. ³ -----	1,559	1,956
Northern Farmers Trading Association, Ltd.-----	1,563	3,281
North Nottinghamshire Farmers, Ltd.-----	899	2,160
North Shropshire Farmers, Ltd.-----	692	906
Oldham Farmers Trading Society, Ltd.-----	308	431
Preston and District Farmers' Trading Society ² -----	5,763	12,724
Southern Counties Agricultural Trading Society, Ltd.-----	9,156	9,577
South Devon Farmers, Ltd. ³ -----	1,208	845
South Herefordshire Agricultural Cooperative Society, Ltd.-----	951	1,061
South Shropshire Farmers, Ltd. ³ -----	572	1,803
South West Lancashire Farmers, Ltd.-----	337	1,413
Staffordshire Farmers, Ltd.-----	7,529	8,117
Tees-side Farmers, Ltd.-----	2,495	2,999
Wakefield and District Farmers, Ltd.-----	379	712
Warmley and District Allotments, Ltd. ² -----	763	355
Warwickshire Farmers, Ltd.-----	1,234	1,506
West Cumberland Farmers' Trading Society, Ltd. ^{2 3} -----	9,250	14,353
West Devon and North Cornwall Farmers, Ltd. ³ -----	1,516	1,645
West Midland Farmers' Association, Ltd.-----	2,177	3,247
West Somerset Farmers, Ltd.-----	718	698
West Surrey Farmers, Ltd.-----	1,013	739
Whitby and District Farmers Cooperative Society, Ltd.-----	287	250
Whiltshire Farmers, Ltd.-----	3,359	3,109
Worcestershire Farmers, Ltd. ^{2 5} -----	1,816	5,091
Yorkshire Farmers, Ltd.-----	1,122	4,501
Total-----	86,052	139,606

Source: Agricultural Cooperative Association, Yearbook, 1954. Based on 1953 statistics of agricultural societies in England, from returns to the Registrar of Friendly Societies in March 1954. This series is limited to members reporting to the Agricultural Cooperative Association, Ltd. Some societies were not members of this federation, but they were likely to be small in volume. Value figures are converted from pounds at the rate of \$2.81 per pound as of 1953.

¹See Tables 2 and 3 for other societies that handle farm supplies as a side line.

²Also handle eggs and poultry.

³Also handle wool.

⁴Also handle dairy products.

⁵Also handle horticultural products.

Table 2. - *Agricultural marketing associations in England, 1953*¹

Name of association and kind	Membership	Average annual volume
		\$1,000
Eggs and poultry:		
Banbury Egg Producers, Ltd.-----	1,835	3,326
Berks., Oxon., and Bucks. Poultry Packers, Ltd.-----	225	144
East Anglian Egg Packing Station, Ltd.-----	523	953
Framlingham and Eastern Counties Cooperative		
Egg and Poultry Society, Ltd.-----	6,194	4,664
Hampshire Egg Producers, Ltd.-----	337	660
Hayling Island Egg Producers, Ltd.-----	382	1,906
Henley-in-Arden Auction Sales, Ltd.-----	398	652
Herefordshire Farmers' Egg Packers Association, Ltd.-----	164	473
Horsham Poultry Producers Association, Ltd. ² -----	720	1,968
Lancashire Egg Packers, Ltd.-----	596	664
Somerset Poultry Marketing Association, Ltd. ² -----	1,302	1,752
Staffordshire Egg Producers, Ltd. ² -----	1,664	2,991
Stamford and District Cooperative Egg and		
Poultry Society, Ltd.-----	2,167	1,498
Stonegate Farmers, Ltd.-----	7,251	5,820
Thames Valley Poultry Producers, Ltd.-----	1,155	2,269
Three Shires Egg and Produce Association, Ltd. ² -----	48	227
Trawden Utility Poultry Society, Ltd. ² -----	600	785
Horticulture:		
Cambridgeshire Growers, Ltd.-----	273	471
Cornwall Growers, Ltd.-----	337	1
East Midlands Marketing Association, Ltd.-----	198	131
Farmers and Growers Industries, Ltd. ² -----	418	644
Gloucestershire Marketing Society, Ltd.-----	827	1,853
Growers Auctions, Ltd.-----	6	³ —
Hampshire Growers, Ltd.-----	556	417
Kent Apple and Pear Growers, Ltd.-----	18	3
Littleton and Badsey Growers, Ltd.-----	1,272	1,277
Pershore Cooperative Fruit Market, Ltd.-----	641	1,064
Sandwich and District Growers, Ltd.-----	237	241
Tamar Valley Growers Association, Ltd.-----	286	131
Dairy:		
Long Clawson Dairy, Ltd.-----	83	512
Malton and District Dairy Farmers, Ltd.-----	9	³ —
Livestock auctions and bacon factories:		
Herts. and Beds. Cooperative Bacon Factory, Ltd.-----	490	5,150
Lincolnshire Farmers' Bacon Factory, Ltd.-----	34	³ —
Melton Mowbray and District Farmers' Assn., Ltd.-----	2,438	6,647
Yorkshire Farmers' Bacon Factory, Ltd.-----	5,877	18,573
Wool:		
Central Wool Growers, Ltd.-----	1,288	430
Eastern Wool Growers, Ltd.-----	189	81
Kent Wool Growers, Ltd.-----	1,248	86
Yorkshire and Northern Wool Growers, Ltd.-----	1,578	560
Women's Institute Market Stalls-----	9,481	308
Total-----	53,345	70,110

¹See source note on table 1, page 8.²1952 figures.³Not trading.

Table 3. - *Farm service societies in England, 1953*¹

Name of association and kind	Membership	Average annual volume
		\$1,000
Insurance: ⁴		
Agricultural and General Insurance Society-----	5,388	142
Grass drying:		
Bromsgrove and District Grass Dryers, Ltd.-----	94	48
Buckinghamshire Farmers' Parish Pools, Ltd.-----	² -	-
Fiddington Crop Driers, Ltd.-----	44	23
Halesworth Crop Driers Association, Ltd.-----	46	38
Hoton Crops Driers, Ltd.-----	67	46
Lingfield Crop Driers, Ltd.-----	34	23
Long Compton Crop Driers, Ltd.-----	66	52
Ripley (Surrey) Crop Driers Association, Ltd.-----	33	36
Livestock breeding and poultry societies:		
Associated Accredited Breeders of		
Hereford Hatchery, Ltd.-----	27	30
Avoncroft Cattle Breeders, Ltd.-----	5,536	135
Breeders of Cornwall Accredited Hatchery, Ltd.-----	25	36
Kentac Chick Producers, Ltd.-----	81	101
Miscellaneous:		
Land Settlement Association, Ltd.-----	796	7,518
North England Seed Growers, Ltd.-----	220	80
Plymouth and District Farmers, Ltd.-----	220	² -
The Lark, Ltd.-----	39	41
Spale Baskets, Ltd.-----	8	2
Wealden Seeds, Ltd.-----	94	87
Worksop Thrashing Society, Ltd.-----	³ 3	2
Total-----	12,821	8,440

¹See source note on table 1, page 8.²Not available or not trading.³1952 figures.⁴N.F.U. Mutual Insurance Society, Ltd. with 156,000 members for England and Wales not included since it is not strictly a cooperative.

Responsibilities of the Association correspond to those of a national cooperative council. A.C.A. provides a general central advisory service. Committees of specialists cover three main classes of operation - purchasing, marketing, and service societies.

Central advisory services cover such fields as --

1. Financial. Services of an accountant are available on request.
2. Statistical. Information for comparison is provided to associations seeking to test their own performance.
3. Legal. A solicitor experienced in problems of the cooperative societies is available.
4. Engineering. An expert in structural engineering offers advice on request.
5. Operating methods. "Notes" giving practical advice on getting and giving the best service to farmer members are made available.

While not a trading organization, A.C.A. offers assistance to its member associations in making contracts and in forming groups for "block" buying. A.C.A. conducts studies in financing, operational results, cooperative management, membership relations, and other fields.

Another special committee does educational and development work. Educational service covers short courses, press relations, and a monthly journal. The committee offers lectures and film strips to young farmers' clubs and farmers' institutes. The association's services in development and educational work are more in demand as they have become better known, and as farmers and growers have come to take advantage of them.

For a number of years, until recently, the association maintained a close liaison with the National Farmers' Union. This was accomplished by consultation between its two bodies. A special liaison committee was authorized in 1950. This committee consisted of six members -- three of them appointed by each organization. Lately, however, disagreements over policies of coordination have strained the relationships between these two organizations.

Agricultural Cooperative Association, Ltd., is a member of the British Isles Federation of Agricultural Cooperatives in Great Britain and Ireland. This federation was formed in 1949 to provide a channel through which the cooperatives could share their experiences, practices, and joint efforts to further the interests of their members. (See page 7.)

Farm Supply Purchasing

The large farm supply ("requirements") purchasing associations dominate agricultural cooperation in England. There are 44 of them in the country and about 30 smaller societies of the same type. Altogether, they had in 1953 over 86,000 members. They also do business with a considerable

number of nonmember farmers. They are well dispersed about the country, generally one large society to each county.

While in this country emphasis has been placed on marketing cooperatives, farm supply cooperatives developed first in England. There, in a deficit area for agricultural products, it was easier to market the available products than to obtain supplies for producing them. In spite of the large size of the supply purchasing groups, however, sales to members of farming requisites of all kinds amount to only about half of the total annual turnover. Feedstuffs and fertilizers account for the bulk of the trade in farm supplies.

Oldest existing farm supply purchasing association in England, the Aspatria Agricultural Cooperative Society, as mentioned earlier, was organized in 1870 in West Cumberland. It was registered under the Industrial and Provident Societies Act. Although the cooperative supply purchasing groups had many ups and downs after 1900, they now seem to be in a strong financial position. Eighty-five percent of their working capital is in either members' shares or reserves. Thirteen of the British societies had annual sales of over a million pounds (\$2.8 million) in 1953. (Table 1.)

England has no federation of farm supply purchasing societies. However, 44 of these societies are members of the Agricultural Cooperative Association, Ltd. In spite of the increased production of homegrown feeds, about three-fifths of their total trade is in feedstuffs of various kinds. Farm seeds, including seed grain, seed potatoes and vegetable seeds, amount to about one-tenth of the total business.

Local societies obtain supplies from whatever source seems most advantageous. Except in the case of farm machinery, these societies have experienced no difficulty in obtaining needed supplies. Many associations use the services of the Cooperative Wholesale Society. Dividends paid by the Cooperative Wholesale Society encourage the patronage of these associations. Purchasing groups obtain about one-fourth of their supplies from this source.

All the large supply purchasing societies buy farm products from members as well as provide them with fertilizers, feeding stuffs, seeds, implements and hardware. Feed grain is of importance and many groups have their own grist mills and mixing plants for making meals, laying mash, and chick feed to particular formulas. Farm supply cooperatives handle about 8 percent of this domestic grain. They either purchase this grain for use in feed mixtures or sell it through their marketing departments. These co-ops purchase seed grain in large quantities as well as wheat for milling and barley for malt. Many societies have installed grain driers. Also a number of the associations market members' produce. The major items marketed are eggs and poultry, fruits and vegetables, wool, and livestock and dairy products.

Naturally there is considerable variation in the programs of the various cooperatives that handle farm supplies. These programs are adapted to the varying needs of the different areas. However, they all have the common objective of obtaining supplies for and handling the products of their farmer members. The setup and operations of one association will be used to illustrate how the farm supply cooperatives work. Eastern Counties Farmers' Cooperative Association, Ltd. of Ipswich, Suffolk, will serve as the illustration. It is representative of the larger associations.

Eastern Counties Farmers' Co-operative Association, Ltd. -- With headquarters in Ipswich, this association serves farmers in the counties of Norfolk, Suffolk, Essex, Hertfordshire, and Cambridgeshire. In 1953 the combined value of supplies sold to and products purchased from or marketed for members totaled £3.7 million (\$10.4 million). This association has had a steady growth since it was established in 1904 except for the abnormal period following World War I. Since 1931 sales have shown a substantial increase every year. During its operation, the association has made a net margin in every year except 1921, 1925, 1927, and 1930.



Hay drying plant - one of the facilities of the Eastern Counties Farmers' Cooperative Association, Ltd.

The association operates a modern feed mill, an extensive seed-cleaning establishment, a slaughterhouse, a hay-drying plant, and several warehouses. Association trucks deliver to farmers a large part of the

supplies sold by the association at a charge per ton which depends on the distance from the plant or warehouse.

The association had 4,591 members at the end of 1953 and served approximately as many nonmember patrons. It keeps in touch with these patrons through fieldmen called "travelers". These men solicit business and represent the association in all matters of membership interest. An applicant for membership in the association must subscribe to four 5-shilling shares of stock for each 10 acres of land farmed, and must pay down 1 shilling, 3 pence (about 18 cents) per share upon application for membership.

As a result of the increased vegetable and potato production during World War I, the society developed a marketing program for these products. It established a separate vegetable marketing department in 1924. About 400 member and nonmember producers market their vegetables through the cooperative. Marketing through the cooperative is optional on the part of the member. Thus, some members sell their vegetables through the association, while others sell only a part or none.

In addition to the amount invested by members in the form of capital, the association also borrows directly from members.³ The rate of interest paid by the association on loans from members varies according to the length of the withdrawal notice period. The longer the notice period, the higher the interest rate. For example, 5 percent interest is paid on loans that cannot be withdrawn before 1 year and then only after a minimum of 4 months' notice. In contrast, 4 percent interest is paid on loans that can be withdrawn after 3 months and a minimum of 1 month notice.

The association also borrows substantial amounts from commercial banks on overdraft. Bank loans have greater elasticity than loans from members, as the banks require an association to pay interest only on the amount actually used.

After paying 5 percent interest on paid-up membership capital and providing for income taxes and other costs, the association allocates the balance in accordance with the following rules:

(1) Not less than 10 percent of the net shall be allotted to the workers employed by the society in proportion to the wages earned by them respectively during the period to which the division relates.

(2) At least one-half of the net shall be carried to the reserve fund until the latter equals the share capital. When the reserve fund equals the share capital, the general meeting shall decide the amount to be placed in the reserve fund in each year thereafter.

³Knapp, J. G. Cooperative Farm Supply Purchasing in the British Isles. U.S. Farm Credit Admin. Bul. 31, p. 31, 1939.

(3) Twenty percent of the net shall be divided among the members in proportion to their sales through and purchases from the society during the period to which the division relates, provided that nonmembers shall not participate in the net earnings of the society.

(4) The remainder of the net shall be divided as the committee may direct. The incentive plan of sharing with employees is especially interesting.

Marketing

Marketing associations developed later than the purchasing groups in England. In some cases marketing activities were added to their main functions by purchasing societies already in operation. Among the leading commodities marketed are eggs, grain, potatoes, fruits and vegetables, dairy products, livestock and wool.

Numerous marketing societies specialize in handling certain commodities. Small groups of farmers formed isolated dairy units before the first World War. Until the establishment of the Milk Marketing Board in 1933, dairy societies were the most important of the cooperative marketing associations.

To encourage the expansion of cooperatives, the Ministry of Agriculture in 1924 developed a long-term loan program for either new or existing societies to provide facilities and equipment for marketing agricultural commodities. However, the generally depressed state of English agriculture and the technical qualification procedure prevented much progress.

The National Mark Scheme (an official brand regulation), in 1929, stimulated the formation of egg marketing societies. (Tables 2 and 3.) But, the development of marketing cooperatives proceeded on "flat wheels" until World War II.

Since 1942 a remarkable change has taken place. Although the Milk Marketing Board virtually absorbed the cooperative dairy associations, other types of cooperative marketing societies have made rapid strides. In 1953 about 113 individual societies handled a total of some £38 million (\$106.8 million) worth of products. Cooperatives handle appreciable proportions of eggs and poultry, grain and potatoes, fruit and vegetables, bacon, and livestock.

England also has four wool marketing associations.

Eggs and Poultry

Greatest progress in marketing has been in handling eggs, with 26 egg and poultry marketing societies now in England.⁴ Table 2 lists the 16 specialized marketing cooperatives that are members of the Agricultural

⁴Horace Plunkett Foundation. Yearbook of Agricultural Cooperation. Oxford University, London,

Cooperative Association, Ltd. Not all the egg associations belong to the central association, but in general the nonmembers are the small associations. An outstanding exception to this rule is the Yorkshire Egg Producers, Ltd., the largest cooperative in England that markets eggs.

Egg marketing cooperatives handle about 40 percent of the eggs produced in the country. A number of the societies also handle dressed poultry. The combined annual turnover of the egg and poultry societies amounted to £19 million (\$53.4 million) in 1953 and is still increasing.

National Mark Scheme. -- The National Mark Scheme was a move by the Ministry of Agriculture to improve the quality of eggs. Its provisions required the weighing and grading of eggs. This required central assembling and grading machinery.

The commercial poultry farmers provided a nucleus of interested growers with considerable leadership. Through their efforts use of the National Mark (trademark) Scheme stimulated the development of cooperatives.

In developing this program, the Ministry selected the Gloucestershire Marketing Society, Ltd., as a model for demonstrating, assembling and handling practices. Even though primarily a horticultural cooperative (Table 2) this association had an egg marketing department. Many employees of cooperatives organized later were trained at this demonstration station. The fact that the demonstration station was a cooperative further encouraged the organization of others.

The societies' vans collect eggs weekly from producers. At the packing station the eggs are "candled", graded, and packed according to both weight and grade. Price differentials are established for grades and weights. While most societies sell to wholesalers, some are licensed to sell direct to retailers.

Leading Societies. -- The leading egg cooperatives conduct other activities besides assembling, grading, and selling eggs. A number of them handle farm supplies (Table 2). Also a number of societies of other types handle eggs. Some provide chick hatching and poultry marketing facilities for members. Some do limited storing, mainly by oil dipping surplus eggs during the summer and keeping them until winter.

Stonegate Farmers, Ltd., is the largest egg marketing society in the country, with 7,251 members distributed throughout Sussex and Kent. Two other extremely large specialist societies are the Yorkshire Egg Producers, Ltd., with some 6,200 members spread over a wide area in northeast England and the Framlingham and Eastern Counties Cooperative Egg and Poultry Society, Ltd., with 6,194 members. (See Table 2.) The Stamford and District Cooperative Egg and Poultry Society, Ltd., has 2,167 members. None of the other associations has more than 2,000 members.

Some of the leading egg cooperatives, especially the Framlingham and Eastern Counties Cooperative Egg and Poultry Society, Ltd., have conducted demonstrations of methods such as sealing with oil on a rather large scale. The Stonegate Farmers, Ltd., will be used to illustrate operations of the larger poultry and egg cooperatives.



Grading and packing eggs at the Newick station of the Stonegate and Southeastern Farmers Cooperative Society, Ltd.

The Stonegate Farmers, Limited. -- This is a farmers' egg and poultry marketing organization. It serves 7,251 farmers in the counties of Kent and Sussex in the southeastern corner of England. It is entirely owned and controlled by the producer-members.

The society was formed in 1926 by 14 egg producers in the immediate vicinity of Tunbridge Wells to sell their eggs at retail. It was in times of depression, so the early operations were simple. The early business was done at a borrowed shed. The facilities consisted of one truck. The first packing shed was built later at Stonegate. Board meetings were held in a private house. One farmer managed the whole affair from collection to sale.

Today the organization markets over 225,000 cases of eggs annually and hopes soon to market 1 million birds annually. Business assets are valued at £200,000 (\$562,250). The personnel totals 175 and a fleet of 42 vehicles are maintained.

Prior to 1942 the cooperative collected, graded, and marketed eggs only for members. These members were under contract to send all their production to the co-op. Because of the national emergency in 1942, the Ministry of Food asked the society to handle the allocation of eggs to consumers in the area. From that time until the end of egg rationing in early 1953, the society's trading was zoned, and within a defined area it collected and distributed eggs, on the instructions of the Ministry, at controlled prices. When the eggs were collected by the society they became the property of the Ministry of Food. The society merely acted as an agent and was paid a fixed margin per case of eggs to cover costs. The producers were paid a controlled price at the farm.

The association has retained many of the customers who were assigned to it during the rationing period. Many of these are retailers, some of them with big multiple shops. They, in turn, have their customers who were registered with them for eggs. From these beginnings the society emerged from the rationing period as a packer-wholesaler, offering its members a complete marketing service.

This service begins at the farm. The association truck leaves cases at the farm. When filled, the truck picks them up and delivers them to one of the four packing stations. Closed trucks make collections weekly. The station candles, grades, and packs eggs. From here the society dispatches the eggs in its trucks direct to retailers and caterers throughout Southeastern England and South London. The whole operation from collection to store delivery takes between 48 and 72 hours.

In the area served by this outstanding association a separate fleet of trucks collects poultry, turkeys, geese and ducks. Picking is done by machine, both wet and dry methods being used. The birds are cooled, graded, and packed in dozen lots in greaseproof paper in wooden boxes.

A local board of farmer directors is responsible for the operations at each station. Together these boards make up the central board. A coordinated program with a neighboring cooperative chick-hatchery and a supply society complete an all around cooperative service to the poultry producers of the area.

The society's office headquarters is in the Royal Borough of Tunbridge Wells. Postwar expansion made necessary the erection of new packing houses and the modernization of others. One was erected at Wye in 1947, others at Newick and Stonegate in 1950. The society acquired the business of a cooperative at Heathfield and does part of its table poultry service there. The rest of the table poultry business was moved in 1953 to an adjoining site into a modern packing house with cooler space for 10,000 birds a week.

Two other stations handle eggs only. Another one handles both eggs and poultry.

The Wye station is the largest embracing over 3,500 members in the extreme southeastern sector of Kent. It is one of the largest and most up-to-date individual stations in the United Kingdom.

Improvements were financed wholly by members' subscribed capital. Also the society has paid as much as £40,000 (\$112,000) in patronage earnings in one year. Altogether £260,000 (\$728,000) has been returned to members since the society was formed.

The Stonegate Farmers sponsor an essay contest on cooperation for the students of several local farm schools from a Memorial Trust Fund established as a tribute to their first manager.

Horticultural Products

The oldest established growers' societies in England are found in the traditional fruit growing areas in Essex, Kent, Gloucestershire, Worcestershire, and in the Vale of Evesham. Twelve are members of the Agricultural Cooperative Association (Table 2).

Services Varied. -- Programs of the fruit and vegetable cooperatives in England are necessarily varied in order to fit into the widely diversified horticultural crops and practices. Fruits and vegetables are produced commercially under glass, on small fruit and vegetable farms, large horticultural farms, and mixed truck farms, and by berry growers and miscellaneous fruit and flower producers. Purchasers of these products range from cider makers to the select retail trade. Much of the production is over short seasonal periods, with resulting high peaks of volume followed by periods of scarcity. Although there is some storage, such seasonal volume naturally intensifies problems of orderly marketing and operating and financing marketing facilities.

To meet the needs of these varied commodities and conditions cooperatives provide a fairly wide range of services. Auctions are one type of service offered. These vary with seasonal production, operating daily in the summer and once or twice a week during the balance of the year.

Other societies carry on flexible sales programs. The producer may deliver part of the produce directly to the buyer on the basis of sales made by the association. Other produce may be brought to the association warehouse for grading and packaging before being sold.

A new type of fruit cooperative largely extends services rather than actually completing sales. These services are chiefly grading, transportation, and storage. For instance, the cooperative may send a truck to the producer's farm to pick up the produce and take it to the association shed for grading and packing. Following this the products may be stored by the cooperative for future sale. On the other hand, they may be hauled again in the association's truck to the terminal market and delivered to a firm which the member selects. These many and varied services are necessary in view of the proximity of large consuming centers and the wide variety of products and conditions under which they are grown.

Oldest fruit cooperative in England now in operation is the Littleton and Badsey Growers Ltd., of Evesham, organized in 1908. It is also the



Auction floor of Hampshire Growers, Ltd.

largest from the standpoint of members, with 1,272 in 1953. (Table 2.) In addition to marketing members' products, this cooperative also supplies all kinds of horticultural production needs including machinery.

An example of a successful fruit and vegetable auction is the Hampshire Growers, Ltd., at Sheffield, in Hampshire. It holds sales of fresh produce at night and the products appear in the food shops next morning. Other growers' societies have been sending in produce by truck from a radius up to 40 miles. Orderliness is served by the societies' practice of supplying containers on a rental basis.

Growers Auctions, Ltd. is a new venture with membership now comprising all A.C.A. members who can supply produce for sale. A.C.A. has provided secretarial service with assistance in developing new premises and in public relations.

East Sussex Growers, Ltd. -- A good example of the newer type of cooperative which extends a number of marketing services but which does not engage in actual selling is the East Sussex Growers, Ltd., Polegate. This association is an outgrowth of the policy adopted by the National Farmers' Union to help stabilize the horticultural industry through tariffs, marketing boards, and cooperative marketing.

During the war, growers in two areas of East Sussex, because of the evacuation of the population from the South Coast, began sending some of their produce to the industrial areas for marketing. This led the two local branches of the East Sussex Farmers' Union to decide late in 1944 to sponsor a cooperative in East Sussex.

A committee was formed and commenced work in January 1945. Primary objectives were to collect and distribute horticultural produce and to supply members' requirements. The grading and packing of produce, although in mind for the future, was not considered at first.

While growers from all parts of East Sussex joined the Society, the main activities during 1945 were restricted to part of the area.

East Sussex Growers started with a small shop in Polegate. This was about an equal distance from most parts of East Sussex, near to the coast and local markets, and it offered excellent road and rail facilities when produce had to be moved out of the area.

Both membership and volume increased rapidly. During 1946 a building that had been a Ministry of Food kitchen during the war was secured. This provided a reasonable warehouse and the shop in Polegate was used as offices.

The quantity of produce marketed in these two years showed considerable increase. By 1947 it had outgrown the little shop and warehouse in Polegate. The Society then set out to find a suitable piece of land and to give some thought to the type of buildings that would have to be erected in the future.

Determined to know more about the business of cooperative marketing, the board decided that three members should go to America and study marketing methods in that country. Three members spent six weeks in 1948 touring the Eastern Seaboard of the United States and part of Canada and returned with information of immediate value to the society. The association has applied some of this information in various ways since. Planning of new buildings commenced when the three members returned.

During 1948 the grading of tomatoes began. This service proved of great value during that season. Although commenced in a somewhat minor way with only one grader, it was a step in the right direction.

Early in 1949 the final plans for buildings were completed and agreed upon. The completed facilities consisted of a warehouse for collecting and distributing produce, a packing and grading station, and a storage and an office unit. As part of the expansion in 1949, the association began apple grading. The first block of four 50-ton gas stores was completed by the autumn and made available for marketing about 9,000 bushels of apples in the spring of 1950.

Space, however, had been reserved for a further block of four 50-ton gas stores in the original plan, so that they could be installed without difficulty when capital became available.

Progress in membership, produce handled, and supplies sold continued during the years 1950 and 1951, and covered the whole of East Sussex and extended well into the Weald of Kent.

During 1951 a further stage in development was to establish a box-making factory. This factory not only provides boxes, but insures the economic use of labor during the slack periods of the year.

The association has set up its activities under the following departments: Accounts, marketing, grading and packing, requisites, containers, transport and warehouse personnel, and box-making. Each department has its own manager and the whole of the work of the organization is coordinated by the board.

The society's assets, valued at about £110,000 (\$308,000), now consist of land and buildings, together with a cold storage plant, 16 motor vehicles of which 13 are of 5-ton capacity, grading machinery, office equipment, containers, and box-making machinery.

Dairy Products

The pattern of development of dairy cooperatives in England and their success have been quite different from those of most of the countries of Western Europe. In general, the early dairy cooperatives developed around processing facilities for butter and cheese. These cooperatives necessarily required a surplus of milk for processing, but England had only a small amount. The large consuming centers of the industrial areas created a tremendous outlet for fluid milk, reducing the opportunities of dairy processing cooperatives. Although a number were organized to make both butter and cheese, their success was limited.

The most successful dairy cooperatives in England developed to handle fluid milk. Many societies of this type were organized, a number of them on a fairly large scale. These societies collected and cooled the milk and sold it to wholesale distributors. Some of these cooperatives reached a strong bargaining position, as they were able to supply consistent quantities of milk throughout the year. To achieve this they maintained side line manufacturing plants for making cheese out of the surplus during the flush seasons.

Fluid milk cooperatives, while successful, were limited as far as industry application was concerned. Thus, the dairy industry was in a weak position when the difficult years of the depression arrived. As a result, the idea of milk marketing boards developed. In 1933, a milk marketing scheme submitted to the producers of England was adopted by a large majority vote.

Machinery of the Milk Marketing Board took over many of the functions of the cooperatives. Among these were bargaining and price determination. This virtually put the cooperatives out of business. Most of them disposed of their assets to the board or just closed up.

A few dairy cooperatives, however, still operate. Among these is the Long Clawson Dairy, Ltd. (Table 2 on page 9). This association, with 80 members within a small localized area near Melton Mowbray, Leics, operates a pasteurization plant and sells its members' milk to retailers. Before World War II, this society specialized in the manufacture of Stilton cheese. It proved itself very versatile when it shifted to war conditions and began handling fluid milk.

A new society registered in 1954, sponsored by A.C.A., is called Quality Milk Producers, Ltd. The aim of the association is to promote the sale of high quality milk at a premium of a penny a pint.

Livestock Auctions and Bacon Factories

Cooperative marketing of meat and livestock in England is not extensively developed. However, some associations are very successful. One of these is the Melton Mowbray and District Farmers' Association, Ltd., in Leicestershire. It is an auction for breeding stock.



Cooperative Livestock auction at Melton Howbray. ("Storebeast" means breeding stock.)

This association started in 1918, sponsored by the local branch of the National Farmers' Union because it considered that selling charges for livestock in the area were too high. In 1949 the society sold 19,500 cattle, 1,000 horses, 20,000 sheep, 230,000 poultry, and 8,500 calves. In 1953 its membership totaled 2,438 producers. (Table 2 on page 9.)

Influence of this market has kept commission charges throughout almost the whole of the county down to the level of the Melton market. The society has also provided other services to members. These services are egg packing facilities, grain drying and storage plants, and farm supplies.

The Fatstock Marketing Corporation, Ltd., registered as a company in May 1954. It is an industry program organized to handle supplies of fresh meat (cattle, sheep and pigs) on a dead weight and grade basis, when Government controls ended in July 1954.

The Corporation was sponsored by the National Farmers' Union of the United Kingdom. It acts as a commercial trading concern in the free market and is recognized by the Government as an agency for the

administration of the price guarantees under the 1947 Agricultural Act. Cooperative societies are free to deal with the Corporation if they so desire.

Another way of marketing livestock products is demonstrated by the cooperative bacon factory, such as the two operated over a long period by the Yorkshire farmers, based on production of the large white hogs found there.

Of the four registered cooperative bacon factories, the new one in Lincolnshire, will start trading in the near future. The Yorkshire Farmers' Bacon Factory, Ltd., with 5,877 farmer members, has been leased by the society to a private curer on terms favorable to the farmer members. The Herts. and Beds. Cooperative Bacon Factory, Ltd., at Hitchin is of particular interest, as it is jointly owned by the 490 farmer members and the Cooperative Wholesale Society. The fourth society, the St. Edmundsbury Cooperative Bacon Factory, Ltd., at Suffolk, is a prosperous farmer-owned and farmer-run society with about 2,000 members.

Wool

Cooperative marketing of wool in England has followed somewhat the same pattern as have the dairy cooperatives. That is, the cooperatives have become part of the program of the Wool Marketing Board as the dairy association became part of the program of the Milk Marketing Board. Prior to the establishment of the Board, however, the wool cooperatives operated independently. Their method of operation was to receive the members' wool immediately after shearing. The wool was graded, baled and stored until the late autumn or early winter. Then it was sold at auction at the London Wool Sales. At the time of delivery, the grower received a substantial advance based on the expected returns. Final settlement was made after sales were completed and deductions made for storage and other marketing overhead.



Kentwood Growers, Ltd., one of the four wool marketing cooperatives. Other associations handle wool as a sideline.

Cooperative wool societies now act as agents for the recently established British Wool Marketing Board. They perform the same services of collecting the wool clip from the farm, and grading, baling, and storing it until the late autumn or early winter as they did before the Board was established. From here on, however, the Board takes over.

Four well-established wool marketing societies operate in England. In addition, several other associations handle wool as a side line (Table 1 on page 8).

Women's Institute Market Stalls

In many respects these women's markets resemble the farm women's markets in the United States. However, the practice of one neighbor or member collecting and selling the products of a number of other members is much more common than in this country. Thus, these stalls take on some of the elements of a service market.

Membership of these markets is made up of country women. They may be the wives of farmers or of farm laborers. In general, they sell the products of their gardens, orchards, poultry flocks, or rabbit hutches, and in addition, homemade pastries, canned fruits, pickles, jams, and handicraft.

These sales may be held in movable stalls on an open market square, in a vacant building, or in some instances, in specially constructed markets. Market days may be once or twice a week. Although the A.C.A. Yearbook for 1954 shows 9,481 such markets, only 48 of these groups are registered as cooperatives under the Industrial and Provident Societies Act. This reflects their relatively small operations.

Cooperative Services

Service societies, the third type of association, represent a still more recent development than either purchasing or marketing. Such cooperatives perform a number of necessary services for farmers. These activities may be handled either as small special-purpose groups, or as departments of large multi-purpose associations. Insurance is a kind of special service. Others include machinery hire, threshing and drying of grain or grass, and other incidental needs.

Recent changes and advances in agricultural methods since 1939 have made this type of farmer cooperation increasingly important. (See table 3.) Increased mechanization, the wider use of artificial insemination, and the need for better strains of seeds of grasses and clovers all exert an influence on the establishment and development of service societies.

Other service societies vary in type according to the specific needs for which they have been formed and are quite independent of each other. Many are extremely small, as chick hatching and grain threshing societies. However, 19 special service societies, not counting the large NFU Mutual Insurance group, are now members of A.C.A. Since some associations discussed in this section were not members of the A.C.A., they were not listed in Table 3. They were included here, however, because of their importance. We did not have information on several of the members of A.C.A.

Insurance

One of the most widespread of these mutual service activities is insurance. Three insurance programs are in operation. The largest and

oldest farmers' organization in this field - The National Farmers' Union Mutual Insurance Society, Ltd., - is not strictly cooperative, as it is registered under the Companies Acts. It was established in 1910 as the Midland Farmers Mutual Insurance Society at Stratford-on-Avon, by a small group of farmers.

After 7 years of independent operation, the Society extended its activities to 20 counties. It was then that the joint program with the National Farmers' Union developed and the present name was adopted. Branch secretaries of the Union act as agents for the insurance company. In 1923 its activities extended on the same terms to Scotland and in 1930 to Northern Ireland.

The first business was in fire insurance only. However, the society now underwrites fire, life, workman's compensation, livestock, motor vehicle, burglary, personal accident, road risks, general third party, engineering, boiler and glass insurance. In 1944 the gross premiums amounted to £1,440,716 (\$6 million). Of this about one-fifth was life insurance, one-fifth employers' liability, and one-sixth fire insurance.

A second and smaller society with a similar range of business is the Agricultural and General Co-operative Insurance Society. It is registered under the Industrial and Provident Societies Act. Thus, it is a full fledged cooperative. The organization had 5,186 members in 1953. It operates all over the country. However, its principal operations are in Lancashire. It has an understanding with the Lancashire branch of the National Farmers' Union and a further agreement with the N.F.U. Mutual Insurance Society to avoid competition in this area.

The third mutual insurance program is only partly agricultural. The Co-operative Insurance Society is larger than either of the ones just discussed. Its main business is with consumer cooperatives with life insurance and fire, burglary and similar risks. However, it does do a considerable business with farmers and many farmers' cooperative societies act as its agents. In 1945 the Co-operative Insurance Society had assets amounting to over £65 million (\$261.6 million).

Grass Drying Centers and Machinery Pools

Cooperative grass drying is a post-war development in England and is linked with the urgent need to provide as much high quality protein cattle feed from home resources as possible. Until June 1951, the Ministry of Agriculture provided generous financial assistance in the form of grants and loans to established societies who wished to provide members with grass drying services, as well as to individual groups of farmers who wished to form their own centers.

In Buckinghamshire, the Bucks Farmers' Parish Pools, Ltd., a well established general machinery pool, provides mechanical farm equipment, such as combines, balers, and high-pressure spraying outfits. Full-time crews employed at the central depot operate the machines. Eleven community grass drying centers in Buckinghamshire are also affiliated with this society.

Livestock Breeding and Poultry Societies

Little use was made in England of the bull or stallion clubs so common in many countries. However, the discovery and perfection of methods for artificial insemination stimulated an interest in cooperative breeding associations. The large investment required for such centers made cooperation almost necessary.

Most of the artificial insemination centers in the country have been set up with the assistance of the Milk Marketing Board. However, one of the most successful in England is entirely farmer-owned. This is the Mid-Worcester Artificial Insemination Center with 3,826 members.

Cooperative hatcheries are not yet common or fully developed. But there are at least three successful cooperative hatcheries in different parts of England. One such cooperative, Kentac Chick Producers, Ltd., was started in 1950 because farmers felt they were not being well served by existing hatcheries. During the first season, 75,000 chicks were hatched. In 1951 more than 300,000 chicks were hatched, more than 500,000 chicks were sexed, and hatching was continued through 12 months of the year.

FEDERATION OF AGRICULTURAL COOPERATIVES IN GREAT BRITAIN AND IRELAND

The Federation of Agricultural Cooperatives of Great Britain and Ireland was formed in 1949 to provide a channel through which the cooperatives' experiences, practices, and influence in each of these countries could be brought together. Through it the members jointly consider desirable action which can be taken to strengthen the cooperative development generally. It is also a means of spreading information on new developments, both in the countries of the British Isles and in other countries. In addition, it provides a basis of representation at international conferences of the cooperative movement of these islands.

The Federation has the following members, in addition to the Agricultural Cooperative Association, Ltd.:

1. Agricultural Cooperative Managers' Association
2. The National Farmers Union
3. Horace Plunkett Foundation
4. Scottish Agricultural Organization Society
5. Irish Agricultural Organization Society
6. Welsh Agricultural Organization Society
7. Ulster Agricultural Organization Society

As stated the Agricultural Cooperative Managers' Association was formed in 1937. Since the Agricultural Organization Society in 1924 discontinued operation, the farmer cooperatives had been without a coordinating head. This led to confused relationships among themselves, as well as with the consumer cooperatives. The Agricultural Cooperative Managers' Association established and maintained a coordinating influence among the agricultural cooperatives, as well as a friendly liaison with

the consumer cooperatives. Also, the managers' association replaced the cooperation committee of the National Farmers' Union. This eased the tensions between the two while their separate functions were clarified and their affiliations made firm.

The published objectives of the association state in part, "to provide opportunities of intercourse among members and for the acquisition by other means of useful information connected with the management of societies and to encourage and assist in maintaining the highest degree of efficiency amongst those engaged in managerial work."

Efforts of the Agricultural Cooperative Managers' Association and others led to the formation in 1945 of the Agricultural Cooperative Association. The development of the A.C.A., however, has not eclipsed the managers' association. It is still a strong influence for improved techniques and efficiency.

The National Farmers Union was formed in 1904. It represents the general interests of the British farmers through its central contact and informational structure and through its 59 county and local chapters, with a total membership of 210,000.

The organization consists of a central council, 59 county branches with an office in every county in England and Wales, and more than 1,000 local branches.

The Horace Plunkett Foundation, another charter member, was formed in 1919 for the study of principles and methods of agricultural cooperation. At the Commonwealth Cooperative Conference in 1924 it was invited to become a clearinghouse of information on agricultural cooperation throughout the English speaking world. It publishes a yearbook of information on Agricultural Cooperation. In 1950 it had 153 associate members, most of them cooperative organizations or government or educational centers.

The Scottish Agricultural Organization Society dates back to 1905. Its primary functions are educational and promotional. The society is actively engaged in developing and organizing agricultural cooperatives.

The Irish Agricultural Organization Society, Ltd. is the oldest member of the Federation. It was formed in 1891. Its functions are largely educational as were all the groups sponsored by Horace Plunkett and his followers. Since dairy groups are the most important cooperatives in Ireland, much attention is given to evaluating marketing plans for milk and dairy products.

The Welsh Agricultural Organization Society is well entrenched in the numerous clubs and educational movements of the area, especially those having to do with young farmers. It has had support in grants from the Development Commission and since 1950 from the Forestry Commission as well.

When the Irish Free State was formed in 1922, the Ulster office of the Irish Agricultural Organization Society became independent under the name of the Ulster Agricultural Organization Society. The new society,

just as its parent organization, soon found itself deep in the problems of the dairy farmers who eventually had formed a number of rather successful creamery groups.

In 1942, however, these farmers were faced with the compulsory closing down of 90 percent of the cooperative creameries in favor of other products made in centralized factories for the British market. The dairyman who had taken a keen interest in the control and management of his cooperative creamery now had his milk collected at the farm at a uniform price per gallon.

With the assistance of the Ulster Society, some of the creameries later reorganized and developed other activities such as egg marketing, farm requirements, and other cooperative services.

RELATIONSHIPS OF AGRICULTURAL COOPERATIVES

In their operations, the agricultural cooperatives of England maintain broad relationships with the general farm organizations, the Government especially the Ministry of Agriculture, and with the consumer cooperatives.

With General Farm Organizations

The dominant general farm organization in England is the National Farmers Union of England and Wales. Founded as an organization of working farmers, it still retains its original constitution. Its membership of some 210,000 includes about 71 percent of the farmers of England and Wales, excluding those holding under 5 acres.

The Farmers' Union is becoming increasingly conscious of the place cooperatives can fill in English agricultural economy. Since the early depression years, the Union had assumed that the overall programs to stabilize English agriculture would be carried out chiefly by commodity boards and schemes. Thus, its aggressive promotion was along these lines. However, it has had an understanding of the services of cooperatives to their members and of their part in the various commodity schemes.

An early move on the part of the Union was the National Farmers' Union Mutual Insurance Society, Ltd. It was a cooperative undertaking though not on the same legal basis as the agricultural cooperative Societies. Other than this, the Union did not become active in cooperation during its early years. After the collapse of the Agricultural Organization Society and the Agricultural Wholesale Society in 1923, the Union was asked by the Ministry of Agriculture to become responsible for agricultural cooperation in England. Other than to supply organization and information material, the Union was not very active at first. However, it did set up a cooperation committee in 1924. This definitely centered the organization's responsibility and activity, and interest increased.

The Cooperation committee has been altered more than once to fit the changing program of the Union regarding agricultural cooperatives. In

1945, to assist the newly-formed Agricultural Cooperative Association, the Union afforded the association direct representation on the Committee. An additional liaison committee between the two organizations consists of three representatives from each side who are able to call on other representatives when problems of a special nature are to be discussed.

Closer working relations resulted in an agreement between the Union and the Agricultural Cooperative Association in early 1951 regarding the field of activity for each. This agreement states in part, "The opportunity has been taken to reaffirm the agreement between the Union and the Association to work in the closest collaboration. The Association's particular task is to promote, provide for, and protect the interests of agricultural cooperation in England. The Union will continue to assist the association in carrying out this task as it has done in the past."

Since 1951, however, the two organizations have been getting farther apart rather than closer together. The Farmers Union visualizes a program which coordinates the cooperatives and farm organizations more closely than the agreement of 1951 permits.

As a result, the Farmers Union has established two new central cooperative organizations: The Farmers' Central Organization, Ltd., and the National Farmers Union Development Co., Ltd. The Central Organization is composed jointly of the NFU and producer cooperative societies and will have promotional and educational functions. The Development Company provides liaison between the Farmers Central Organization and the NFU, the Union being the sole member. It develops any agricultural production credit schemes set up as a result of the recommendations of a working party being formed. The first annual report of the Farmers Central Organization, Ltd. was issued in 1955. It reported in its supplementary directory 43 member cooperatives. An example of promotional activities described is the setting up of the Fatstock Marketing Corporation, Ltd. in May 1954.

Obviously, the functions of the Farmers Central Organization, Ltd., duplicate those of the existing Agricultural Cooperative Association. The Union proposed a merger of the two organizations. The Agricultural Cooperative Association opposed this move. The Association maintains that an independent organization, like ACA, is needed, and furthermore, that the National Farmers Union has too many competing activities to effectively head educational and promotional work for cooperatives.

With Government

The British Government has, on the whole, been sympathetic to agricultural cooperatives. It appointed a Royal Commission to study the possibilities of agricultural cooperation in 1891. Largely as a result of the recommendations of the two reports of the Royal Commission the Agricultural Organization Society was organized. Then, in order to assist the newly-formed society, the government made annual appropriations for its assistance over a number of years.

During the early 1920's, the Ministry of Agriculture attempted to ward off the oncoming depression partially through a loan program to agricultural cooperatives. The provisions for loans were so rigidly drawn, however, that the cooperatives were not able to make much practical use of the program. However, it did signify a sympathetic attitude on the part of the government.

During recent years, the Ministry of Agriculture has subsidized certain agricultural activities from which cooperatives have profited. An example is the subsidy program to encourage installing grass drying equipment. This program, however, was designed to encourage the activity rather than the method.

With Consumer Cooperatives

Agricultural and consumer cooperatives have had little influence on each other in England. In some countries the Pioneers of Rochdale have had a definite influence on the pattern of agricultural cooperation. However, even though Rochdale is in England, it has apparently had little effect on the development of agricultural cooperatives there.

In general, however, the consumer cooperatives have maintained an attitude of encouragement toward agricultural groups. In fact, as earlier mentioned, the first successful agricultural cooperative in England was founded in 1868 through the efforts of an industrial cooperation leader. Also, as mentioned, the agricultural leaders solicited the Cooperative Wholesale Society to set up an agricultural department for wholesaling farm supplies. Also C.W.S. gave timely financial assistance to a number of farm supply locals after the collapse of the Agricultural Wholesale Society in the early 1920's. In addition, the successful bacon factory owned jointly by the farmers and C.W.S. has been mentioned.

These illustrations indicate the friendly and mutually beneficial contacts which have been and are being maintained between the two groups. In addition, they find each other mutually good customers. As, for example, many farm supply locals buy many of their requisites through the Cooperative Wholesale Society. These agricultural associations benefit by having C.W.S. as a source of supply, and as an outlet for the byproducts of many of their mills. On the other side, the Cooperative Wholesale Society and some of the consumer cooperative locals buy eggs, meats, and other products from the farmer associations. Also C.W.S. is the largest farmer in England and the largest contributor to the National Farmers' Union.

Evidently, however, the basis of cooperation between the two groups has been largely economic. Thus, they deal with each other and help each other when it is to their advantage to do so. When this is not the case, direct competition may result. For example, C.W.S. did not hesitate to establish a wholesale department in competition with the then existing Agricultural Wholesale Society. At the same time, it came to the timely rescue of locals who were about to founder as a result of the fold-up of the Agricultural Wholesale Society. Saving these locals from liquidation, of course, maintained some good customers for C.W.S. In like manner, the jointly-owned bacon factory is to the mutual advantage of both groups.

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FIGURE 1
AGRICULTURAL AREAS OF FRANCE



FRANCE

The degree to which French agriculture depends on cooperatives is striking to the uninformed observer. The well-recognized individualism of the French farmer does not prevent his cooperating with his neighbors and joining in larger organizations when it seems to his advantage to do so. The wide range of activities of farm cooperatives herein described indicates the extent of his participation.

The agriculture of France is nearly as varied as that of the United States. (Figure 1 on page 34). The northern plains farms are relatively large and fairly well mechanized as in our own Middle West. In contrast sections near the Mediterranean are not unlike parts of California.

France has a total of about 2.3 million small farms. Of these, 57 percent contain less than 25 acres. Most of these farms have been divided and subdivided by parceling until the widely scattered plots all but defy the application of modern mechanical methods. Also land, machinery, and motor fuel are scarce and expensive while farm labor is relatively plentiful and cheap.

For purposes of comparison, the total population of France is near 43 million persons; that of the United States, over 160 million. The total farm population of France is 10 million; that of the United States, nearly 25 million. The average size of the French farm is 36 acres; that of farms in the United States, 215 acres.

During the inter-war period, French agriculture did not keep pace with the technological progress being made elsewhere. Never a large exporter of farm products, the French public favored high import duties on grain and most other products. This policy and the relatively high fixed prices influenced the choice of crops grown on the small mixed farms. Lack of international trade competition limited the extent of mechanization and other advances in most of France except the northern wheat - sugar beet area where the farms are relatively large and mechanization is progressing rapidly.

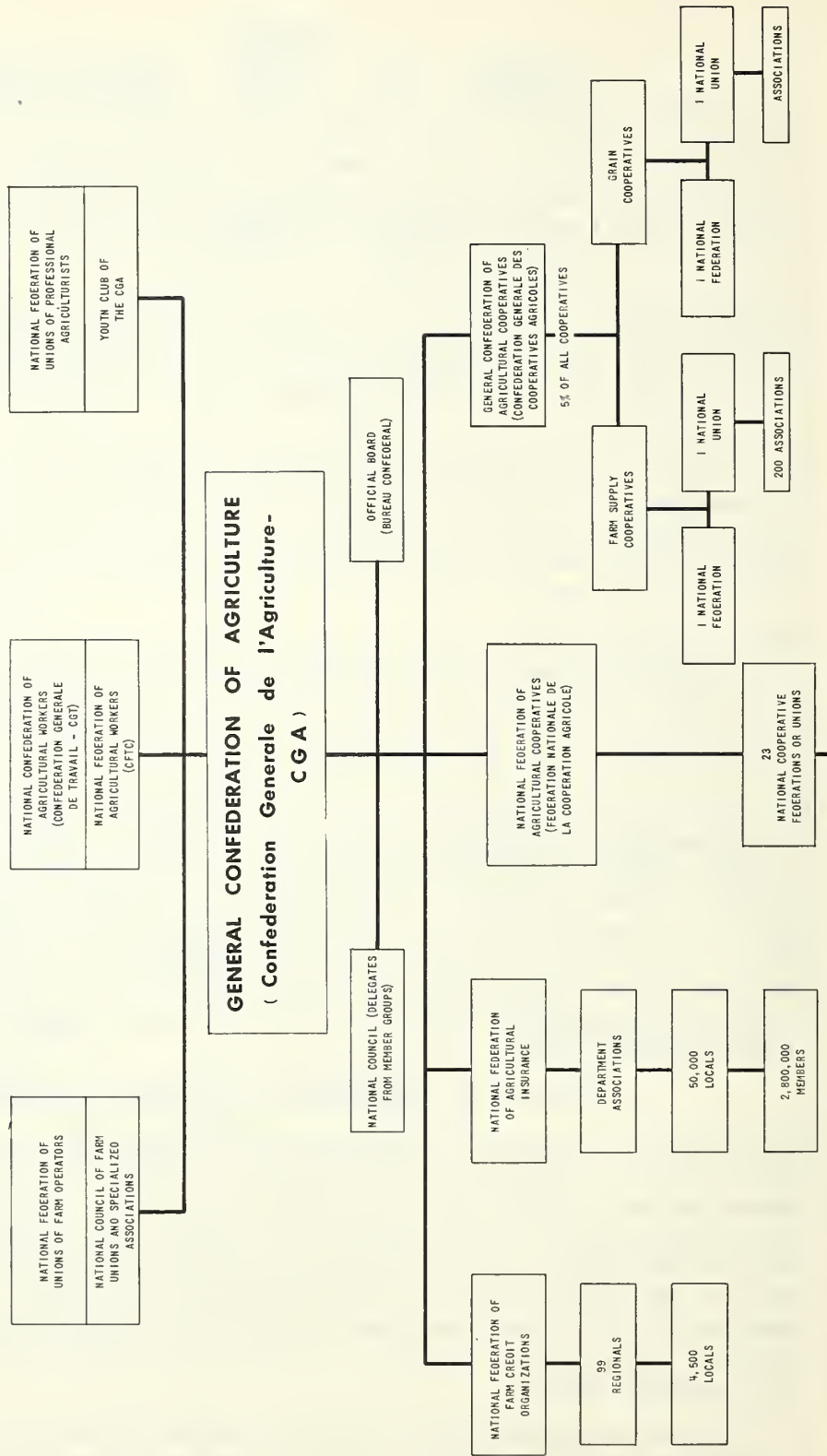
THE PLACE OF COOPERATIVES IN FRENCH AGRICULTURE

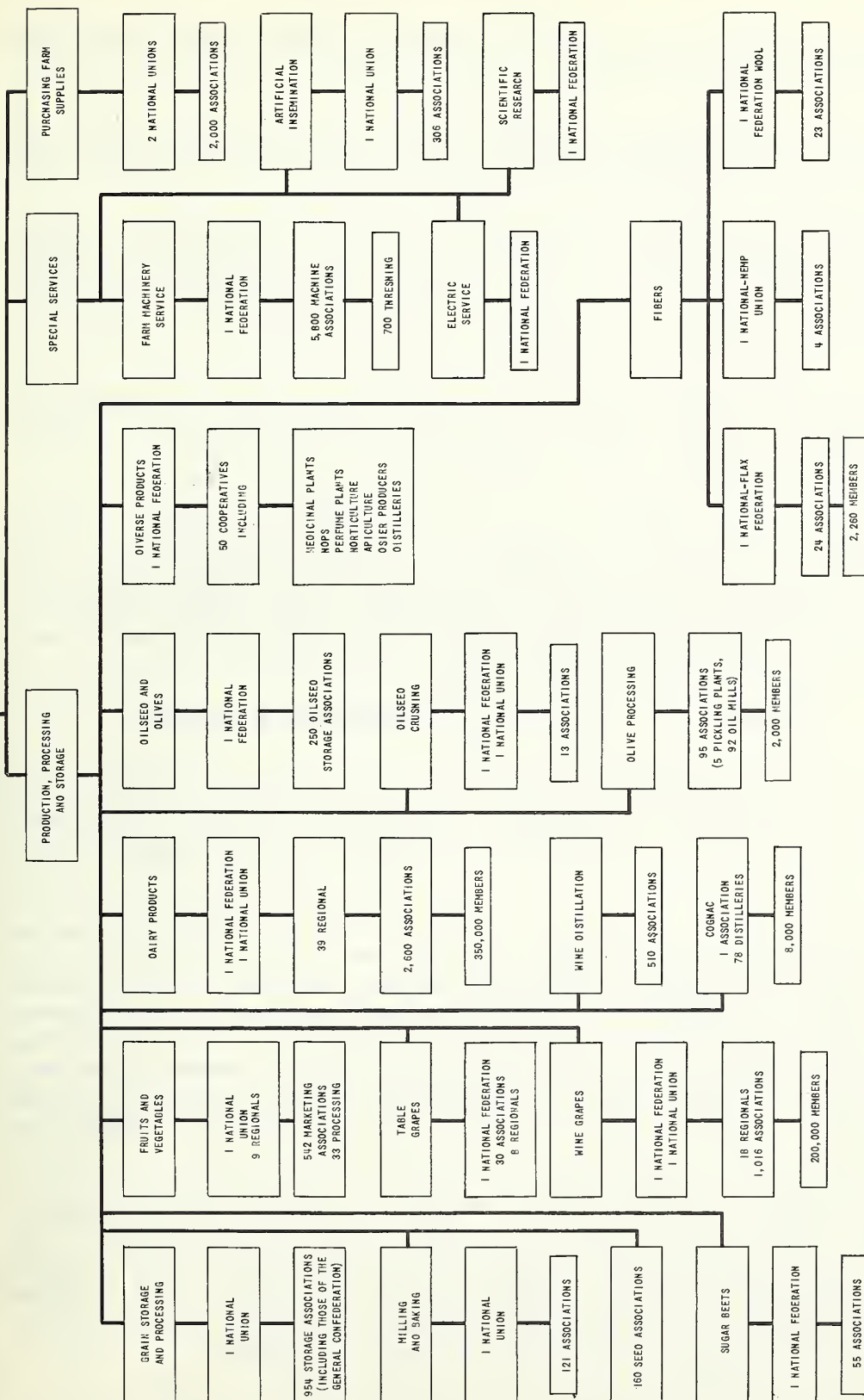
Cooperatives are important factors in handling, processing, and marketing a number of agricultural products in France. For instance, it is estimated that about 80 percent of the grain, 45 percent of the fertilizer, 42 percent of the commercial dairy products, 23 percent of the wine and feedstuff, 20 percent of the fruits and vegetables, and 15 percent of the sugar beets are handled by cooperatives. Some individual cooperatives, for example, operate several enterprises such as a grain elevator, farm supply service, cold storage plant, fertilizer factory and limestone quarry.

As in other occupied countries, the cooperatives of France had their troubles during World War II. Many upsetting measures were taken by the

Note - The authors are indebted to Omer W. Herrmann, Agricultural Attache, American Embassy, and Harold L. Koeller, Assistant Agricultural Attache, for their helpful suggestions and careful review of the manuscript. In general this report is based on information available to the authors as of late 1954.

FIGURE 2
MAJOR AGRICULTURAL ORGANIZATIONS IN FRANCE





Vichy regime. Cooperative structures were abolished and in some cases replaced by Government bureaus.

In spite of the regimentation of the Vichy regime, the local and regional cooperatives remained largely intact and in fact gained in popular support as the individual farmer's problems increased.

At the end of this period in 1944, most of the Vichy decrees were abolished and some of the original structures were restored. The new law of cooperative associations was passed in 1945. Some features of the war-time structure, such as a single national structure for cooperative insurance, were retained, however, for economic reasons.

Movements towards financial aid for agriculture -- such as the Monnet plan initiated in 1948 -- led to some large expenditures for modernization of facilities and new farm equipment.

Observers have been impressed by the large capital investment made by cooperatives in recent years. Some have felt that in many instances the building was being done on a too-elaborate scale. It is true that often difficulties have been experienced in meeting loan amortization payments. Nevertheless, the plants and equipment owned by the cooperatives have become dominating factors in many rural communities.

DEVELOPMENT OF AGRICULTURAL COOPERATION IN FRANCE

In France, men have sought for a long time to cooperate in solving the difficulties arising from geographic, economic, or social conditions. Associations of a cooperative nature founded on mutual aid have long existed.

Associations known as the "Societies of Free Men" were organized during the Middle Ages by workers in a community, for communal cultivation of fields. The early cheese societies of the Alps and the Jura were cooperatives called "Fruitières". They were small community cooperatives and each was created for the collective production of gruyere cheese from the milk produced in one mountain valley. In like manner, the small community cheese co-ops in the Alps and Jura mountains formed the basis of Swiss cooperatives. However, these activities were simple and limited.

Extensive cooperation among French farmers was slow in developing in early days. The peasant lived on his own little plot of ground. He rarely traveled out of his village. Thus, he did not have a clear picture of economic problems. In fact, in his opinion, he had very few economic problems. As a result, agricultural cooperatives largely limited their programs to local services until the 1880's.

The modern cooperative idea in France grew up principally among the urban working classes. Industrial development and the disappearance of the artisans resulted in a great deal of social unrest. The example of

the Rochdale Equitable Pioneers Society (a consumer group set up in England in 1844), also stimulated interest among French industrial workers in cooperative organizations.

In addition to the individualistic nature of the peasants, the lack of enabling laws also limited the development of agricultural cooperatives. In fact, the cooperatives took their legal sanction from a law enacted for an entirely different purpose. The law of 1884 was intended to authorize the organization of labor unions. However, it contained the essential elements for cooperative action. This the legislators had certainly not foreseen.

Exceeding the spirit of the law of 1884 and lacking any other legal base, the agricultural "syndicates" began certain operations of buying and selling. This was a reaction against the practices of the farm supply merchants. Today, these activities are the mainspring of the cooperatives. The first syndicates for group purchases were established because of the frauds and abuses of the fertilizer merchants. These syndicates have since been transformed into supply cooperatives.

The first nation-wide agricultural organization in France was established in 1880. Sponsored by a group of land owners, it was called the Society of French Agriculture (Société des Agriculteurs de France). This society was organized into divisions which dealt with such matters as farm credit, insurance, and legal affairs. The National Union of Agricultural Syndicates (Union National des Syndicats Agricoles) is an outgrowth of this pioneer organization.

A few years after the Society of French Agriculture came into being, some of the more democratic and liberal elements among the farmers organized the Society for the Encouragement of Agriculture (Société d'Encouragement à l'Agriculture), out of which evolved the Federation of Agricultural Insurance Cooperatives (Federation de la Coopération et de la Mutualité Agricole).

Agricultural cooperatives in France grew rapidly after 1900. As in other countries, it was principally during difficult periods that French farmers began to cooperate. For example, the Phylloxera crisis (due to an aphid which attacked the vines) put the Charentais peasants out of the grape business. However, after pulling up their vines, the peasants turned resolutely towards dairy production. Later they organized the first butter cooperatives of the Charentes-Poitou region. They now have many butter cooperatives which form a powerful regional association. Wine cooperatives also appeared at the beginning of the century in the South of France because of storage difficulties and a decline in the sales of wine.

Before 1920, organizations of producers of specialized crops began to spring up. Examples of these were associations of wheat, cereal, sugar beet, and wine producers. These organizations were independent and gave each other little support. In fact, they often worked at cross purposes. About 1920, the National Confederation of Agricultural Associations

(Confédération Nationale des Associations Agricoles) (CNAA) was organized to coordinate the actions of all these specialized farm organizations. The CNAA flourished until the mid-1930's when its influence began to be replaced by that of the Chambers of Agriculture.

The organization of grain cooperatives received great impetus during the mid-1930's. Hundreds of these cooperatives are reported to have sprung up in a period of a few months in 1936. The occasion was the crisis of surplus production and the creation of the "National Wheat Office". Between the two World Wars, it was the reported speculation by commercial processors that caused producers in Franche-Comté, Jura, and Savoie to organize cooperatives for processing gruyere cheese.

The Chambers of Agriculture, authorized by a law of 1924, are departmental organizations designated as official representatives of agriculture. By 1927, Chambers of Agriculture were functioning in most Departments. The Permanent Assembly of Presidents of Chambers of Agriculture was organized, and recognized by the Government in 1935 as a public body entitled to public funds to defray its expenses. Thus it became the official and recognized voice of agriculture. The organization and methods of election of the Chambers of Agriculture and of the Permanent Assembly are dealt with in greater detail in the section entitled Present Structure of French Agricultural Organizations (Page 41).

A drastic change in agricultural organization was brought about in 1940 after the fall of France and the succession to power of the Vichy regime. By an act dated December 2, 1940, all existing agricultural organizations were dissolved. In their place an organization known as the Corporation Paysanne, or Peasant Corporation, was set up. Also at the national level, a powerful, highly centralized structure was organized, the Corporation Nationale. From here directives filtered down to the lower levels -- the departmental, the regional and the local unions. A Corporative Council was formed in which were represented all the member groups as well as the regional Chambers of Agriculture. The president of the Corporative Council had so much power that it quickly became apparent that the Minister of Agriculture must, of necessity, also be appointed president of the Council.

Following the liberation of France in 1944, the reaction against all Vichy organizations forced the immediate dissolution of the Corporation. However, the idea of a single agricultural organization representing all types of farm groups appealed to French agricultural leaders. As a residual, of the Corporation, however, the General Federation of Agriculture (Confédération Générale de l'Agriculture) (CGA) was formed. This organization had its first general meeting in October 1944. Actually the details of the organization of the CGA had been fairly well worked out by farm leaders meeting clandestinely during the occupation. This explains how they were able to move so quickly following the liberation.

Thus, despite their sporadic beginnings, the agricultural cooperatives of France have spread to the principal agricultural sections. During

recent years, cooperation has also developed considerably in the field of agricultural equipment and in purchasing supplies.

PRESENT STRUCTURE OF FRENCH AGRICULTURAL ORGANIZATIONS

The agricultural organization pattern in France is complex. There are four broad categories of agricultural organizations as follows:

(1) The first category is that in which the cooperatives fall. Most of this group are affiliated with the CGA (Confédération Générale de l'Agriculture). These include farm organizations, federations and unions of marketing and purchasing cooperatives, mutual insurance companies, farm credit organizations (largely Government controlled), and organizations of professional agricultural workers and unions of farm laborers. (Figure 2).

Among the more important groups not affiliated with the CGA are the Catholic rural youth groups. These organizations, although not particularly powerful at the national level, exert considerable influence on many rural young people and indirectly influence the policies of many of the CGA organizations. This is because many of their members also belong to CGA affiliated groups.

Another important unaffiliated union is that of a group of farm workers which split off from the General Federation of Labor (Confédération Générale de Travail) (CGT) to join the Labor Force (Force Ouvrier) (FO). This organization is not officially affiliated with the CGA, though most of the FO farm workers still consider themselves CGA members.

(2) The second broad category is that of professional agricultural organizations recognized by the law as public institutions, represented by the Chambers of Agriculture. In the basic law providing for Chambers of Agriculture, the Government officially recognized them as public bodies. Under the law all persons permanently employed in the field of agriculture are permitted to vote for representatives to the departmental chambers. These delegates are recognized as the official representatives of agriculture for their respective departments.

The Permanent Assembly, or representative body of the Chambers of Agriculture, has a secretariat of not to exceed 20 persons. The full body meets twice a year, chiefly to discuss reports and studies made by the departmental chambers. The Permanent Assembly appoints a committee which meets at regular intervals with committees from the Senate, the Chamber of Deputies, and the Ministry of Agriculture to offer suggestions and to make representations concerning agricultural matters. The Chambers of Agriculture are also represented on the National Economic Council.

(3) The third group is the Government-controlled "Groupements", organized to buy, sell or import agricultural commodities such as wheat and fats and oils. An example of this type of organization is the National Wheat Office (Office National et Interprofessional des Céréales) (ONIC).

(4) In the fourth group are the French affiliates of international agricultural organizations. Among these is the Food and Agriculture Organization of the United Nations, of which the French Government is a member. Others are the European Confederation of Agriculture and the International Federation of Agricultural Producers. The General Confederation of Agriculture (CGA) is the French member of these organizations.

NATIONAL COOPERATIVE FEDERATIONS

Most of the local cooperatives in France are members of regional or national cooperative associations or groups. When regional organizations exist, these usually are members of, or associated with, a national federation or a union. There is a distinction between the federations and the unions. Usually the federations are policy making, educational, advisory, and promotional organizations. In function they correspond to the cooperative councils in the United States. The unions are the commercial or operating organizations.

The federations are well developed at both the regional and the national levels. The unions or commercial federations are less advanced, partly because of the fact that France is a large country with dispersed production and industrial centers. Thus cooperative societies do not look to centralized market organizations for outlets, or to central sources of supply.

National Federation of Agricultural Cooperatives (Fédération Nationale de la Coopération Agricole)

On the national level, the National Federation of Agricultural Cooperatives (Fédération Nationale de la Coopération Agricole) is the largest cooperative representative in the General Confederation of Agriculture (Confédération Générale de l'Agriculture). It is thus one of the five main components of C.G.A. It is estimated that approximately 95 percent of the agricultural cooperatives of France are members of the National Federation. (Figure 2 on page 34). The 23 federations, unions, and groups associated with the National Federation are as follows:

- I. National organizations of agricultural cooperatives for production, processing, storage, and marketing:
 1. National Union of Agricultural Cooperatives for Grain
(Union Nationale des Coopératives Agricoles de Céréales)
 2. National Union of Agricultural Cooperatives for Milling and Baking
(Union Nationale des Coopératives Agricoles de Meunerie et de Meunerie-Boulangerie)
 3. National Union of Farmers Cooperatives Marketing Fruit, Vegetables, Potatoes, and Selected Plants and Seeds
(Union Nationale des Coopératives Agricoles de Fruits et Légumes, Pommes de Terre, Plants Sélectionnés et Semences)

4. National Federation of Cooperatives for Production and Marketing of Table Grapes
(Fédération Nationale des Coopératives de Production et de Vente des Raisins de Table)
5. National Confederation of Wine Cooperatives
(Confédération Nationale des Coopératives Viticoles)
6. National Union of Wine Cooperatives and Distilling Cooperatives
(Union Nationale des Coopératives Viticoles et Distilleries Coopératives)
7. National Federation of Wine Distilling Cooperatives
(Fédération Nationale des Distilleries Coopératives Viticoles)
8. National Federation of Farmer Cooperatives for Processing Sugar Beets
(Fédération Nationale des Coopératives Agricoles de Transformation de la Betterave Industrielle)
9. National Federation of Cooperatives for Oilseed Storage
(Fédération Nationale des Coopératives de Stockage d'Oleagineux)
10. National Federation of Cooperative Oil-Mills
(Fédération Nationale des Coopératives d'Huilerie)
11. National Federation of Flax Cooperatives
(Fédération Nationale des Coopératives Linières)
12. National Federation of Dairy Cooperatives
(Fédération Nationale des Coopératives Laitières)
13. National Union of Dairy Cooperatives
(Union Nationale des Coopératives Laitières)
14. National Federation of Wool Cooperatives
(Fédération Nationale des Coopératives Lainières)
15. National Federation of Poultry Cooperatives
(Fédération Nationale des Coopératives Avicoles)
16. National Federation of Producers of Salt from the Atlantic
(Fédération Nationale des Coopératives de Producteurs de Sel de l'Atlantique)
17. National Federation of Syndicates of Forest Owners (Section of Forest Cooperatives)
(Fédération Nationale des Syndicats de Propriétaires Forestiers Sylviculteurs) (Section des Coopératives Forestières)
18. National Agricultural Cooperative Association for Production of Diverse Crops
(Société Coopérative Agricole Nationale des Productions Agricoles Diverses)

II. National organization of purchasing cooperatives:

19. National Union of Agricultural Supply Cooperatives
(Union Nationale des Coopératives Agricoles
d'Approvisionnement)

III. National organizations of agricultural service cooperatives:

20. National Federation of Cooperatives for Purchasing and Use of
Farm Machinery
(Fédération Nationale des Coopératives d'Achat et d'Utilisation
de Matériel Agricole)
21. National Union of Cooperatives for Breeding and Artificial
Insemination of Beef Cattle
(Union Nationale des Coopératives d'Élevage et d'Insémination
Artificielle de l'Espèce Bovine)
22. National Federation of Farmer Cooperatives for Technical and
Scientific Work
(Fédération Nationale de la Coopération Agricole Technique et
Scientifique)
23. National Federation of Societies Sponsoring Farmers Electrical
Service Groups
(Fédération Nationale des Sociétés d'Intérêt Collectif Agricole
d'Électricité)

General Federation of Agricultural Cooperatives
(Confédération Générale des Coopératives Agricoles)

A group of cooperatives that deal with grains and supplies recently withdrew from the National Federation. This group consists of two federations and the corresponding unions. These four organizations make up the General Federation of Agricultural Cooperatives.

The member federations and unions are:

1. National Federation of Farm Supply Associations
(Fédération Nationale des Groupements Agricoles d'Approvisionnement)
2. National Federation of Grain Cooperatives
(Fédération Nationale des Coopératives de Céréales)
3. General Union of Agricultural Supply Cooperatives
(Union Générale des Coopératives Agricoles d'Approvisionnement)
4. General Union of Grain Growers Cooperatives
(Union Générale des Coopératives Agricoles de Céréales)

About 5 percent of French cooperatives are affiliated with the Confédération Générale. In the field of supplies, the Union Générale has about

200 local cooperatives located throughout France. Their annual gross sales are about 20 billion francs (\$57,142,857). The Union Générale itself handled and sold fertilizer, feed, twine, seeds, pesticides, and miscellaneous supplies in 1952 valued at 2.07 billion francs (\$5,914,286.00). This would seem to indicate that local member associations do most of their buying outside the unions. From the information available, it was not possible to separate the volumes of grain handled by the various cooperatives. Thus the percentages reported below include all cooperatives whether or not they are connected with the Fédération Nationale or the Confédération Générale.

OPERATING COOPERATIVE ORGANIZATIONS

There are now about 15,000 farmer marketing, purchasing and service (except credit and insurance) cooperatives in France. That is more than there are in the United States. The estimated national percentages of certain crops or products handled by the French cooperatives are:

<u>Commodity</u>	<u>Percent of total</u>
Grain-----	82
Dairy-----	42
Wine-----	23
Sugarbeets-----	10 - 15
Fruits and vegetables-----	20
Fertilizer-----	45
Commercial feed-----	23

As already mentioned, the French operating agricultural cooperatives fall into three groups; namely storage, processing, and marketing; purchasing; and services. Under these classifications fall the following: Grain storage, processing, and marketing cooperatives; fruit and vegetable storage and marketing; wine producers' societies; cooperative oil mills and olive storage societies; fiber cooperatives (including flax, hemp and wool); cooperative dairies, cheese and butter factories; cattle marketing and processing; poultry cooperatives; miscellaneous production and marketing groups; agricultural purchase and supply associations; and the various cooperative services.

Names of the specific organizations will be found on pages 42-44 of this circular. Table 1 on page 46 shows the number of cooperatives, their membership and other details by commodity groups. In some cases members are shown as groups, not individual members.

Grain Storage, Processing, and Marketing

The early marketing problems of the French grain grower were fairly simple. He delivered his grain to a local processor known as a "panification". Here it was milled into flour and baked into bread. From these, cooperatives for milling and baking developed. These milling and baking cooperatives are still important but on a more formal commercial basis than the early "panifications".

Table 1. - Number of agricultural cooperatives, membership and percentage of business handled

Commodity group	Number				Locals	Producer members	Percentage of business handled
	National federations	National unions	Regionals	Locals			
Grain:	-	-	-	-	1,954	-	-
Storage and processing-----	-	1	-	-	121	-	82
Milling and baking-----	-	1	-	-	2160	-	-
Seed grain-----	-	-	-	-	-	-	-
Fruits and vegetables:	-	-	9 (in 1945)	-	542	-	(30 domestic
Storage and marketing-----	-	-	-	-	33	-	(15 export
Processing-----	1	-	8	-	30	-	(Nearly all cold storage
Table grapes-----	1	-	18	-	1,016	200,000	10-12
Wine-----	-	-	-	-	510	-	27
Wine distillation ³ -----	1	-	-	-	250	-	70
Oilseed storage-----	1	-	-	-	13	-	60
Oilseed crushing-----	-	1	-	-	⁴ 97	20,000	20-25
Olives-----	1	-	-	-	24	2,260	20-33
Flax-----	-	1	-	-	4	-	-
Hemp-----	-	1	-	-	23	-	50
Wool-----	1	-	18	-	2,600	350,000	25-30
Dairy products ⁵ -----	1	-	39	-	-	-	42
Livestock ⁶ -----	-	-	-	-	20	-	-
Poultry-----	1	-	-	-	⁷ 55	-	-
Beet sugar and alcohol-----	-	-	-	-	15	2,420	25
Diverse products:	1	-	-	-	20	12,000	33
Resin-----	-	1	-	-	3	3,500	40-60
Starch, potato-----	-	-	1	-	3	400	-
Hops-----	-	-	-	-	6	3,500	-
Mushrooms-----	1	-	-	-	2,000	-	(45-fertilizer
Salt-----	-	2	-	-	6,000	200,000	(50-binder twine
Supply purchasing-----	1	35	70	-	6,500	-	(43-feed
Machinery-----	-	1	-	-	50	300,000	(4-insecticides
Livestock breeding ⁸ -----	-	-	-	-	4,500	-	-
Agricultural credit and mutual insurance ⁹ -----	-	-	99	-	-	-	-

¹Includes those of the National Confederation.

²Ten groups are engaged in selecting and certifying seed; 150 groups are engaged in growing seed.

³The important cognac cooperative serves 8,000 members and owns 78 distilleries.

⁴Includes 92 oil mills and 5 pickling plants.

⁵In addition 13 cooperatives manufacturing powdered and condensed milk are joined in an operating union. Some 200 dairy cooperatives sell fluid milk exclusively. Cheese is the main product of 1,700 cooperatives. Butter is made by 250 creamery groups who together produce about 50 percent of the country's total.

⁶A number of cattle marketing and processing groups are to be found. The national federation, however, has ceased to operate.

⁷Includes 12 beet-sugar factories and 43 cooperative distilleries.

⁸In addition there are 45 artificial insemination services; 11 unions of such groups; 81 independent cooperative centers; 875 subcontractors.

⁹Agricultural credit and mutual insurance are largely Government-controlled.

Milling and Baking

In 1950-51, a total of 121 cooperatives did milling, combined storage and milling, or combined milling and baking. The total milling capacity in 1949 was estimated at 500,000 metric tons (551,150 tons). Cooperative milling capacity is equal to about 3.5 percent of the private milling capacity. However, the total milling quota allocated to cooperatives was 326,867 metric tons (360,305 tons).

Grain Storage

An active movement toward cooperative marketing of grain was well under way by 1939. It was stimulated by the economic slump of the early 1930's and by attempts to meet the situation through the establishment of the National Wheat Office (Office National et Interprofessionnel des Céréales) (ONIC) -- a sort of marketing board. It was further supported by advances from the National Agricultural Credit Bank. The movement was cut off rather suddenly by the oncoming World War II, the blockade of Continental Europe, and the rise and fall in exchange values.

Prices of wheat are fixed by the Ministry of Agriculture. The large storage facilities put up before the war are in the hands of the cooperatives and are used for storage and orderly distribution.

A law of August 15, 1936, required grain growers to market their grain through a single organization. This organization, however, may or may not be a cooperative. Out of this requirement arose the need for grain storage cooperatives. These are similar to the cooperative grain elevators in the United States. As in this country, the local elevator organizations of France formed a nucleus for a group of community activities.

Cooperative storage capacity increased rapidly following the law of 1936. In 1930, grain storage capacity totaled 7,200 metric tons (7,937 tons). This increased to nearly 2 million metric tons (2.2 million tons) in 1939. By 1950-51, it reached 2.5 million metric tons (2.8 million tons). This compared with 1 million metric tons (1.1 million tons) owned by the non-cooperative handlers. Seventy percent of the capacity is made up of warehouses and elevators of more than 500 metric tons (551 tons) capacity. Cooperatives are endeavoring to improve and increase their storage capacity. It is still inadequate, largely because the recent shift in the principal producing areas to harvesting with combines moves the wheat into commercial channels immediately after harvest, rather than stacking and threshing it throughout the year, as was previously the case.

The storage distribution according to capacity of the 954 grain cooperatives is as follows:

<u>Storage capacity</u>	<u>Number of associations</u>
Less than 2,000 tons-----	514
2,000 to 7,999 tons-----	337
8,000 to 11,999 tons-----	46
12,000 to 19,999 tons-----	27
20,000 tons or more-----	<u>30</u>
Total-----	954

Grain Marketing

The National Federation of Grain Cooperatives (Fédération Nationale des Coopératives de Céréales) and its operating counterpart, the National Union of Agricultural Cooperatives for Grain (Union Générale des Coopératives Agricoles de Céréales) have considerably expanded their activities in the fields of technology, marketing, and organization of grain cooperatives.



A 3,800-ton grain elevator at SAINVILLE, in the rich Beauce area, southwest of Paris. About 70 percent of the grain storage in France is operated by co-ops.

From the technical point of view the federation has, in particular, created a service to advise cooperatives on matters of equipment. In the field of seeds, the union has created a specialized technical service and instituted a quality label. It has also done a great deal to promote the production of hybrid corn.

As regards marketing, the Union is expanding its operations on coarse grains and seed grains imported by the National Wheat Office (ONIC). It is also gaining a foothold in the export market.

The cooperatives generally handle about 82 percent of the commercial wheat. In 1952-53 this totaled some 4.5 million metric tons (5.0 million tons). In 1952, the number of grain cooperatives totaled 954. As a result of consolidation in the last few years, the number has been reduced somewhat. These cooperatives serve about 1 million members. In addition, there are some 200,000 nonmember patrons.

Seed

About 10 cooperatives carry out grain seed selection or certification operations. Some 150 produce selected or certified seed. A number of cooperatives also are specializing in the treatment and the development of seed rice and seed corn.

Fruits and Vegetables

Production of fruits and vegetables, as a sideline, is general throughout France. There are many specialized early producing districts. In addition, there are a few highly specialized commercial areas. There are also some large-scale potato growing districts in central and northern France.

Cooperative marketing of fruits and vegetables began early in the present century. These early ventures were confined principally to packing and consignments to market. Very little processing was done.

After 1945 there was some rapid development of packing and grading sheds, cold storage plants, and processing plants. This development was made possible by counterpart funds generated through Marshall Plan aid. An example of such an advance is found in the apricot and peach canneries of Rousillon. Here fruit trees are grown between the grape vines. The distance to market limits the fresh fruit outlets.



A small cooperative in French Brittany, at ST. POL-DE-LÉON, where artichokes are being marketed.



The Minister of Agriculture visits an experimental field where American hybrid corns are cultivated. This is a field belonging to the Agricultural Cooperative of the SENLIS area, northeast of Paris.

The multi-purpose cooperative is more common in France than in the United States and much of Europe. Here, many crops are grown in a small way. Thus, the community multi-purpose cooperative is likely to handle fruits, vegetables and, for example, eggs.

The National Union of Agricultural Cooperatives Marketing Fruit, Vegetables, Potatoes and Selected Plants and Seeds (Union Nationale des Coopératives Agricoles de Fruits et Légumes, Pommes de Terre, Plants Sélectionnés et Semences) was formed in 1945. At the time of organization it had a membership

of 9 regional unions and some 300 local societies. In addition, about 400 societies handled potatoes. Afterwards the number of local societies practically doubled. This union embarked on a long-range program of research and technical advisory service - as well as having its membership represented on the various boards and commissions.

In 1952-53, a total of 542 cooperatives were marketing fruit, vegetables, potatoes and selected seed potatoes. These were grouped as follows:

<u>Type of operation</u>	<u>Number of cooperatives</u>
Sale of vegetables-----	78
Sale of fruit-----	160
Sale of both fruit and vegetables--	98
Sale of eating potatoes-----	34
Sale of seed potatoes-----	71
Sale of heavy vegetables such as cabbage and carrots-----	<u>101</u>
Total-----	542

Of the total, 81 of the cooperatives are located in Southwestern France, 85 in Brittany, and 89 in the Rhone Valley and Southeastern France.

The primary objective of these 542 associations is to handle fruits and vegetables. A certain number of other cooperatives also deal in fruits and vegetables as a sideline. In 1950-51, it was estimated there were 700 or 800 of these cooperatives and that they handled 20 percent of the fresh fruits and 15 percent of the fresh vegetables marketed in France.

The last few years' cooperation in the field of fruit and vegetables, which had been so successful, seems to be losing ground. This is particularly true in the non-specialized production areas. The sorting, grading, packing, processing, and storage equipment of many of the French cooperatives needs modernizing. Some have already begun these improvements.

Even though the fruit and vegetable cooperatives have lost some ground, they are still important. As a whole, they handle about 30 percent of the fruits and vegetables marketed. They also market about 15 percent of the exports. The existing fruit cold-storage and processing equipment is almost entirely in the hands of cooperatives. Twenty-five of the larger associations own about 70 percent of the national capacity. Altogether 33 societies process fruits and vegetables. These associations account for 10 to 12 percent of the national production.

The proportions of commodities or services handled by fruit and vegetable cooperatives in France are approximately as follows:

Domestic marketing-----	30
Export marketing-----	15
Processing-----	10 - 12
Cold storage-----	Practically all

Processing Enterprises

As already stated, 33 cooperatives in France process fruits and vegetables. Of these, 12 chiefly process fruit; 16 process vegetables; while 5 process both fruits and vegetables. Also as mentioned, cooperatives handle 10 to 12 percent of the fruit and vegetable processing in France.

Table Grapes

About 30 cooperatives handle table grapes. These are located in southern France, and are grouped into 8 regionals. In 1951, they formed the National Federation of Table Grape Production and Marketing Cooperatives (Fédération Nationale des Coopératives de Production et de Vente des Raisins de Table). Since this is a federation and not a union, it does not handle products. Rather, it works on matters of common interest, provides technical assistance and helps promote exports.

Wine

In 1952, there were 1,016 wine cooperatives in France. Total production of the cooperatives was 13.6 million hectoliters (359.3 million gallons) in 1951. This was about 27 percent of the total French production. Membership in these cooperatives was close to 200,000 in 1950. It is estimated that this represents about 11.5 percent of all wine producers in France. The storage capacity of the cooperative cellars totaled 19.9 million hectoliters (525.7 million gallons) in 1951.

The wine cooperatives are grouped into 18 regional federations. These, in turn, organized the National Confederation of Wine Cooperatives (Confédération Nationale des Coopératives Vinicoles). In addition, there are two unions, the National Union and the Regional Union of the "Midi" (South).

Wine Distillation. Five hundred ten cooperatives are engaged in wine distillation. They produce about 70 percent of the French output of wine alcohol. One of the most important is the Cognac Cooperative. It was founded in 1929. It owns 78 distilleries and handles the production of 8,000 members. In 1950, it produced 20,000 hectoliters (528,360 gallons) of pure alcohol. This equals about one-eighth of the production of the area. The distilling cooperatives have organized one national federation and one national union. These are the National Federation of Wine Distilling Cooperatives (Fédération Nationale des Distilleries Coopératives Vinicoles) and the National Union of Wine Cooperatives and



A cooperative plant of the CÔTES D'AGLY Wines (Pyrénées Orientales). There are about 1,000 wine cooperatives in France.

Distilling Cooperatives (Union Nationale des Coopératives Vinicoles et Distilleries Coopératives).

Oilseeds and Olives

Oilseed Storage

The number of cooperatives for oilseed storage has decreased. There are about 250 in operation -- compared with 350 a few years ago. Also, since the total production of domestic oilseeds has been decreasing, the percentage handled by cooperatives has increased from 40 to 45 percent of the domestic production to about 60 percent. The average size of the associations has increased but the quantities handled remain about the same. They are served by the National Federation of Oilseed Storage Cooperatives (Fédération Nationale des Coopératives de Stockage d'Oleagineux).

Oilseed Crushing

The cooperatives that process domestic oilseeds are expanding with 13 in operation. They handle 20 to 25 percent of the production, or about 35,000 tons. A number of these cooperatives are getting into merchandising and are marketing oil under their own brands. In 1949, cooperative oilmills formed a national federation the National Federation of Cooperative Oil Mills (Fédération Nationale des Coopératives d'Huileries) and a national union, the National Union of Oil Seed Crushing Cooperatives (Union Nationale des Coopératives d'Huileries).

Olive Production

A total of 97 cooperatives process olives. Of these, 5 own pickling plants (confiseries) and 92 own oil mills. They have a total membership of 20,000, which is about 20 percent of the French olive producers. They handle between one-fifth and one-third of the total French production. In 1949, this amounted to 20,000 metric tons, and in 1950, to 14,500 metric tons (22,046 and 15,983 short tons respectively).

Fibers

Flax

The first flax cooperative in France was organized in 1938. Now there are 24 cooperatives as compared with 20 in 1950-51. Of these, 11 are in Normandy, 1 is in Brittany, 6 are in northern France, and 6 are in the Île de France. They comprise 2,260 members at the present time. In general, their services are to contract for scutching the flax.

In 1953, the cooperatives handled 7,000 hectares (17,297 acres) of flax. This was about 17 percent of the national acreage for scutching.

Flax cooperatives formed a national union in 1951, the National Union of Flax Cooperatives (Union Nationale des Coopératives Linières). There is

also a national federation, the National Federation of Flax Cooperatives (Fédération Nationale des Coopératives Linières). The national associations work to improve prices to producers, increase yields, and improve quality.

Hemp

Four hemp cooperatives are operating at the present time. They have a combined storage capacity of 3,000 metric tons (3,306.7 short tons), which is about half the French production. Their main activity is scutching and processing hemp into binder twine. One cooperative, however, undertakes the retting of the hemp, and two are equipped to manufacture thread.

The National Union of Hemp Cooperatives (Union Nationale Chanvrière) was formed in 1950. Its membership includes the cooperatives handling both raw and processed hemp. Its services combine those usually performed by both unions and federations. Thus, it markets the hemp, does technical research, and upholds the producers' interests in industry matters.

Wool

There are 23 wool cooperatives in France. These cooperatives handle about 3,500 metric tons (3,858 tons) of wool each year. This is 25 to 30 percent of the total French production. Most of the wool cooperatives operate over extensive areas. The most important association is the Rheims cooperative which consists of 18 regionals.

The wool associations are joined in the National Federation of Wool Cooperatives (Fédération Nationale des Coopératives Lainières).

Milk, Cheese, and Butter

In 1952, there were about 2,600 dairy cooperatives in France. These associations had a total membership of some 350,000 farmers, who represented about 20 percent of the milk producers of the country. Dairy cooperatives handle approximately 34 million hectoliters (898.2 million gallons) of milk per year. This represents about 41.4 percent of the commercial production. At the national level are the National Federation of Dairy Cooperatives (Fédération Nationale des Coopératives Laitières) and the National Union of Dairy Cooperatives (Union Nationale des Coopératives Laitières). In addition, 13 cooperatives manufacture powdered and condensed milk. They are organized into an operating union. Their production in 1952 was:

Powdered milk: 5,400 metric tons (5,952 tons)
 Condensed milk: 1,740 metric tons (1,918 tons)

Their total capacity for making these products is 10,000 metric tons and 8,400 metric tons (11,023 and 9,259 short tons respectively). Thus, their capacity far exceeds the total production of their members.

Fluid Milk

Almost all dairy cooperatives sell some fluid milk. However, 200 of them are chiefly in the fluid-milk business. Most of the fluid-milk associations have some refrigeration equipment. One-hundred-thirty of the 200 pasteurize milk and 52 bottle it. Their use of refrigeration and of pasteurized milk is steadily increasing.

In 1950, cooperatives sold about 10 million hectoliters (264.2 million gallons) of milk for direct consumption. This is about 22 percent of the commercial volume.

Cheese

There are approximately 1,700 cheese cooperatives in France. These include some 1,400 "Fruitières" for green processing in the Gruyere manufacturing area and 20 cooperatives and unions for maturing cheese. Together they produce about 45 percent of the commercial French cheese.

Butter

Production of butter is the main activity for some 250 cooperatives. In 1950, they produced 50 percent of the French creamery butter. The proportion of pasteurized butter is increasing. Half of the pasteurized butter produced in France comes from cooperatives.



The dairy cooperative of ST. MARTIN DE BELLEROCHE, in Saône-et-Loire, (Lyon area).

In addition to the cooperative creameries, 302 are other dairy sales cooperatives and 50 collect and sell the dairy products manufactured by the members on their own farms.

In 1954, a total of 39 regional federations were members of the National Federation of Dairy Cooperatives (Fédération Nationale des Coopératives Laitières).

In 1948, the National Federation supported the creation of a "label" guaranteeing the quality of butter and cheese. In April 1951, cooperatives to a total of 82 were authorized to use this "label".

Cattle Marketing and Processing

A number of cooperative slaughterhouses, cattle marketing cooperatives, and meat selling and processing cooperatives exist in various parts of France. Their activities are scattered, however. A national federation of these cooperatives was organized in 1947 but, it has ceased to operate.

Poultry

The poultry cooperatives are mostly located in Brittany and Charentes and in western France. There are about 20 of these associations, which chiefly market eggs although some also handle poultry.

The most important poultry cooperative is that of St. Jean-d'Angely in the Department of Charente-Maritime. It has approximately 5,000 members. In 1951, it handled roughly 38,000 cases of eggs, of which some 10,500 cases were exported. In addition, the cooperative handled 105,000 kilos (231,483 pounds) of poultry and rabbits.

In 1950, a Central Cooperative of Egg, Poultry, and Rabbit Producers (Coopérative Centrale des Producteurs d'Oeufs, Volailles et Lapins) was formed. It maintains both a supply branch and a marketing branch. Part of its eggs are marketed through its own store.

A National Federation of Poultry Cooperatives (Fédération Nationale des Coopératives Avicoles) was organized in 1947.

Beet-Sugar Factories and Distilleries

In 1951, there were 12 cooperative beet-sugar factories in France, and 43 cooperative distilleries. The sugar-beet growers have their National Federation of Farmer Cooperatives for Processing Sugar Beets (Fédération Nationale des Coopératives Agricoles de Transformation de la Betterave Industrielle). These societies handled 1,664,000 tons of sugar beets in 1950-51. This was 10-15 percent of the national production. Output of the distilleries in 1950-51 was 905,000 hectoliters (23.9 million gallons).



Sugar beet hoeing by a Cooperative for the Utilization of Agricultural Machinery (Cuma) in the Brie Area at ST. PATHUS, (Seine-et-Marne). This co-op has the following equipment: 4 caterpillars, 2 wheel tractors - Diesel - 35 hp., 1 tractor, 2 pick-up balers, 1 sprayer, and 1 self-propelled combine.

Miscellaneous Production and Marketing

Several groups of producers of unusual agricultural products are served by the National Association of Agricultural Cooperatives for Diverse Products (Société Coopérative Agricole Nationale des Productions Agricoles Diverses).

Resin

There are 15 cooperatives that produce resin. They are all located in the Landes area. They have 2,420 members, or one-ninth the number of producers in the area. In 1950-51, they produced 184,315 hectoliters (4.8 million gallons) of resin. This equals close to 25 percent of the production in that region. The resin cooperatives are organized into the Union for Resinous Products of the Southwest. (Produits Résineux du Sud-Ouest).

Starch

There are 20 cooperatives that produce starch from potatoes. These are about one-third of the starch factories of the country. Their membership is approximately 12,000. Seventeen of them, which are in the Vosges Department, are grouped into a union. Together, they produce about two-thirds of the starch manufactured in the Vosges Department.

Starch production is somewhat on the decline as a result of war damage and the smaller potato production that has resulted from unsatisfactory returns. Some consolidation of these cooperatives is taking place in an attempt to improve their position.

Hops

Two cooperatives handle hops. The most important is the Alsace Hop Producers which has 3,295 members, or about 85 percent of the hop producers in Alsace. In 1952, this cooperative handled 2,124 tons or 60 percent of the production in Alsace. In addition to domestic marketing, the Alsace cooperative also does exporting.

The other association is the Burgundy Hop Producers Cooperative. It was organized in July 1952. It has 182 members, or 40 percent of the producers in that area. In 1952; it handled 26 tons of hops.

Mushrooms

There are two mushroom cooperatives. One is a national association and the other is regional, operating in the Maine-et-Loire Department. Membership of both totals only about 400 members. Both associations market mushrooms, but are more particularly concerned with procuring supplies necessary to produce mushrooms.

Salt

Among the most unusual cooperative activities are the six salt-refining cooperatives. These are all located on the Atlantic Coast. As compared to the cost of producing salt from the Mediterranean and other areas, the cost of production from Atlantic waters is high. As a result of this difficult economic situation, the Government ordered that all marine salt produced on the Atlantic Coast be marketed through the cooperatives. There are approximately 3,500 producers and production averages 60,000 tons a year.

The National Federation of Cooperatives of Atlantic Salt Producers (Fédération Nationale des Coopératives de Producteurs de Sel de l'Atlantique) is active in its efforts to overcome production difficulties and assure regular marketing.

Others

There are many other miscellaneous cooperatives. These include fish cooperatives, bee-keepers, plants for distilling perfume, insecticidal plants, medicinal plants, osier producers, and flower producers.

Supply Purchasing

The joint purchase of agricultural supplies has been practiced in France since the 1880's. However, for years it was carried on through the farmers' professional syndicates, rather than through cooperatives. The syndicates correspond to the "county society" in England. Some syndicates have memberships of several thousand farmers. Many of the syndicates have been converted to cooperatives. An attempt was made in 1945 to compel the syndicates to stick to non-economic activities but it was not enforced. The local syndicate, therefore, continues to play a useful part as a distributing center. Thus, the farm-supply business is still conducted through a mixture of syndicates and cooperatives.

The county or regional syndicates usually sell on a commission basis. They deliver direct to the local syndicates. Since no patronage dividends are paid, the reserves accumulated allow the extension of considerable credit, for short terms. Some regional syndicates maintain warehouses and trucks for delivery service. As all French societies are expected to open an account with a regional credit bank, this automatically leads to strict auditing and some degree of Government control.

Cooperative purchasing has advanced rapidly since 1945. There are now some 2,000 such cooperatives. As is common among the French societies, some marketing is carried on by the supply cooperatives or the reverse--such as handling supplies by a grain or other marketing cooperative. The cooperatives handle the usual farm supplies and equipment. It is estimated that they distribute about 45 percent of the fertilizer used in France. In 1949-50, this amounted to some 450,000 metric tons (496,035 short tons). In addition, the farm supply cooperatives handle roughly 50 percent of the binder twine, 43 percent of the animal feed purchased by farmers, and 4 percent of the insecticides.

Most of these cooperatives are federated in one of the two national unions - which act as wholesale agents. The National Union of Agricultural Supply Cooperatives (Union Nationale des Coopératives Agricoles d'Approvisionnement), larger of the two, has its own warehouses for implements and hardware but orders fertilizers and feedstuffs delivered direct to local societies. It negotiates for imports of items such as sulphur from the United States.

Its smaller counterpart, the General Union of Agricultural Supply Cooperatives (Union Générale des Coopératives Agricoles d'Approvisionnement) has almost 200 locals in its membership. It handles general farm supplies for its member locals. In 1952, this volume approximated 2 billion francs (\$5.7 million). The Union Générale has a companion federation. It is the National Federation of Farm Supply Associations (Fédération Nationale des Groupements Agricoles d'Approvisionnement). (Figure 2.)

Special Services

Machinery

The basis for the widespread cooperative use of machinery was laid before World War II. This foundation was some 3,500 threshing societies. After the war, the shortage of farm animals and labor was acute. Also, under the system of distributing imported tractors, only those who could guarantee acreage for cultivation were eligible to receive them. This led to the transformation of many threshing societies into general machinery cooperatives. In central and western France, these may consist of a group of 10 to 15 farmers who own a tractor jointly. In areas where farms are larger, a farmer may have his own tractor but still need the cooperative for other services.

The machinery societies have their own national association, National Federation of Cooperatives for the Purchase and Use of Farm Machinery (Federation Nationale des Coopératives d'Achat et d'Utilisation de Matériel Agricole (CUMA). It combines 70 regional federations and 35 unions. The unions help their member societies select and purchase machinery and assist them with credit. They also run 86 repair shops and train drivers and mechanics. The national federation helps the societies with legal problems, accounting and other technical advice, and in contacts with scientific agencies such as the Institute for the Scientific Organization of Agricultural Work. It publishes a monthly review known as The Soil.

The expansion of CUMA as a result of the special conditions created by the Second World War was marked. By 1951, however, the cooperative use of machinery had slowed down, principally because of the high price of fuel oils and an increase in the horse population. Thus, the effort of these cooperatives now is principally directed toward better management of the present equipment and not toward setting up more new societies. There are between 6,000 and 6,500 such associations, including the



Cooperative repair plant of the Cooperative for the Utilization of Agricultural Machinery (Cuma) of the Entre-Deux Mers area. This cooperative has the following equipment: 1 bulldozer, 1 scraper, balance plow, caterpillars, sprayers, etc.

The size of these cooperatives is extremely variable. However, 75 percent of them own one or more tractors and a wide range of equipment. Total equipment of the CUMA cooperatives is estimated at between 7,000 and 8,000 tractors, plus 3,000 threshers and 1,000 combines. Their fuel needs average 9,000 metric tons of gasoline, 7,000 metric tons of gas and oil and 3,500 metric tons of kerosene, in addition to fuel oil (9,921 tons, 7,716 tons, and 3,858 tons respectively).

The harvesting-threshing cooperatives are still expanding, since horses cannot replace the power threshers as they can the tractors. At first, these associations were located only in large wheat and oilseed producing areas, but they are now spreading out into regions of mixed farming and medium-sized farms.

There are four main types of CUMA cooperatives corresponding to the different scales of farm holdings. They are:

1. CUMA locals that comprise about 100 small farmer members, with these farms of less than 20 hectares (49.4 acres). The association usually owns a light tractor with all-purpose equipment. A number of them also own some horse-drawn machinery to help out small farmers in rush

Each member uses the tractor only about 10 hours a year. Thus, a large membership is necessary.

2. CUMA associations in areas of medium-size farms of 20 to 80 hectares (49.4 to 197.7 acres). In these associations the members usually own some implements and, in many cases, a tractor. The cooperative supplies the heavy equipment such as combines, manure spreaders, and heavy tractors.

3. CUMA associations in areas of large farms. In these specialized areas, farm operations are extensive. Thus, the farms need large cultivation, harvesting, and threshing equipment.

4. Specialized CUMA associations which perform special protection operations such as disinfection of stables and destruction of weeds. One of them, the "Helicoop", owns a helicopter for spraying operations.

The CUMA societies are also helpful in that they demonstrate the value of modern equipment and thus contribute to technical progress in agriculture.

Livestock Breeding and Artificial Insemination

Cooperatives for livestock breeding and artificial insemination have become important since World War II. Since 1945, these have been organized in all the important dairy sections. During the 2 years, 1945-46, a total of 25 such associations were set up. Since then the number has more than doubled.

The services of these associations are not limited to breeding. In addition they work on improved feeding, sanitation, modernizing equipment, and in some instances on milk and butter testing.

Breeding and artificial insemination cooperatives are of three types: (1) Independent cooperatives that do not own bulls but purchase semen, which number about 250; (2) independent cooperatives that do own bulls, which number 45; and (3) unions of cooperatives that operate a common center, which number 11.

In 1952-53, there were 81 independent cooperative centers of artificial insemination. In addition, the cooperatives operate 675 subcenters. A total of 710 inseminators are employed. The total membership in these associations is estimated at about 300,000. Inseminations totaled 750,000 in 1951 and 950,000 in 1952. The associations maintained 480 bulls in 1952. It is estimated that about 11.25 percent of the cows of France are artificially inseminated.

A National Union of Cooperatives for Breeding and Artificial Insemination of Beef Cattle (Union Nationale des Coopératives d'Élevage et d'Insémination Artificielle de l'Espèce Bovine) was organized in 1947. It supplies the necessary equipment for the centers, gives technical advice, prepares the statistical data, and publishes a technical bulletin.

Electric

The National Federation of Societies Sponsoring Farmers' Electrical Service Groups (Fédération Nationale des Sociétés d'Intérêt Collectif Agricole d'Électricité) is a federation of the rural electric cooperatives. Like most other federations of agricultural cooperatives in France, it is a non-operating organization. Actual operations are handled by the members. The federation handles programs of general benefit and to protect the interests of its members. In 1950-51, there were 38 members of the federation. These member associations had 124,000 subscribers in about 1,100 communities. Most of them were in the Oise, Seine-et-Oise, and Somme Departments. All of them own installations for distributing current to their members, and four of the 38 own power-generating plants. The remaining 34 purchase their current from the Government through its nationalized program.

AGRICULTURAL CREDIT

At the top of the pyramid for agricultural credit is the National Agricultural Credit Bank. The pure Raiffeisen system of cooperative credit societies has never made much headway in France. With a few minor exceptions, agricultural credit is the function of the National Agricultural Credit Bank, the 99 regional banks, and the 4,500 local banks. The farmer members of the locals are the base of the credit pyramid. The agricultural credit system, called "Crédit Agricole," has its headquarters in Paris.

The National Agricultural Credit Bank (originally called "Office") was set up in 1920. It is a hybrid Government, non-Government set-up. The Vichy regime tried to make the NACB wholly a Government unit, but the law of 1945 restored the prewar system. Under this system, the majority of the council or board are elected by the regional banks. One member is appointed by the General Confederation of Agriculture; one by the National Federation of Agricultural Cooperatives; and one each is elected by the Regional Agricultural Credit Banks.

Membership in the local agricultural banks may be individual or by groups. Organization rules are strict. The shares are non-transferable except with the consent of the bank. They bear interest not to exceed 6 percent. One-fourth of the capital must be paid in before a bank is organized. After organization, authorization must be obtained from the National Agricultural Credit Bank before a local bank can borrow from a regional bank. The charter for a bank provides for unlimited life. Government is by an administrative council or board. Savings usually go into the reserve but in some circumstances a certain distribution is made according to patronage.

Deposits are received from both members and non-members. However, the non-members receive a lower rate of interest. The local banks are subject to inspection by the National Agricultural Credit Bank.

Nearly all the banks now have limited liability. Loans -- short, medium, or long-term -- are made with two co-signers or on collateral. The local banks appraise the applications and borrow from the regional banks

when necessary. The banks are also authorized to make the member a loan against his deposit account at a somewhat higher rate of interest. There is fairly close liaison between the local banks and the agricultural supply cooperatives, and short-term credit is available for farm production expenses.

At the end of 1950, the cooperative banks held 781,000 deposit accounts, of which 744,000 were those of individual farmers. This was double the number at the end of World War II.

MUTUAL FARM INSURANCE

In France, mutual farm insurance, social security for agricultural workers, and family benefits for the agricultural population are closely integrated at both regional and national levels. The community mutual farm insurance societies began to develop during the late 1800's. When the social security system was brought into being in 1930, the agricultural benefits were closely associated with the idea of mutual insurance. When the Vichy regime took over, Corporation Paysanne, a single insurance structure was set up for agriculture. Later, when most of the Vichy decrees were abrogated, the recognized value of a unified program for insurance led to continuance of the general pyramid structure.

Family benefits and social security for agriculture have been grouped with mutual farm insurance under the term "Agricultural Mutuality." The mutual insurance system is voluntary. The social security system is compulsory, but is self governing. Only the mutual insurance societies operate at the local level. But the three agencies function side by side at the regional level and the national level with interlocking directorates. The national headquarters are grouped together under the name, Union of Central Offices for Mutual Agricultural Funds, (Union des Caisses Centrales de la Mutualité Agricole). They are housed in the same office and share an administrative office budget.

The mutual farm insurance associations handle employers' liability, fire, hail, automobile, and livestock insurance.

The social security system provides: (1) Benefits for accidents of workers when not on the job, diseases, and maternity; and (2) old age pensions. These are in addition to family allowances paid to all qualifying families from a separate fund. The social security and family allowances funds are financed from taxes. In the case of social security, the farmers pay about 20 percent in direct assessments.

As stated, mutual farm insurance began during the late 1800's. The mutual insurance laws of 1884 and 1900 gave mutual agricultural insurance funds special tax exemption. The foundation of mutual insurance is the local association. These local insurance societies (Caisse Locale d'Assurance Mutuelle Agricole) are organized on a community basis. The locals, however, are really service units as the management and business decisions are made at the regional level. Regional associations (Caisse de Réassurance Mutuelle Agricole du Département) reinsure the risks of the local societies. In turn, the central or national agency (Caisse

Centrale d'Assurance Mutuelle Agricole) reinsures risks held by the regional associations. Finally the central association reinsures its risks with large foreign insurance companies.

The regional association is in charge of all technical and administrative operations involved in issuing insurance policies and, in general, services the local societies. The regional absorbs the losses that any one local society may suffer. It is also responsible for inspecting and controlling the risks insured by the local society, for the payment of claims, and for the organization of new local societies.

Savings in mutual insurance accrue on a national basis. Each year the central association, after setting aside appropriate reserves, returns the balance to the regionals. These in turn pass them on, together with any surplus they have earned, to the local societies. The local society may pay the dividend to the members on a patronage basis or retain it as a reserve fund at the local level. At the present time, 22,000 communes of France have one or more mutual farm insurance societies. About 1 million farmers of a total of some 2-1/2 million are covered by one or more types of mutual insurance. Total premium payments exceed 6 million francs (\$17,142,857) annually.

Details of the insurance issued and claims paid are shown in the following table. (Table 2).

Table 2. - Amount and type of insurance sold and claims paid by mutual farm insurance agencies, 1951¹

Type of insurance	Number of -		Value insured ²	Total premiums paid ²	Claims paid ²	Number of animals insured
	Local societies	Policies issued				
			<i>Million francs</i>			
Employers' liability and automobile----	21,200	1,672,334	n. a. ³	4,606	n. a.	-
Fire-----	22,492	996,208	1,787,576	1,735	473	-
Hail-----	1,519	26,581	14,389	161	112	-
Livestock loss from death:						
1) General coverage						
a- Cattle ⁴ -----	1,774	14,408	2,100	41	n. a.	38,156
b- Horses-----	2,606	64,003	9,128	264	n. a.	103,914
2) Coverage for contagious disease:						
a- Cattle-----	494	5,698	852	26	n. a.	18,886
b- Horses-----	468	2,481	1,042	33	n. a.	14,950

¹Latest year available.

²May be converted on the basis of 350 francs equal \$1.

³"n. a." - Indicates not available.

⁴Does not include loss from contagious disease.

Source: "Caisses Centrales d'Assurances Mutuelles Agricoles."

The rates for mutual farm insurance vary. They are generally lower than rates for similar insurance by nonmutual insurance companies, approximate differences being as follows: Fire insurance, 50 percent; hail and livestock insurance, 7 percent; and automobile insurance, 37 percent. However, rates for liability insurance covering employee accidents are the same as nonmutual rates.

It is estimated that mutual farm insurance societies write about 33 percent of all farm-labor accident policies, 75 percent of the farm automobile policies, and 33 percent of the hail and livestock insurance.

Employer's Liability Insurance. The farm operator is legally responsible for accidents to his employees. As a result, almost without exception, farm operators insure against this risk. The insurance covers all accidents that occur while the worker is on the job.

The victim of an accident is entitled to half his normal wage from the first working day following the accident until the 28th day. From then on, and until the day preceding his return to work, he is entitled to two-thirds of his wage. In case of incapacity, the employer is liable for payment of a life annuity, the amount depending on the wage and percentage of incapacity. In case of death, the indemnity is paid to the dependents. The annuity paid to the widow is equal to 25 percent of the salary; the first two children each receive 15 percent; the others 10 percent, until they are 16 years old. The total annuity cannot exceed 75 percent.

The farm operator is also responsible for the reimbursement of all medical expenses incurred as a result of the accident, within the limits of the medical rates applicable to such accidents. This heavy degree of liability makes insurance a necessity.

RELATIONSHIPS OF AGRICULTURAL COOPERATIVES

With General Farm Organizations

The programs of the cooperatives and the general farm organizations are interrelated. The cooperatives share with the general farm groups in making up the top national farm organization, the General Confederation of Agriculture (Confédération Générale de l'Agriculture) (CGA). (Figure 2.)

As seen several national federations make up CGA. By far the largest, however, is the National Federation of Unions of Farm Operators (Fédération Nationale des Syndicats d'Exploitants Agricoles) (FNSEA) and the cooperative federations. The FNSEA is the largest union of general farm organizations in France. It claims a total membership of 1.7 million of the 2.5 million farm operators in the country.

Several cooperative federations are also members of the General Confederation of Agriculture (CGA). The cooperative insurance and credit organizations have never affiliated directly with the other cooperatives in the

cooperative federation. Thus, these federations are direct members of CGA. Among the marketing, processing, and service cooperatives, the largest federation member of CGA is the National Federation of Agricultural Cooperatives. In addition, there is a smaller group which recently seceded from the National Federation to form the General Confederation of Agricultural Cooperatives.

Historically, the cooperatives have furnished the major part of the leadership in CGA. In fact, the organization's president (1954) came from the National Federation of Agricultural Cooperatives. Recently, however, the leadership of general farm organization members has been strengthening.

The objectives of CGA are sufficiently broad for all the members to share theoretically in the programs. Briefly, its objectives may be summarized as follows:

1. To increase the quality and quantity of agricultural production in France.
2. To lower the cost of production of agricultural products.
3. To improve rural living conditions.

Until recently CGA was both the national and international spokesman for French agriculture. However, a recent revision of its constitution returns a great deal of policy functions to the member federations.

Under the new constitution, CGA is largely a coordinating body on policy matters delegated by the member federations. The individual member federations are their own spokesmen on matters of policy affecting them. CGA maintains no operating staff and thus its activities are limited to statements specifically authorized by the Board. Thus CGA has become less prominent and its individual members more prominent in domestic agriculture than was the case earlier in the past World War II period.

On the international front, CGA continues to be the French voice of agriculture. In this capacity, it is the only French member of the International Federation of Agricultural Producers.

With the Government

In general, the Government has not sponsored the organization of agricultural cooperatives in France. The relationships between the French Government and the agricultural cooperatives are somewhat different from the concept of relationships in the United States. At least two reasons are responsible for this situation: (1) One is that there is more Government regulation of business in France than there is in this country. (2) The other is that French agriculture operates in an atmosphere of subsidies. In both these situations, the cooperatives have fitted into the general scheme as part of the industry as a whole and not as an individual segment. In other words, cooperatives evidently have not been singled out for either special favor or punitive action.

As part of the Government's function of providing for the operation of business, the usual enabling statutes for cooperatives have been established. As in the United States, the French laws provide rules under which cooperatives can be organized and operated. However, they go somewhat farther in spelling out specific details of operation than is true in this country. Also, certain safeguards to protect other industries against undue competition from cooperatives have been set up.

Some laws hamper or restrict the operations of the cooperatives. Two will be illustrated: (1) Under the French laws, except for a short period the agricultural cooperatives cannot do nonmember business. This prohibition causes some of the newly constructed facilities to operate below capacity, as the members cannot fully supply the required volume. (2) Another law restricts cooperative processing to products produced by the members or processed for their use. For example, this restricts the cooperative oil mills from buying soybeans to supplement their own seeds for processing, as the major item has been interpreted to be oil and not the meal and cakes which the farmers would use.

In addition to providing rules for the set-up and operation of agricultural cooperatives, the French laws also provide for supervision. As a result, the cooperatives are inspected and have their books audited by Government inspectors.

In some instances, the cooperatives benefit from Government regulations to bring about a certain industry result. An example is cited in the case of the salt cooperatives on the Atlantic Coast. In view of the high cost of production in this area, all Atlantic Coast salt is required to be marketed through the cooperatives there.

The cooperatives, along with other segments of the agricultural industry, receive benefits from the various subsidy programs. Prior to the Marshall Plan, agricultural subsidies to cooperatives were authorized by the Agricultural Engineering Bureau. The agricultural bank also exerted influence on reserves and operating activities through their rules regarding qualifications for loans.

In 1947, the National Fund of Modernization and Equipment was established. This was set up to provide for use of counterpart funds generated through Marshall Plan Aid. Through these funds, the cooperatives received extensive subsidies. Eligibility for the subsidies was established through the submission and approval of definite projects. Under the plan, a 20 percent subsidy was permitted for constructing new facilities and 10 percent for expanding existing ones.

Similar plans prevail for subsidies in financing. For instance, through approved projects, the National Agricultural Bank makes loans of 60 percent, provided 20 percent is raised by the borrower with the remaining 20 percent as a subsidy. In this manner, subsidies go through the farm machinery, fertilizer, and other agricultural industries and strengthen the position of the cooperatives.

With Consumer Cooperatives

The agricultural and consumer cooperatives of France compete less and have less in common than do these two groups in some other countries of Europe. In general, the consumer cooperatives are located in the industrial centers with only minor activity in the rural sections. Thus, members of the two types of cooperatives have minimum contact with each other. The Consumer Cooperative Wholesale Society (Société Générale des Coopératives de Consommation) does not engage in agricultural production. Thus, there is minimum competition between the two groups.

As a result, the agricultural and the consumer cooperatives maintain friendly relations and work together on matters of common interest to all cooperatives. In this capacity, they are both members of the National Committee of Cooperative Understanding and Action (Le Comité Nationale d'Entente et d'Action Coopérative).

GLOSSARY OF NAMES OF COOPERATIVES

English Name	French Name	Headquarters	Remarks
General Confederation of Agriculture	Confédération Générale de l'Agriculture - CGA	Paris	Not a CGA member
General Union of Agricultural Supply Cooperatives	Union Générale des Coopératives Agricoles d'Approvisionnement	Paris	Not a CGA member
General Union of Grain Growers' Cooperatives	Union Générale des Coopératives Agricoles de Céréales	Paris	
National Confederation of Wine Cooperatives	Confédération Nationale des Coopératives Viticoles	Paris	
National Farmer Cooperative Association for Production of Diverse Crops	Société Coopérative Agricole Nationale des Productions Agricoles Diverses	Paris	
National Federation of Agricultural Cooperatives	Fédération Nationale de la Coopération Agricole	Paris	Covers 23 national groups
National Federation of Cooperative Oil Mills	Fédération Nationale des Coopératives d'Huilerie	Paris	
National Federation of Cooperatives for Oilseed Storage	Fédération Nationale des Coopératives de Stockage d'Oleagineux	Paris	
National Federation of Cooperatives Atlantic Salt Producers	Fédération Nationale des Coopératives de Producteurs de Sel de l'Atlantique	Paris	
National Federation of Cooperatives for Production and Marketing of Table Grapes	Fédération Nationale des Coopératives de Production et de Vente des Raisins de Table	Paris	
National Federation of Cooperatives for the Purchase and Use of Farm Machinery	Fédération Nationale des Coopératives d'Achat et d'Utilisation de Matériel Agricole - CUMA	Paris	
National Federation of Dairy Cooperatives	Fédération Nationale des Coopératives Laitières	Paris	
National Federation of Farm Supply Associations	Fédération Nationale des Groupements Agricoles d'Approvisionnement	Paris	Not a CGA member
National Federation of Farmer Cooperatives for Processing Sugar Beets	Fédération Nationale des Coopératives Agricoles de Transformation de la Betterave Industrielle	Paris	
National Federation of Farmer Cooperatives for Technical and Scientific Work	Fédération Nationale de la Coopération Agricole Technique et Scientifique	Montpellier	
National Federation of Flax Cooperatives	Fédération Nationale des Coopératives Linieres	Paris	
National Federation of Grain Cooperatives	Fédération Nationale des Coopératives de Céréales	Paris	Not a CGA member

English Name	French Name	Headquarters	Remarks
National Federation of Poultry Cooperatives	Fédération Nationale des Coopératives Avicoles	Paris	
National Federation of Producers of Salt from the Atlantic	Fédération Nationale des Coopératives de Producteurs de Sel de l'Atlantique	Sables-d'Olonne	
National Federation of Societies Sponsoring Farmers' Electrical Service Groups	Fédération Nationale des Sociétés d'Intérêt Collectif Agricole d'Electricité	Paris	
National Federation of Syndicates of Forest Owners (Section of Forest Cooperatives)	Fédération Nationale des Syndicats de Propriétaires Forestiers Sylviculteurs (Section des Coopératives Forestières)	Paris	
National Federation of Wine Distilling Cooperatives	Fédération Nationale des Distilleries Coopératives Vinicoles	Paris	
National Federation of Wool Cooperatives	Fédération Nationale des Coopératives Lainières	Paris	
National Union of Cooperatives for Beef Cattle Breeding and Artificial Insemination	Union Nationale des Coopératives d'Élevage et d'Insémination Artificielle de l'Espèce Bovine	Paris	
National Union of Cooperatives for the Purchase and Use of Farm Machinery	Union Nationale des Coopératives d'Achat et d'Utilisation de Matériel Agricole	Paris	Members of CUMA
National Union of Dairy Cooperatives	Union Nationale des Coopératives Laitières	Paris	
National Union of Agricultural Supply Cooperatives	Union Nationale des Coopératives Agricoles d'Approvisionnement	Paris	
National Union of Farmers' Cooperatives Marketing Fruit, Vegetables, Potatoes, and Selected Plants and Seeds	Union Nationale des Coopératives Agricoles de Fruits et Légumes, Pommes de Terre, Plants Sélectionnés et Semences	Paris	
National Union of Farmers' Cooperatives for Grain	Union Nationale des Coopératives Agricoles de Céréales	Paris	
National Union of Farmers' Cooperatives for Milling and Baking	Union Nationale des Coopératives Agricoles de Meunerie et de Meunerie-Boulangerie	Paris	
National Union of Flax Cooperatives	Union Nationale des Coopératives Linières	Paris	
National Union of Hemp Cooperatives	Union Nationale Chanvrière	Paris	
National Union of Oil Seed Crushing Cooperatives	Union Nationale des Coopératives d'Huilerie	Paris	
National Union of Wine Cooperatives and Distilling Cooperatives	Union Nationale des Coopératives Vinicoles et des Distilleries Coopératives	Paris	
National Wheat Office	Office Nationale Interprofessionnel des Céréales - ONIC		Government controlled

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ITALY

Agricultural cooperatives of Italy have shared the varied and troubled economic and political fortunes of that country. Because of these fast-changing factors, a wide range in structure, function, and relationships is found among the cooperatives.

Wide variation in the agriculture of Italy requires many different organizations and programs. Agricultural products range from those of Alpine mountain farms through the temperate general-crop areas to the semi-tropics of the coastal plains.

The range in land tenure and type of farm operators is equally wide. The home-owning peasant type of agriculture is much less important in Italy than in most European countries. Absentee ownership, among both large and small holders, is high. This results in high tenancy. In fact, there are frequently layers upon layers, extending from the first tenant through a series of sub-lessees to farm laborers at the bottom.

Both politics and Government have played strong hands in shaping the cooperative pattern. Some of the larger cooperatives receive Government subsidies or perform industry services for the Government. Frequently voting among the membership divides along political lines. The major cooperatives were taken over bodily by the Government during the Fascist period. All these complex and varied factors have influenced and continue to influence, the structure and operations of the agricultural cooperatives of Italy.

EARLY AGRICULTURAL COOPERATIVES

Agricultural cooperatives of Italy began to develop soon after the middle of the past century. The first cooperatives were local processing organizations formed by the small farmers in northern Italy. The main items processed were cheese, wine, and silk.

Later in the century, the cooperative idea spread to the larger producers. Again, the farmers of northern Italy led the way. They were primarily interested in obtaining farm supplies. Their secondary interest was in the marketing of farm products. Thus, these locals supplied the two services of handling farm supplies and marketing farm products.

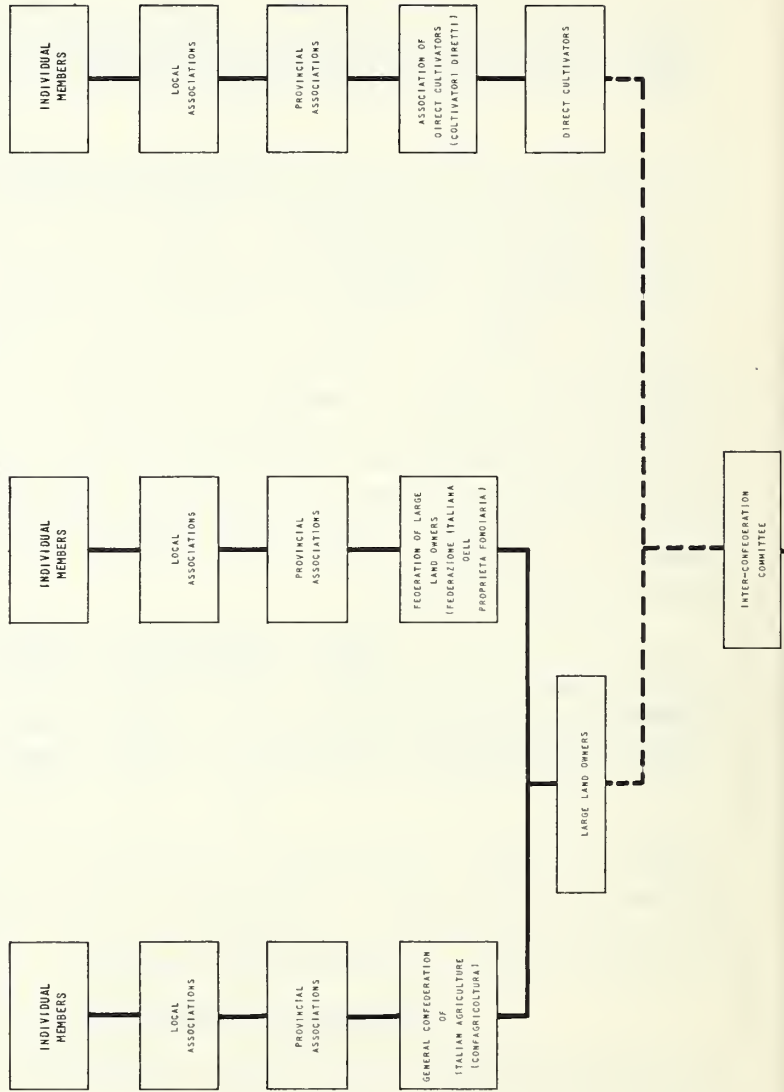
STRUCTURE OF AGRICULTURAL COOPERATIVES

As in other European countries, the basic unit of agricultural cooperatives is the local association. These locals are then combined into regional and national federations.

Within this framework of federated locals, however, there are two distinct types of organizational and functional relationships. Roughly, the two types may be divided into the groups first organized by the small producers and farm laborers and those organized by the large producers.

Note - The authors are indebted to Robert C. Tetro, former Agricultural Attache, and to Eric B. Shearer, Assistant Agricultural Attache, for material, for their careful review of the manuscript, and for their many helpful suggestions regarding changes and shifts in emphasis. This report is based on information available to the authors as of late 1953.

FIGURE I
MAJOR ITALIAN FARM ORGANIZATIONS



ITALIAN FEDERATION OF FARMERS' COOPERATIVES
(FEDERAZIONE ITALIANA DEI CONSORZI AGRARI)

PRESIDENT
21 DIRECTORS
GENERAL MANAGER

12 OPERATING DEPARTMENTS

- 1. SUPPLY
- 2. FEED
- 3. PLANTS AND SEEDS
- 4. AGRICULTURAL MACHINERY
- 5. SALES
- 6. WAREHOUSING AND STORAGE
- 7. CEREALS
- 8. IMPORTING
- 9. ORGANIZATION
- 10. FINANCE
- 11. GENERAL AFFAIRS
- 12. MARITIME AND PORT

4 SERVICE SECTIONS

- 1. TECHNICAL EQUIPMENT
- 2. TRANSPORTATION AND INSURANCE
- 3. PUBLICATIONS AND RESEARCH
- 4. PERSONNEL

6 INTER-REGIONAL OFFICES
5 INTER-REGIONAL SUB-OFFICES

INTER-REGIONAL
1. MILAN
2. PADOVA
3. BOLOGNA
4. ROMA
5. NAPLES
6. PALERMO

SUB-INTERREGIONAL
1. TURIN
2. FLORENCE
3. ANCONA
4. BARI
5. CATANIA

91 PROVINCIAL AGRARIAN CONSORTIA

NATIONAL LEAGUE OF COOPERATIVES (LEGA NAZIONALE DELLE COOPERATIVE)

ABOUT 800 AGRICULTURAL ASSOCIATION MEMBERS (1948)

158,000 MEMBERS (1948)

ITALIAN COOPERATIVE CONFEDERATION (CONFEDERAZIONE COOPERATIVA ITALIANA)

ABOUT 3,000 AGRICULTURAL ASSOCIATION MEMBERS (1948)

661,103 MEMBERS (1948)

As stated, the first agricultural cooperatives were locals set up by the small farmers of northern Italy for processing their dairy products, wine, and silk. Largely, these locals performed a single service; they made cheese or they made wine or did some other single service.

These locals comprising small farmers were set up on the Rochdale plan, the system for consumer cooperation developed by the Rochdale Equitable Pioneers Society in Rochdale, England, in 1844. They grew up side by side with urban cooperatives organized in nearby villages. Thus, the two movements became one and developed together. As a result, the federations formed of these Rochdale-type locals have both agricultural and urban cooperatives in their membership.

This is in sharp contrast with the programs of the locals organized in northern Italy by the larger farmers. First, these associations were organized independently of any other cooperatives. Evidently there was no coordination between the locals and the urban cooperatives or any other group. Also, the individual associations performed many services. The first organizations handled farm supplies and marketed farm products. However, they gradually added additional services, all of them performed by the local serving the area. This same pattern was followed in the federation of these locals. As a result, the Italian Federation of Agricultural Cooperatives (*Federazione Italiana dei Consorzi Agrari*) which began among the larger farmers, is a federation of strictly agricultural cooperatives of the multi-service type.

As the further development of cooperatives took place in Italy, the basic differences developed in the north were maintained. Therefore, these two types of cooperative patterns, the single service and the multi-service, are found throughout Italy today.

ITALIAN FEDERATION OF AGRICULTURAL COOPERATIVES (FEDERAZIONE ITALIANA DEI CONSORZI AGRARI)

Development

The Italian Federation of Agricultural Cooperatives--or Consorzi Agrari, is an outgrowth of earlier local development. This national federation is 'the top of a pyramid of provincial associations with "across the board" supply, processing, and marketing services to farmers.

The program began in the late 1800's among the larger landowners of northern Italy. These farmers began organizing into local groups to handle farm supplies and to market farm products. The development was successful and spread rapidly. Soon these cooperative leaders recognized the limitations of local assembling and bargaining power. They saw the need for coordinating the efforts of the locals.

As a result of the feeling of need for coordinating their efforts and extending their program, the heads of the early locals organized the Italian Federation of Agricultural Cooperatives, Piacenza, April 10, 1892. It transferred its headquarters to Rome in 1932.

The federation undertook to do the same things for the locals that the locals were doing for their producer-members. These services involved obtaining farm supplies and marketing farm products. In achieving these objectives, both locals and federation expanded their activities in manufacturing, processing, importing, exporting, research, and education. Many activities, such as manufacturing and processing, are joint ventures between the locals of a particular area and the federation.

The national federation and its member-locals soon outgrew the cumbersome membership plan first adopted, as the member-locals numbered into the hundreds. Therefore, in 1930, by Government direction a plan was developed for consolidating the locals into provincial associations, each a Provincial Agrarian Consortium. Under the plan, the locals in each Province were merged into one provincial association. In many instances, this "reorganization" along administrative boundary-lines has led to serious disadvantages. However, this plan prevails today.

The federation and its members operated as regular limited-liability cooperatives until 1927. Then they were taken over by the Government, which dissolved the boards of directors and centered control in a commissioner appointed by the Minister of Agriculture. The organization or grouping of the locals along geographic or provincial lines was a product of the Government action. This commissioner had absolute control over both programs and personnel. Thus, the administration reversed from the "bottom up" to the "top down."

Until after World War II, the national federation, Consorti Agrari, was the principal agricultural arm of the Government. As such, its machinery served as collection and storage agencies for the agricultural products requisitioned by the Government, and as distribution agent for allocated farm supplies. The organization was also used by the Allied Control Commission after liberation in 1944.

An Act was passed in May 1948 separating the federation from the Government and returning it to the members. The Act, however, differs from practices in the United States in outlining the operations of the cooperative. For instance, such features as the method of electing officers and setting membership fees, usually found in bylaws in this country, are outlined in the Act. Also ultimate control over the provincial consortia and over the federation is vested in the Minister of Agriculture, including the power to dissolve elected administrations and appoint "commissioners."

The magnitude and scope of the program and facilities of the federation and its members are recognized by the present Government of Italy. As a result, the federation has performed many industry-wide services for the Government. During the past few years, its official business has been limited to handling, as the Government's sole agent, the collection, storage and distribution of the Government's quota of each year's wheat crop (about 1.5 million short tons) as well as the importation and

handling of foreign wheat (between 1 and 2 million tons a year). The federation has an office in Washington, D. C., through which it makes purchases both for its own and the Government's account.

In addition, the federation holds exclusive franchises for sale of the products of Italy's two leading producers of (1) fertilizer (Montecatini) and of (2) tractors (Fiat). It also controls a number of companies in the processing, fertilizer, and insurance fields.

As a result of its Government functions, the federation is subject to a certain amount of Government control. This is exercised through the Ministry responsible for the function and a board of auditors composed of the Ministers of Agriculture, Treasury, and Commerce.

The large and varied program of the federation, its several reorganizations by the Government, and its semi-governmental functions have removed the management and operations a long way from the grower. The federation does extensive business with non-members. It makes no patronage refunds but uses any surplus for expansion and information. Some are of the opinion that it is more of a general commercial organization than a cooperative. However, it is the most important agricultural organization in Italy and is economically sound.

Structure and Control

The Italian Federation of Farmer Cooperatives, the ConSORZI Agrari, is a national federation with provincial associations, or consortia as members. The Act of 1948 requires membership by the provincial associations. The locals, which were first organized, established the pattern of operation. This plan was continued into the federation. Thus, in structure the federation is really a giant "association" superimposed upon and commingled with the 91 provincial associations which are its members. The federation's overall program is similar to that of its members but is amplified to national and international proportions.

The plan of administration of the federation is also similar to that of its provincial members. This plan is set forth in the Act of May 1948 which separated the federation from the Government.

Relation to Provincial Associations

As stated, the provincial associations resulted from a merger of the locals in 1930. The vast number of locals were getting cumbersome to handle in the federation. So, under the merger, all the locals in each of the 91 Provinces were consolidated into provincial associations, or consortia.

These cooperatives have followed the same economic program policy as that of the Boerenbond and the Alliance Agricole of Belgium.⁶ This

⁶ See Agricultural Cooperation in Western Europe, Section A. - The Benelux Countries. General Report 4, U. S. Farmer Cooperative Service. May 1954. Pages 1-25.

policy visualizes a multi-service program with one cooperative performing all the services needed by the farmers of a particular area. This is in contrast to the single-service locals generally found in Europe.

The agriculture of Italy varies widely. Thus, guided by this common objective, the 91 provincial associations have developed a widely varying program as each has attempted to develop services to meet its particular needs.

Activities in each provincial association generally fall into three classes: Distribution, storage, and manufacturing, and processing.

An elaborate distribution system has been built up in each Province. This consists of a network of district and local offices radiating out from the central office. In practice, the provincial sales system handles sales and distribution within the Province. Coordinated with its sales system, the federation also handles outside sales.

Depending upon the type of agriculture in each Province, the provincial associations have developed elaborate storage facilities for concentrating and storing products. Among the products stored are cereals, fruits and vegetables, oils, wine and nuts.

The associations maintain many types of manufacturing and processing plants. Among the manufacturing activities are the mixing of fertilizer and feed. Among the processing activities are the following: Cleaning seed, processing tobacco, and making milk products, wine, olive oil, jams, and other fruit products.

The policy of each provincial association, or consortium, is in charge of a board of directors of 13 members. Twelve of this number are elected by the producer-members; the thirteenth member is elected by the association's personnel. The president is elected by the board of directors. Directors serve for 3 years and can succeed themselves.

The producer-directors are elected at a provincial meeting by delegates from district meetings. At these district meetings, one delegate is elected for each 20 members. The one-member, one-vote method is used, and votes may be cast in person or by proxy. As provided in the Act of 1948, the "Majority Party" system is used in selecting the directors. Under this system two-thirds of the directors must come from the members who belong to the majority party in the Province and one-third from the second, or minority party.

The actual operations are in charge of a director or manager appointed by the board. The close tie-in with the federation is evidenced by the fact that the board appoints the manager from a roster of executive personnel maintained by the federation. Under the manager are department heads and an elaborate field service.

The objectives of the provincial associations were carried forward and became the objectives of the national federation. Again, these objectives

are to supply in a "one-package" program all the farm supply and marketing services needed by the farmers of the area. In the instance of the federation, the area is all of Italy.

Starting with the programs of the provincial associations, the consortia and guided by these objectives, the federation or Consorzi Agrari, essentially reproduces on the national level the organization and program pattern developed by the provincial members. Its services and structure are superimposed upon and commingled with those of the provincial association members to form a compact national unit. Its activities largely begin on a national and international level whereas the member associations leave off at the provincial level. Its storage, processing, and distribution facilities are scattered throughout the country and located side by side with those of the members. Many of these facilities are owned jointly with the members.

Policy in the national federation is in the hands of a 21-man board of directors. Eighteen of these directors represent the membership. They are usually provincial presidents. One represents the executive personnel; one, the non-executive personnel; and one, the provincial-association directors.

Under provisions of the Act of 1948 the federation, like the provincial associations, elects two-thirds of the 18 directors from the majority party represented in the membership and one-third, from the minority party. The distribution of these directors reflects the shift in party alignment of the federation's leadership over the years. As stated, the federation was founded by large growers. This leadership existed prior to and throughout the Fascist period. Although the federation was founded by large growers, the smaller farmers, or direct cultivators, have assumed leadership recently.

At the present time, majority control is in the hands of a coalition of direct cultivators and large growers. However, the direct cultivators are definitely in the saddle and, in fact, have elected the president of their powerful national association as president of the federation.

In the federation, as in the provincial associations, board members serve for 3-year terms and can succeed themselves. As part of its organization, the board elects an executive committee of six members. Like the party distribution in the board, four of the executive committee are from the majority party and two from the minority. They serve their full terms even when the political complexion of the Government changes.

Operations

Direct operations of the federation are in charge of a director or manager appointed by the board. Services extend through 12 departments and 4 service sections. Administrative contacts, field work, and liaison are maintained through 6 regional and 5 subregional offices (Figure 1).

Through this machinery the federation coordinates, integrates, improves, and expands the programs of the provincial associations. These activities include managing purchases, sales, and storage, and manufacturing nationally; handling international purchases and sales; and carrying out Government programs having to do with agriculture.

Departments

The national federation maintains 12 operating departments. Each department deals with the particular activity assigned to it. In general, the departments have a threefold responsibility--obtaining supplies; research in this field; and information for, or education of, the members. Supplies may be obtained, by one or all of three methods: (1) Manufacture or production by the federation, (2) joint production or manufacture by the federation and provincial associations, and (3) purchase from sources other than cooperatives.



One of 14 fertilizer plants owned by the Federation. This one at Macerata has an annual capacity of 100,000 tons.

Supply

The supply department performs two services; namely, supply and research. The major products handled by the department are fertilizers, fungicides, insecticides, and other chemicals.

The department obtains as many of its supplies as possible from plants owned by the federation, its members, or jointly owned by both. It buys the remainder from other sources.

The department does not release precise figures on volume handled. Thus, it is not possible to determine the national proportions of products this department of the federation buys or sells. However, the federation does report that the department handles over 50 percent of the total fertilizers and other farm supplies, and 80 percent of certain fertilizers.

Fourteen fertilizer plants are operated by the federation, its members, or jointly. These plants produce about 350,000 tons of mixed fertilizers each year.

The supply department carries on extensive research directed at finding the fertilizers, spray materials, and equipment best adapted to Italian agriculture.

Feed

Like the supply department, the feed department handles both supplies and research programs in feeds. It obtains feeds from the mills operated by the federation and its members and from other manufacturers.

The national federation operates two mills of its own. In addition, 26 of the provincial associations have feed mills. These 28 mills produce about 220,000 tons of feed annually. In addition, the federation obtains some 70,000 tons per year from other dealers.

The department's research activities consist of experiments to determine the best mixtures of feeds, their nutritive value, and best uses. This information is passed on to producers through a publicity program.

Plants and Seeds

The plant and seed department functions as three sub-departments. One of these handles production and distribution of farm seeds; another, nursery stock; and the third, herbs for medicinal and aromatic purposes.

This department cooperates with the experiment stations in producing improved types of a wide variety of grain, legume, oil, vegetable, and fiber crops.

The department obtains seed from the three sources used by the federation; namely, from production operations of the federation, from the production of provincial associations, and from supplies purchased from sources other than cooperatives. The federation has two companies producing seed, one for cereal crops and one for forage and truck crops. In 1950, these activities accounted for 2,205 tons of cereal seed and 330 tons of forage-crop and vegetable seed.

By far the greater production came from the plants of the provincial associations. In 1950, the 270 plants operated by these associations produced 126,800 tons of cereal seed. During the same year, the 90

plants producing forage and truck-crop seed turned out about 9,000 tons. Thus, the combined seed production of these two groups totaled over 138,000 tons in 1950.

The department's nurseries handle grapefruit and olive plants. The department itself operates 11 nurseries. It makes purchases from non-cooperative nurseries for the remaining requirements.

The department also owns a processing plant for distilling medicinal and aromatic herbs. The 1947 output from this plant was 60 tons.

Agricultural Machinery

Like the other supply departments of the national federation, Consorti Agrari, the machinery department maintains both a supply and a research division. The department also handles agricultural fuels and lubricants.

Machinery is obtained from two sources, from the factories operated by the federation and its associated companies and from large companies at home and abroad. In many cases the federation obtains a contract with a large foreign machinery firm to become its sole distributor in Italy. Through this means, it supplies a large variety of farm implements and parts and, in addition, such items as wire and belting.

Trained technicians maintain a repair service on machinery. In the case of large machines such as tractors, service is given at the farm.

The agricultural machinery department also conducts research. This mainly consists of devising and testing new machinery and developing improvements to existing machinery.

The federation is building back its fuel division, which was curtailed during World War II. This division handles fuel oil and lubricants for agricultural machinery.

Sales

The sales department of the federation is really a continuation of the sales departments of the provincial associations. The provincial associations have a central sales office and a network of branch offices throughout the provinces. The national federation has a central office and a network of branch offices throughout the provinces and in a number of foreign countries, including the United States. Federation products are sold under the brand name "Fedexport."

The national federation and the provincial associations have a coordinated sales program. Local sales within the provinces are handled by the provincial associations. Interprovincially and internationally, the national federation handles sales. The combined program, therefore, extends from the local communities into the markets of the world.



Fruit grading plant operated by the Federation.

The federation sales network is also used for obtaining certain supplies. This is especially true of seeds. Through its connection in world markets, the sales department obtains foreign seeds adaptable to the needs of Italian farmers.

The companies owned by the federation and provincial associations also own packaging, crating, and processing plants. Among the processing plants are jam factories, tomato-paste plants, canning factories, and wineries.

Warehousing and Storage

The federation and the provincial associations have a network of owned and rented warehouses and storage plants scattered throughout Italy and in some foreign countries, particularly Argentina. During the periods of Government management the facilities were used for assembling and distributing products. Normally, however, administered by Government programs the system operates for voluntary storage by the farmers. Advances are made to farmers or to their associations at the time of delivery of products for storage. Among the commodities stored are grains, wool, oil seeds, and silk cocoons.

The national federation currently acts as exclusive Government purchasing agent for imported wheat. In 1951, this department brought in about 1,750,000 tons for the Government. Of this, some 60 percent had to be stored by the federation.



Italian farmers delivering wheat to a Federation storage.

Cereal Distribution

The national federation created the cereal distribution department before World War II to handle collection, storage and distribution of cereals under allocation. For the past few years, the department has been practically limited to handling the Government's share of the wheat supply. The wheat program consists of (1) payment of a guaranteed price to domestic producers for about one-half of the marketable crop, (2) re-sale of this quota, plus all imported wheat, at a fixed average price (with the Italian Treasury paying the difference) and (3) provincially fixed prices of common bread. The federation receives compensation for its services by means of a "lump sum" contract payment for each ton of wheat handled, both imported and domestic.

The program requires centralized handling and much detailed record-keeping. By a special law of February 1945, the federation received this assignment, and subsequently set up a department to handle it. It thus is responsible for the acquisition of cereal products and their distribution to the Italian trade. It also handles subsidy payments to the growers. During the years 1946-47, this department handled 2,835,400 tons of cereals, 1,685,300 tons of flour, and 155,400 tons of macaroni. In 1950-51, a total of 2,370,000 tons of cereals were distributed.

Foodstuff Importing

The foodstuff-importing department also is closely tied in with Government programs. It imports food products. These have included both products purchased on regular account and those obtained by the Government directly or through such international aid programs as Canadian Gift or the Marshall Plan.

This department also distributes part of these food products. Among these items are sugar, rice, fats, oils, and vegetables. It imports cereals, flour, and macaroni but turns them over to the cereal department for distribution.

Organization

The organization department is the coordinating agency between the national federation and the provincial associations. It also provides technical assistance to the provincial associations on such problems as industry, commerce, accounting, and policy. Its experts and technicians maintain constant contact with the provincial associations.

Financial

The central finance department maintains the business records of all the departments. These include records of business done for Government accounts with suppliers other than cooperatives, with the provincial associations, and with individual associations.

Secretariat and General Affairs

The secretariat and general affairs department assists the administration and management with general operating and public relations affairs. In addition, it maintains two distinct offices. These offices are the Legal and Taxation Office and the Office of Associated Companies.

The legal and Taxation Office is a service agency to the member-associations and to the other departments. It acts as legal consultant and counsel to the departments and to the member associations. It also advises them on tax matters.

The Office of Associated Companies coordinates the programs of facilities jointly owned by the national federation and the provincial associations. It has already been mentioned that three types of ownership of cooperative facilities exist--those owned by the national federation, those owned by the provincial associations, and those owned jointly by the two. The handling of these jointly owned facilities is centralized in the Office of Associated Companies.

There are a number of jointly owned companies. Among them are five vegetable processing plants, one forest products plant, two meat canning plants, two oil products processing plants, one macaroni factory, three seed cleaning plants, one winery, one crate mill, one hay factory, two agricultural machinery plants, one insurance company, one publishing company, and two real estate companies.

Maritime and Port

The maritime and port department handles the national federation's shipping in leading Italian ports and also part of the physical transportation of goods. Formerly the federation owned a number of ships and

thus supplied a substantial portion of its own transportation facilities. The ships were destroyed during World War II. Since then, some rebuilding has been done, including the new steamer "Federconsorzi," named for the federation.

Loading and unloading and necessary checking and handling of goods in port is done through the national federation's offices in the major ports of Italy. Maritime or port offices are located in Genoa, Leghorn, Naples, Venice, Palermo, Catania, Messina, Bari, and Ancona.

Service Sections

In addition to the 12 operating departments, the national federation maintains 4 service sections. These sections supply technical equipment, transportation and insurance, publications and information, and personnel services. In general, these sections make their services available both to the departments of the federation and to the provincial associations.

Technical Equipment

The technical equipment section might be called the engineering section. It has charge of the plans for, and construction and improvement of, plants and buildings for the federation. These include office buildings, warehouses, storage, factories, and processing plants. This section extends the same services on a consultant basis to the associated companies and to the provincial associations.

Transportation and Insurance

The transportation and insurance section has a technical service for transportation and an action program for insurance. It does not provide physical transportation. However, it serves as a "watch dog" for traffic rules and regulations which might affect the federation or its members. It also negotiates transportation and insurance tariffs and contracts on behalf of the federation and its members. Insurance coverage for the federation and its members is provided by the associated company mentioned on page 84. The transportation and insurance section gives technical assistance and guidance to this insurance company.

Publications and Information

The publications and information section extends about the same services a similar section or division would in a large cooperative in the United States. They include press releases and a weekly news sheet. In addition, the section supervises a publishing house wholly owned by the federation--the largest and best-known agricultural publishing house in Italy. It regularly publishes a wide variety of literature including a weekly Journal of Agriculture, a monthly Scientific Review of Agricultural Italy, a number of technical pamphlets and text books, and now has an Encyclopedia of Italian Agriculture in process of publication.

The section also has a special branch for organizing and assisting provincial associations with fairs in the provinces. It also participates in national and international fairs, trade shows, and expositions.

Personnel and Labor Relations

The name of this section implies its responsibilities. In addition to handling the regular personnel matters, it also assists the national federation and its members in their labor-relations programs.

COOPERATIVE FEDERATIONS WITH MIXED MEMBERSHIP

There are other cooperative federations in Italy than the Italian Federation of Farmer Cooperatives. Among these are two that have large numbers of agricultural associations among their membership. Along with the farmer locals, associations that perform other services are members. However, the federations are discussed in order to include the agricultural members.

As stated earlier, the first agricultural cooperatives of Italy were organized among the small farmers of the northern part of the country. They were organized mainly to process dairy products, wine, and silk. Thus, they were chiefly set up as single-function or one-service locals.

These local organizations came along with, or soon after, the local consumer cooperatives, which were organized in the nearby cities and villages. The consumer cooperatives sprang up among the workers. These agricultural co-ops stemmed from the small farmers and farm laborers. Thus, they had many common interests. As a result, the two groups developed together as a common cooperative movement. The organization pattern followed Rochdale, and this plan has continued.

Organized ahead of the farm-supply cooperatives set up by the larger farmers of northern Italy, these local processing and consumer cooperatives reached the federation stage before the farm-supply locals did. Thus, their first federation, The National League of Cooperatives (Lega Nazionale delle Cooperative) or Lega, as it is called, was formed in 1886. This preceded by 6 years the setting up of the Italian Federation of Agricultural Cooperatives (organized in 1892).

The membership of Lega included all types of cooperatives--consumer, agricultural, production, and services. Until the end of the First World War, it was the only federation of this type in the country. However, in 1919 it split into two groups, Lega and the Italian Cooperative Federation (Confederazione Cooperativa Italiana). Both of the resulting federations maintained in their membership all types of cooperatives--agricultural, consumer, and others.

These federations shared the fate of the Federation of Agricultural Cooperatives in that they were taken over by the Fascists. Both federations were dissolved in 1924.

At the end of World War II, both of these mixed-membership federations were permitted to reorganize. This was done in 1945. Both are in operation today. However, they have moved farther apart. The older and larger federation has shifted to the left. Officials of the other federation state that it maintains a "non-political" position. Both have retained the "all types of cooperatives" plan of membership. Also, many of the products handled by the agricultural cooperatives in the membership of both federations are sold through the shops of the consumer cooperative members. Both federations are members of the International Cooperative Alliance.

The National League of Cooperatives (Lega Nazionale delle Cooperative - ("Lega"))

The National League of Cooperatives (Lega) was started in 1886 in Milan. Headquarters have since been moved to Rome. It is thus the oldest of the Italian cooperative federations. It claims a larger membership than the Italian Cooperative Federation. In 1952, Lega reported 10,641 local cooperatives, with a combined membership of 3,149,263.

About two-thirds of the membership is in consumer societies. These societies make up almost half the total number of cooperatives in the federation. In 1948, the consumer societies were followed in federation importance by the production and labor cooperatives, with 174,000 members. The agricultural group was in third place, with about 800 associations with approximately 158,000 members. Minor cooperative groups in the federation membership include building, transport, credit, processing, and crafts.

Lega is primarily a federation of consumer cooperatives. Therefore, its thinking and policies favor urban workers. These are sometimes in conflict with the interests of agricultural producers as such. Like many consumer cooperatives, Lega owns and operates facilities for processing agricultural commodities. Among these factories are hemp mills, canning plants, meat-packing plants, tomato-processing plants, and marmalade and jam factories.

The agricultural cooperatives are therefore a minor part of the federation. While a number of types of agricultural associations are in the membership, the most important are the production cooperatives. Some of these are large. Some are owned by the provincial association members of the Federation of Agricultural Cooperatives. The farms are operated on a day-labor basis, with the workers sharing in the final earnings. Also, on these farms may be a number of other cooperative activities, as for example, a consumers' shop, or a canning factory.

During the period 1924 to 1945, Lega was controlled by the Fascists or the Military Government. For both it fitted into the Government-controlled distribution programs. In 1945, it was permitted to reorganize as a cooperative.

The Italian Cooperative Federation (Confederazione Cooperativa Italiana)

The Italian Cooperative Federation or the Confederation, as it is called, is the younger of the large cooperative federations. The program of its members, however, began with the organization of Lega in 1886. In 1919, the Catholic members seceded from Lega and set up the Confederation. At the present time, the organization claims to be wholly independent of political or church dominance. Its current leadership however, leans toward the Christian-Social school of political thought.

The Confederation is like Lega in that it combines all types of cooperatives in its membership. However, its membership is more heavily centered in the villages and rural areas and less in the industrial centers than is Lega's. This results in an entirely different balance between the agricultural and other cooperatives in the membership.

In 1952, the Confederation reported a membership of 8,635 local societies with a combined membership of about 1,790,000, most of whom live in northern Italy. Among this membership were consumer, production and labor, agricultural, fishing, housing, and credit cooperatives, each grouped into a category federation.



Harvesting grain on a cooperative farm. Organized in 1883, thirty-five families--300 people--cultivate 420 hectares (1,000 acres) of land near Rome.

The agricultural cooperatives represent the largest segment of the Confederation membership. In 1950, it reported 2,629 agricultural associations. Of these, 2,100 are processing, marketing, and farm-supply

associations. Main items processed and marketed are cheese and wine. The other 500 agricultural cooperatives are chiefly collective farms and credit associations. The second most important segment in the membership is the consumer cooperatives, with 2,332 locals in 1950.

The Confederation reported a membership of about 660,000 in 1948. Thus, the average membership is very small. Many of these associations are owned by the small peasant farmers in the sub-Alpine region. Though small, these cheese processing and marketing associations are efficiently operated. The Confederation purchases part of its farm supplies from the provincial agricultural associations.



The cheese cooperative at Vicenza--one of the agricultural members of the Confederation.

The Confederation also has about 400 credit societies among its members, with a reported membership of 250,000. Mostly, however, these locals are small and fairly weak. There is no central bank to coordinate their program, consolidate their deposits, and make large loans. Thus, they are limited to local savings and local programs.

The policy of the Confederation varies sharply from that of many federations of consumer cooperatives in regard to scale of business enterprise. As is well known, most large cooperative consumer wholesalers attempt to bring to their membership the benefits of big business, through manufacturing goods or purchasing them from primary suppliers. The policy, on the other hand, of the Confederation is to protect the small artisan through short cuts and efficiencies in merchandising. Its policy statement says in part: "Our aim is that the cooperative movement should become in the field of supply, sale, export and associate work, a defense for handicraft against big industry's competition."

As a result of this policy, the Confederation has no factories, processing or storage plants of its own, either agricultural or industrial. Some products of its craft and agricultural association members are merchandised through the shops of the consumer society members. Its principal function, however, is to represent members on the national level and to provide locals with assistance in tax matters.

OTHER COOPERATIVES

Information on the agricultural cooperatives of Italy, outside the three federations discussed, is limited. A large number of locals do exist. Also, several small federations are sponsored by various political groups. There is also at least one small federation of dairy cooperatives, the United Dairy Cooperative of Reggio Emilia, that operates independent of the Italian Federation of Agricultural Cooperatives.

United Dairy Cooperatives of Reggio Emilia (Latterie Cooperative Riunite)

The Province of Reggio Emilia is in the dairyland of Italy. Most of the milk in the Province is made into butter and cheese. Only a small proportion is used as fluid milk. About a third of the dairy plants in the Province belong to the United Dairy Cooperative. This federation was organized in 1934. The membership consists of some 155 local cooperatives. The locals are small, averaging about 50 farmer-members each.

This federation is progressive and businesslike; it conducts a strict program with its members. All the butter and cream produced by each member dairy is turned over to the federation for further processing and sale. At least one-third of the cheese production of each member must be turned over to the federation for seasoning, storage, and sale. This flexibility in cheese deliveries is permitted because of the length of the processing period. The typical cheese made -- Raggiano (a "parmesan") -- requires a 2-year seasoning period. Many farmers must sell part of their production before this long wait. Therefore, the federation permits the member associations to sell a portion of their cheese independently.

This federation built a modern pasteurizing plant, equipped it with refrigeration, and purchased refrigerated trucks for distribution. The resulting high-quality milk almost always tests above the required standards of the Health Department of Italy.

RELATIONSHIPS OF AGRICULTURAL COOPERATIVES

With Government

The cooperatives of Italy are more dependent on Government than cooperatives in the central and northern countries of Western Europe. Evidently two factors are responsible for this situation: (1) The

Italian Federation of Agricultural Cooperatives (Consorti Agrari) performs important services for the Government; and (2) more regulations are in effect, generally, in Italy than in many other countries.

The current relationship of cooperatives in Italy to the Government is also, no doubt, partially due to the cumulative effects of past policies. As mentioned earlier, the cooperatives were taken over by the Fascists and made part of the Government acquisition, storage, and distribution of machinery. This system was continued during the early stages of the Allied Military Government. Independence from this system, which came by degrees (and decrees), is practically complete at the present time but the habits and customs developed during the Government-control period are slow to change.

Cooperatives are subject to regulation and control by the Government Ministry most closely related to the activities of the cooperative. Thus the consumer cooperatives are subject to regulation and control by the Ministry of Labor. The Consorti Agrari, and its provincial associations, are supervised by the Minister of Agriculture. However, this national federation, and all others, must be registered with the Ministry of Labor, which has a special cooperation division, and they are subject to periodic inspection.

With General Farm Organizations

The general farm organizations serve three classes of members. These classes are the large landowners, the small "direct cultivators," and the farm laborers. (During the Fascist period, membership in these organizations was compulsory.)

There are no direct connections between the agricultural cooperatives and the general farm organizations. By this is meant there are no organization ties, joint boards, membership in central federations, or interlocking directorates, as are common in many countries. Apparently there are no indirect connections between the farm organizations and the agricultural associations that are affiliated with the consumer cooperatives. There are, however, indirect ties between the small "direct cultivators" and the Italian Federation of Farmer Cooperatives (Consorti Agrari). (Figure 1.)

Partly as a result of the broad base of agricultural interests in its membership and partly for economy reasons, the Italian Consorti Agrari, has assumed the position of international spokesman for Italian agriculture. In this capacity, it is the Italian member of the International Federation of Agricultural Producers.

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SWITZERLAND

Switzerland is the land of variety. That is, variety as far as language, religion, and topography are concerned. Four languages are spoken: German, French, Italian, and Romansh--a variation of the Roman. Three river valleys--the Rhine, the Rhone, and Aar--divide the country. Tributaries of the Po and the Danube also provide secondary outlets. The giant ranges and peaks of the Alps and the Juras intersperse the valleys. Through this maze of variation, however, runs the common bond of democracy. In this democratic atmosphere, cooperatives have flourished.

The area of Switzerland, 236 miles long by 137 miles wide at extreme length and width and including 15,944 square miles, compares with that of a small State in the United States. The country is divided into 22 states or cantons. The total population of the country in 1952 was estimated at 4,825,000. Slightly fewer than 20 percent of the people live on farms.

The farms are generally small and are heavily given to grass and pasture. Almost two-thirds of the productive land is in grass. Again, about two-thirds of the grassland is for pasture. This partially explains the importance of dairying and livestock breeding to Swiss agriculture.

The Swiss farmers are strong for organizations. There are about 238,000 farm holdings in the country. These farmers maintain more than 17,000 farm organizations of all kinds (Table 1). In 1941, the agricultural associations reported a total membership of 974,131 individual persons. This averages about four memberships per farm. Thus, practically all Swiss farmers belong to several organizations.

DEVELOPMENT OF AGRICULTURAL COOPERATIVES

Cooperation in Switzerland has developed in several stages. In that country the cooperatives preceded the general farm organizations. Thus, the early associations acted in the dual role of farm organization and economic cooperative. Later the cooperatives turned over the general farm problems to the newly organized general farm organizations.

There have been three periods of development of agricultural cooperatives. These are (1) the early community processing cooperatives, (2) the depression-born purchasing, marketing, and service cooperatives of the latter half of the past century, and (3) the large processing and bargaining organizations developed between World Wars I and II, and after World War II.

Cooperation in Switzerland began with the dairies. These organizations date back to the thirteenth century. Then, as now, a large part of the Alpine grazing lands was owned by non-cooperative corporations. As the villages grew, cooperatives were formed to supply milk and dairy products to these growing centers. It was the custom, also, for butter and cheese

Note - The authors are grateful to A. Stolopine, Research Assistant, American Legation, Bern, for supplementary data and helpful suggestions. The information contained in this report refers to the situation of agricultural cooperatives in Switzerland as of mid-1953.

Table 1. - *Agricultural and forestry associations in Switzerland*¹

Type of association	Number of locals ²	Number of federations ³	Total
Cultivation and utilization of cereals and potatoes:			
Seed selectors-----	51	3	54
Others-----	2	-	2
Cultivation and ensilage of forage:			
Associations of feed-growers-----	1	-	1
Associations of silo owners-----	3	-	3
Cultivation and utilization of industrial plants:			
Sugar beet growers' associations-----	5	-	5
Tobacco growers' associations-----	14	3	17
Others-----	4	-	4
Arboriculture and fruit utilization:			
Association of fruit-growers-----	346	7	353
Association of licensed arboriculturists-----	23	1	24
Association of fruit-tree nursery owners-----	5	-	5
Cider cooperatives-----	39	-	39
Cider manufacturers' associations-----	-	6	6
Other associations for the utilization of fruits-----	39	7	46
Viticulture and trade in wine:			
Associations of wine growers and for utilization of wine-----	131	8	139
Cooperative cellars-----	23	2	25
Associations of vine nursery owners-----	3	-	3
Forestry:			
Associations of owners of forests-----	191	-	191
Associations for the promotion of forestry-----	126	7	133
Associations of foresters-----	38	-	38
Cultivation and utilization of truck crops-----	30	3	33

Table 1. - *Agricultural and forestry associations in Switzerland*¹ - *Continued*

Type of association	Number of locals ²	Number of federations ³	Total
Horticultural societies-----	180	13	193
Reclamation:			
Reclamation-----	2,355	-	2,355
Better utilization of land, resettlement-----	1	-	1
Associations for the rationalization of farm buildings-----	1	-	1
Animal husbandry:			
Horse breeding-----	73	4	77
Cattle breeding-----	1,584	26	1,610
Goat breeding (only goats)-----	296	13	309
Sheep breeding (only sheep)-----	198	4	202
Hog breeding-----	142	5	147
Small stock breeding (mixed)-----	31	4	35
Breeding of fur-bearing animals-----	6	-	6
Associations of bird, poultry, pigeon and rabbit breeders-----	725	33	758
Apiculture-----	175	16	191
Pisciculture-----	1	-	1
Trade in livestock and utilization of animal products-----	6	-	6
Utilization of milk-----	5,069	21	5,090
Utilization of eggs, poultry, and rabbits-----	6	2	8
Utilization of honey-----	3	-	3
Agricultural cooperatives (purchase and sale)-----	1,071	11	1,082
Agricultural machinery:			
Threshing machines (cooperatives for lease, etc.)-----	238	1	239
Tractors-----	13	1	14
Other machinery and tools-----	408	-	408

Table 1. - *Agricultural and forestry associations in Switzerland*¹ - *Continued*

Type of association	Number of locals ²	Number of federations ³	Total
Flour mills, cold-storage, market halls, drying of forage:			
Associations of millers-----	51	1	52
Market-hall cooperatives-----	3	-	3
Cold-storage cooperatives-----	1	-	1
Cooperatives for the processing of forage-----	3	-	3
Cooperative distilleries-----	42	1	43
Farm credit:			
Credit for animal-breeders-----	2	-	2
Raiffeisen credit system-----	672	18	690
Farm credit organizations-----	7	-	7
Security cooperatives (buergschaftgenossenschaften)-----	1	-	1
Agricultural insurance:			
Horses (only)-----	54	2	56
Horses and other animals-----	5	-	5
Cattle and other livestock-----	2,236	2	2,238
Hail-----	1	-	1
Agricultural publications, information and propaganda:			
Associations of agricultural press-----	4	-	4
Information-----	2	-	2
Propaganda for furthering agriculture-----	2	-	2
Associations for furthering home work-----	21	2	23
Education:			
Associations of teachers and of agricultural engineers-----	4	-	4
Associations of former pupils of agricultural schools-----	51	1	52
Associations of editors of agrarian publications-----	2	-	2
Associations of country women (farmers' wives and daughters)-----	174	9	183

Table 1. - *Agricultural and forestry associations in Switzerland*¹ - *Continued*

Type of association	Number of locals ²	Number of federations ³	Total
Associations of land tenants-----	3	-	3
Farm and cooperative labor:			
Associations of employees of cooperatives, agricultural workers, etc.-----	4	-	4
Associations of workers employed in viticulture-----	1	-	1
Local, regional, and cantonal agricultural associations:			
Local and regional-----	236	35	271
Cantonal-----	6	26	32
Intercantonal and national agricultural organizations-----	2	2	4
Alpine agricultural associations-----	4	3	7
Economic and political organizations:			
Regional-----	1	1	2
Cantonal-----		2	2
Farmers' parties (political):			
Party associations (parteivereine)-----	7	1	8
Clubs of members of parliamentary factions and political clubs in general-----	14	-	14
Religious agricultural organizations-----	4	-	4
Swiss Farmers' Union-----	-	-	1
Totals-----	17,276	307	17,584

¹Swiss Agricultural and Forestry Associations (Die land-und Forstwirtschaftlichen Vereinigungen der Schweiz) by Dr. Brugger, Brugg, 1943.

²Association may extend beyond local areas, but members are natural persons and not associations.

³These federations may be second-, third-, or fourth-degree organizations, or combinations of them. Thus, there are federations, federations of federations, federations of federations, and combinations of the three.

⁴1946 - 858.



Swiss cattle graze on Alpine meadows.

to be made in the herdsmen's huts on corporation grazing lands. The milk was jointly supplied by owners of herds using the land.

The first formally organized Swiss cooperatives were cheese factories. They were organized in the Jura mountain communities about 1800. These were small community associations.

Cooperative development remained in the local associations "for dairy products" stage until the agricultural depression of the 1870's. At that time heavy imports of grain hit Switzerland as they did all similar countries of Europe. Farm prices dropped and the peasants were hard pressed. This situation

led to self-help efforts by the farmers. Among these efforts was the formation of cooperatives.

The new depression-born cooperatives were set up to handle farm supplies. The Elsau Agricultural Union (Landwirtschaftliche Verein), near Zurich, was organized in 1874. Its success led to the first farm-supply federation in 1881, the Winterthur District Agricultural Union (Landwirtschaftliche Bezirksverein). In 1886 this federation was reorganized into the Union of Agricultural Cooperative Societies of Eastern Switzerland. Winterthur (VOLG). Thus, this federation is the oldest of those active at the present time.

Other types of cooperatives soon followed farm supplies. Dairy federations, livestock associations, and credit unions started near the turn of the century. The first federation of dairy cooperatives, Agricultural Dairies (Laiterie Agricole), Lausanne, started in 1895. Two others organized before 1900. Cattle-breeding associations began about 1900, and the first Raiffeisen credit association started about 1902. The Raiffeisen system is a cooperative plan originated in Germany by which all members are jointly liable for all obligations of the association.

Also, during this depression period, interest increased in the protection of agriculture as well as in raising its efficiency. Thus, general farm organizations were developed. A national federation, the Swiss Farmers Union, was organized in 1897. This federation took over the national farm organization programs handled up to this time by VOLG.

The third period of cooperative development between World Wars I and II and after World War II resulted from the pressure for efficiency in production and distribution and for quality of merchandise. Some of the more important of these younger organizations market and process fruit,

handle seed, slaughter livestock, market livestock, market timber, and handle farm machinery.

STRUCTURE AND OPERATIONS

As is common in Europe, the basic unit of cooperatives in Switzerland is the local association (Table 1). These locals are then federated into regional or cantonal federations. Finally, national federations are formed. There is no over-all federation of the national commodity or service cooperatives. Some of these federations, along with the national farm organizations, are direct members of the Swiss Farmers Union, which is the central force of Swiss agriculture (Figure 1).

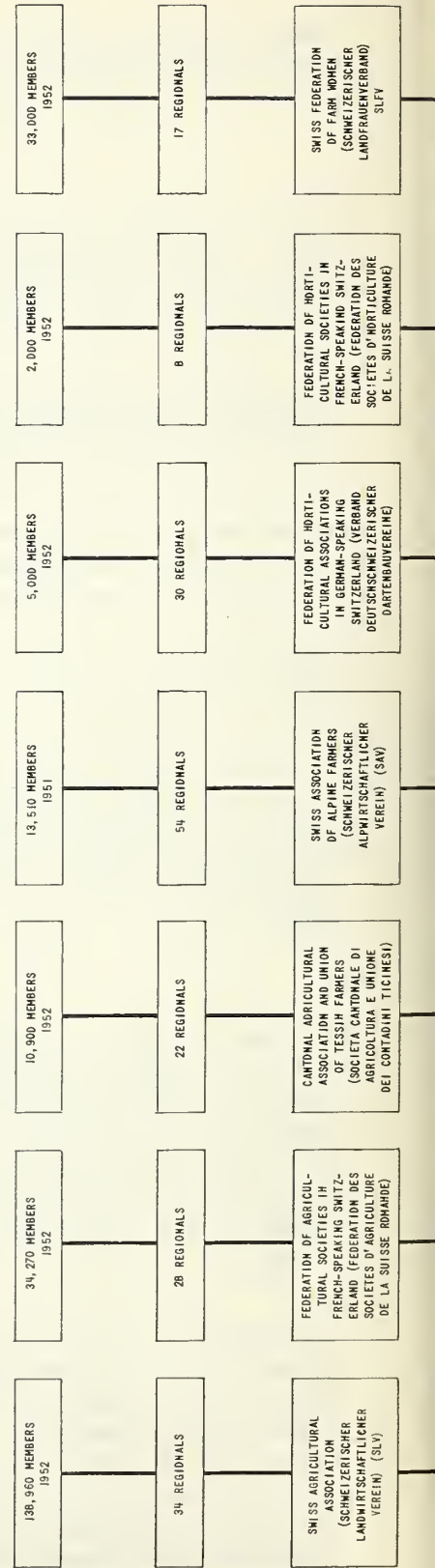
As already stated, there were over 17,000 local Agricultural associations of all kinds in Switzerland in 1941 (Table 1). Informed estimates are that this was approximately the number in 1954.

The locals generally are single-service type associations. That is, they are associations of dairymen, cattle breeders or wine growers, or of fruit-marketing, farm-supply, or some other service type. Exceptions to this general rule are the locals of VOLG which perform a number of services. The Swiss code covering cooperatives requires that the one-member, one-vote method of voting be used. Proxies are permitted. However, no member can cast the vote of more than one proxy. Also, the Raiffeisen credit associations require unlimited liability of their members.

A total of 307 federations of the agricultural associations were reported in 1941 (Table 1). Many combinations of and variations from the conventional federation are found in Switzerland. The usual type, a federation of local associations, is the most common. These make up more than half the total. Next most common, about one-fourth the total, are the federations with both individuals and associations as members. The other fourth is made up of federations of federations, or federations of federations of federations, and combinations of all four types of members.

In addition to the many variations in physical structure of the federations, there is also wide variation in the type of associations in the federation. With the objectives of the federation established, the membership is built of organizations to achieve those objectives. Thus, federations with cooperatives, general farm organizations, and agricultural or livestock-development associations combined in their membership are common. Some federations have departments of the consumer cooperative wholesales as members. Again, other federations that have industry functions assigned by the Government have noncooperative organizations in their membership.

FIGURE 1
 MAJOR AGRICULTURAL ORGANIZATIONS IN SWITZERLAND



(SCHWEIZERISCHER BAUERNVERBAND)
(UNION SUISSE DES PAYSANS)

63 SECTIONS 555,514 MEMBERS
1952

COOPERATIVES, COMMODITY, SERVICE AND HINDR FARM ORGANIZATIONS

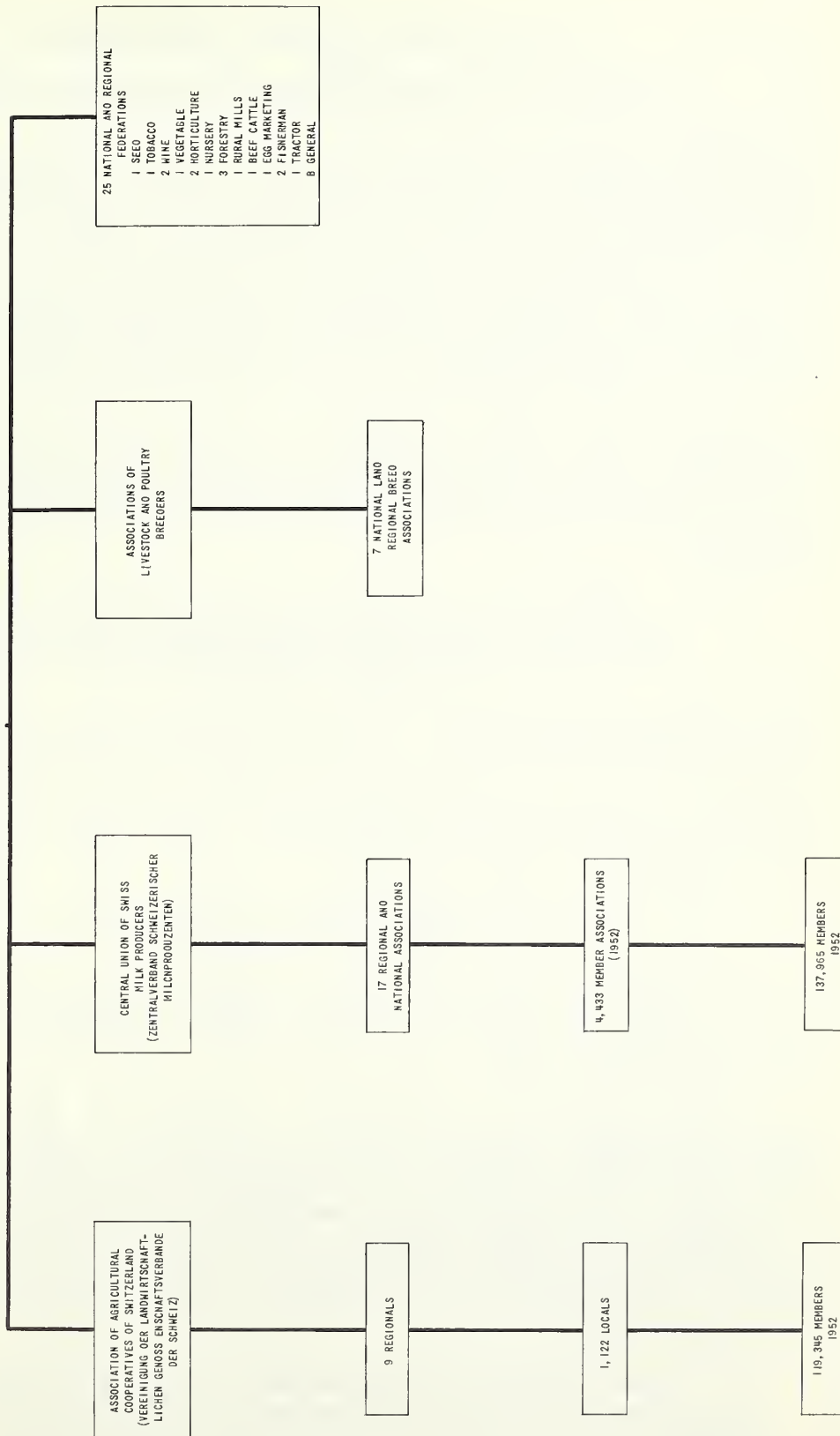
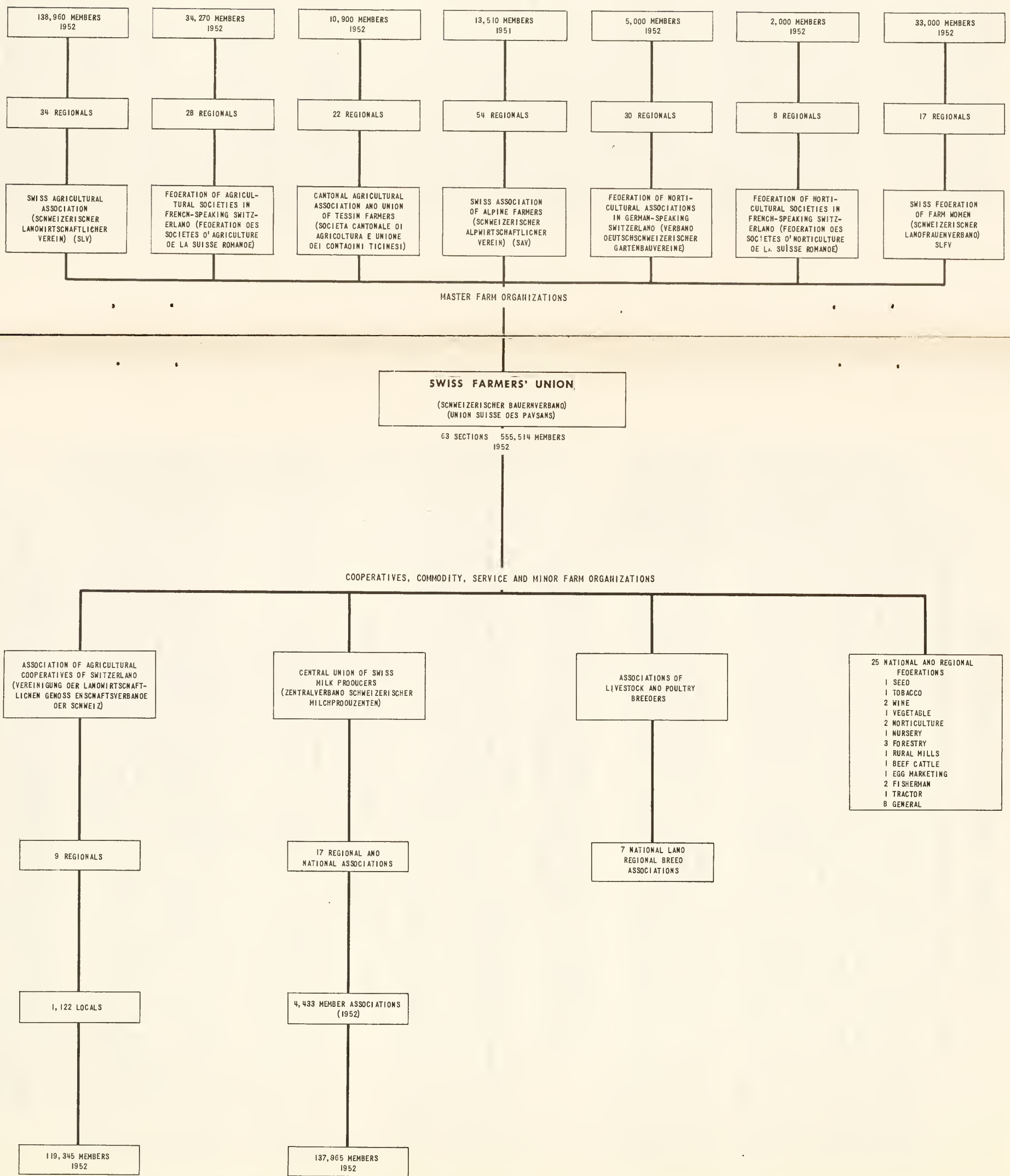


FIGURE 1
MAJOR AGRICULTURAL ORGANIZATIONS IN SWITZERLAND



AGRICULTURAL COOPERATIVE ASSOCIATIONS

Agricultural Purchasing and Marketing Cooperatives

As mentioned earlier, Swiss farmers began to form purchasing and marketing associations in the second half of the past century. This was during the depression period that affected most agricultural areas of Western Europe. They organized locals first. Operations were simple and consisted mainly of a community "order taker" to pool the orders of farm supplies for wholesale purchases. This practice is still followed to some extent. However, the orders are now placed with the cooperative wholesale to which the local belongs. Marketing farm products also has been added to the services.

In the depression period a number of regional and cantonal federations were formed. As is fairly common on Swiss federations, the membership of some includes both cooperative and non-cooperative associations. Most of these cooperatives are grouped into nine regional or cantonal federations.

Association of Agricultural Cooperatives of Switzerland (Verenigung der landwirtschaftlichen Genossenschaftsverbände der Schweiz, Winterthur)

This national organization is the cooperative trade association for its nine member-federations. It handles matters of general interest and importance but the actual business is done by the regional federations. In 1952, a total of 1,122 local cooperative associations belonged to regionals affiliated with this national. These locals reported a membership of 119,345 in 1952 (Table 2.)

Regional Federation Members of the Association of Agricultural Cooperatives

The nine regional federations that are members of the national association are listed in Table 2. In 1951, these federations reported 1,122 local associations in their membership. The locals, in turn, reported a membership of 119,345.

In general, the federations perform the same services for their members. These services are procuring farm supplies such as seeds, fertilizers, insecticides, tools, equipment, and household appliances, and marketing farm products. In addition, two federations, the ones with headquarters at Winterthur and at Bern (Table 2), handle consumer goods in much the same manner as consumer cooperatives do. Whether concerned with farm supplies or marketing, the federations own warehouses, factories, and processing plants.

Union of Agricultural Cooperatives of Eastern Switzerland (Verband Ostschweizerischer Landwirtschaftlicher Genossenschaften) (VOLG)

This federation will illustrate the activities of the regionals. It is the largest in number of both member-locals and producer-patrons

Table 2. - Membership of the Association of Agricultural Cooperatives of Switzerland (Verenigung der Landwirtschaftlichen Genossenschaftsverbände der Schweiz, Winterthur) (January 1952)

Federation	Year organized	Headquarters	Number of member locals	Number of members
Union of Agricultural Cooperatives of Eastern Switzerland----- (Verband ostschweizerischer landwirtschaftlicher Genossenschaften) (VOEG)	1886	Winterthur	354	30,192
Union of Agricultural Cooperatives of Bern and Adjacent Cantons----- (Verband landwirtschaftlicher Genossenschaften von Bern und benachbarter Kantone)	1889	Bern	247	26,034
Union of Agricultural Cooperatives of Central Switzerland----- (Verband landwirtschaftlicher Genossenschaften der Zentralschweiz) (VLGZ)	1890	Luzern	59	6,691
Federation of Agricultural Cooperatives of the Canton of Fribourg----- (Federation des syndicats agricoles du canton de Fribourg)	1907	Fribourg	35	4,708
Union of Agricultural Cooperatives of North Switzerland----- (Verband landwirtschaftlicher Genossenschaften der Nordschweiz) (VLGN)	1906	Solothurn	101	5,094
Union of Agricultural Cooperatives of the Canton of Schaffhausen----- (Landwirtschaftlicher Genossenschaftsverband des Kantons Schaffhausen)	1911	Schaffhausen	35	1,690
Union of Agricultural Cooperatives of the Canton of St. Gallen and Adjacent Districts----- (Verband landwirtschaftlicher Genossenschaften des Kantons St. Gallen und benachbarter Gebiete) (VSG)	1905	St. Gallen	91	11,442
Union of Agricultural Cooperatives of French-speaking cantons----- USAR (Union des syndicats agricoles romands - USAR)	1916	Lausanne	200	32,538
Agricola Ticinese-S. H.-----	1905/51	Bellinzona	-0-	956
Totals-----			1,122	119,345



Headquarters of VOLG at Winterthur, Switzerland. Buildings at left of tower were built in 1899. VOLG has 358 locals in its membership. These, in turn, have more than 30,000 farmer members.

(Table 2). It also performs more services. However, the major variations will be mentioned.

The federation, VOLG, was organized in 1886. Its organization was the culmination of a program begun with the setting up of the Elsau Agricultural Union in 1874. An intermediary step was the Winterthur District Agricultural Union set up in 1881. In 1952 the membership of VOLG consisted of 358 locals with a combined membership of 30,326 farmers.

The federation is a tightly knit organization. An agreement obligates the member associations to purchase their supplies through the central organization. The members are likewise obligated to give the federation first option on products for sale. Finally, the books of the locals are checked each year by auditors of the federation.

A wide variety of farm supplies are provided. These include fertilizers, feeds, seeds, spray materials, tools, and machinery. Some of these items are supplied by the feed mills and seed-cleaning plants operated by the federation.

The cooperatives emphasize short cuts in their distribution of farm supplies. As far as possible, the farmer takes delivery at the station, thus avoiding extra handling and warehousing. Under this plan, the farmer-members anticipate their needs and list their expected requirements in advance. These orders are placed with community order takers. The individual orders are pooled and large orders placed with wholesale suppliers. Each grower is notified of the arrival of the merchandise and takes his portion direct from the station.

The marketing and processing program began in the early 1890's. However, its greatest development has been during the last 20 years. Products marketed are grapes, fruits, potatoes, vegetables, cereals, hay, oil seeds, eggs, honey, ham, dried beef, and livestock. Products processed

are cider, brandy, wine, and dehydrated fruits, vegetables, and potatoes. Equipment for handling these products includes a half-million-gallon cellar capacity for wine, juice plants, refrigerated storage houses, fruit and vegetable drying plants, a potato dehydrating plant, flour mills, warehouses, and grain storage.

The federation also extends information and operating services to its member associations. The auditing service has already been mentioned. In addition, there are many others. Some are services that in the United States are supplied by agricultural colleges, experiment stations, and extension services. The federation provides member associations with model organization papers, bylaws, and contracts. It gives them legal and tax advice and building plans. It conducts short courses for managers, shopkeepers, and other personnel. In addition, it supplies members through personal contacts and publications with cooperative and other information.

Though on a larger scale, the above-mentioned services of VOLG are similar to those provided the members of the other seven federations listed in Table 2. Another service, however, is provided by VOLG that is extended by only one of the others--Bern--and that on a much smaller scale. That service is the supplying of consumer goods. About three-fourths of the members of VOLG are rural consumer cooperatives. Thus, the organization supplies almost a complete package of cooperative services--farm supplies, consumer goods, and the marketing of farm products.

The consumer program was started about 1890. It has expanded until it includes practically the whole field of consumer goods. It supplies groceries, textiles, clothing, shoes, dishes, furniture, and fuel. The agricultural locals which are members of the federation supply part of the fruits, vegetables, juices, and similar products sold in the consumer shops. Some items handled by VOLG are purchased in the United States. Examples of these are dried fruit and rice.

Dairy Cooperatives

Dairying and livestock are the backbone of Swiss agriculture. In fact milk alone accounts for more than one-third of the agricultural income. Therefore, the dairy cooperatives are among the most important of the cooperative groups.

The first agricultural cooperatives in Switzerland were community cheese plants organized in the Jura Mountains. This small community movement has expanded through a series of regional federations, of which, there are now 17. The regional federations were largely developed between 1900 and 1930.

Several of the present federations resulted from reorganization of earlier federations. The regional federations make up the membership



Typical cooperative cheese plant in Switzerland.

of the Central Union of Swiss Milk Producers (Zentralverband Schweizerischer Milchproduzenten). An estimated 99 percent of the commercial milk producers of the country belong to the various members of the Union. The Central Union, through its membership and its contracts with noncooperative segments of the industry, and also because of the Government assistance it receives, maintains high coordination in the Swiss dairy industry.

Central Union of Swiss Milk Producers
(Zentralverband Schweizerischer Milchproduzenten)
(l'Union Centrale des Producteurs Susisses de Lait)

The Central Union of Swiss Milk Producers was set up in 1907. It is an influential organization encouraged, and to a considerable degree supervised, by the Government of Switzerland. In turn, the Union directs the country's dairy program.

Through its 17 member federations, the Central Union supervises milk production and sales for its farmer members and makes contracts with nonmember processors and dealers. The cooperative federations within the Central Union own most of the country's dairy facilities. In addition, the Government draws noncooperative producers into a country-wide program with the Central Union through which allocations, prices, assessments, subsidies, and equalization payments are determined. This central operation directs the basic item, fluid milk, into priority use channels, equalizes producer returns, and reduces consumer prices.

Member Federations

As mentioned earlier, the strength of the dairy program in Switzerland lies in the 17 member federations of the Central Union. These federations have 4,433 local associations in their membership (Table 3). The local associations, in turn, have some 138,000 producer-members, or about 99 percent of the country's commercial milk producers. The oldest of the present federations, the one at Lausanne, was organized in 1895. The youngest member, the Milk Union at St. Gallen, was organized in 1929. Basically, however, some of the federations are much older and represent reorganizations of earlier ones that were begun in the 1870's. The federations, through their members, are responsible for assembling the fresh milk. Local associations which are members of the regional federation sometimes process part of the supply of fresh milk into cheese, butter, powdered milk, and other products. The association distributes some of the remainder as fluid milk and sells some for processing.

Table 3. - Membership of Central Union of Swiss Milk Producers, (Zentralverband Schweizerischer Milchproduzenten), (l'Union Centrale des Producteurs Suisses de Lait), January 1, 1952

Federation	Year organized	Head-quarters	Local associations		Independent members	Total members
			Number	Producer-members		
Milk Union of St. Gallen-Appenzell (Milchverband St. Gallen-Appenzell)	1929	St. Gallen	302	10,000	0	10,000
Union of Milk Producers of Thurgau (Thurgautischer Milchproduzentenverband)	1897	Weinfelden	248	6,555	25	6,580
Union of Northeastern Switzerland Cheese Makers and Milk Cooperative	1906	Winterthur	929	28,877	167	29,044
(Verband nordostschweizerischer Kaserer- und Milchgenossenschaften)	1909	Suhr	189	7,137	14	7,151
(Verband aargautischer Kaserer- und Milchgenossenschaften)	1907	Lucerne	432	10,121	10	10,131
(Zentralschweizerischer Milchverband) (MWL)	1916	Oberdorf	0	0	622	622
(Milchproduzentenverband Nidwalden)	1905	Basel	338	11,787	43	11,830
Union of Northwestern Switzerland Milk and Cheese Makers Cooperatives (Verband nordwestschweizerischer Milch- und Kaserer genossenschaften)	1896-1911	Bern	805	24,527	164	24,691
(Verband bernischer Kaserer- und Milchgenossenschaften)	1915	Bulle	126	3,590	65	3,655
Federation of Dairy Societies of Zone of Montagne Fribourg (Federations des societes fribourgeoise de laiteries "Zone de la Montagne")	1906	Payerne	258	7,117	4	7,121
Dairy Federation of Vaud-Fribourg (Federation laitiere vaudoise-fribourgeoise)	1916	Lausanne	110	2,471	50	2,521
Dairy Federation of the Jura (Federation laitiere du Jura)	1895	Lausanne	59	1,191	22	1,213
Agricultural Dairies (Laiterie agricole de Lausanne)	1906	Vevey	90	1,973	66	2,039
Dairy Federation of Leman (Federation laitiere du Leman)	1923	Geneva	118	1,707	51	1,758
United Dairies (Laiteries reunies de geneve)	1916	Bellinzona	48	2,411	0	2,411
Federation of Dairy Producers of Tessin (Federazione Ticinese produttori di latte)	1916	Corcelles	74	1,900	50	1,950
Dairy Federation of Neuchatel (Federation laitiere neuchateloise)	1919	Sion	666	15,246	2	15,248
Union of Milk Producers of the Valais (Federation Valaisanne des producteurs de lait)						
Totals			4,792	136,610	1,355	137,965

Control of Milk and Milk Prices

The delivery of commercial milk is mandatory in Switzerland. The only exception is the Alpine region. In the rest of Switzerland farmers may retain supplies for home consumption, but all commercial milk must go through prescribed channels. Prices to be paid for the milk are determined by the Federal Council upon advice of the Central Union and upon hearing the Swiss Farmers Union and other interested parties. Prices are usually determined for as much as 6 months or 1 year in advance. Various price-equalization plans are followed to adjust differentials in returns between the various types of domestic products and between domestic and imported items.

With delivery assured, the milk is channeled into the various uses according to the priority of the product. In this allocation, first priority is given to milk for fluid consumption, second priority to milk for cheese-making and condensed milk and third priority to butter. The low priority given to milk for butter-making explains why Switzerland is an importer of butter.

Marketing Milk

Sales of fresh fluid commercial milk in larger centers are made through dairies (Molkereien) which, as a rule, belong to one of the 17 regional federations of milk producers tied in for operating purposes to the dairy union. In the country, farmers sell fresh milk through local cooperatives. In some cases a cheese plant, having contracted for the purchase of the entire milk production in a given sector, also must supply the entire demand for fresh milk in its sector (per contract).

Marketing Cheese

The Central Union delegates the responsibility of marketing cheese to the Swiss Cheese Union (Sweizerische Kaseunion A.G.). The Cheese Union is made up of the cheese-trading firms of the country, both cooperative and noncooperative, including the federation known as the Consumer Cooperative Wholesale Society (VSK). Members of the Cheese Union pay the Central Union the agreed-upon price for the cheese.

Marketing Butter

The Central Union of Swiss Milk Producers has delegated the marketing of butter to the Swiss Butter Union (Butyra). The Butter Union, founded in 1932, is made up of all the Swiss butter trade. This includes the cooperative federations, the wholesalers, the importers, and the Consumer Cooperative Wholesale Society (VSK).

In addition to marketing, Butyra has a complicated price-adjustment job. As Switzerland is an importer of butter, the relationship between the prices of foreign and domestic butter has to be maintained. Thus Butyra

imports butter at the world price and sells it at the domestic price. This results in Butyra receiving subsidies on sales of domestic butter and paying import assessments on butter brought into the country.

Livestock Cooperatives

The livestock industry of Switzerland is highly organized. Well over 3,000 associations were reported in 1940 (Table 1). However, the major emphasis historically has been in developing breeding associations. Only six associations were reported to be engaged in marketing livestock in 1940. Attention has been given in recent years, however, to the administration of livestock-industry programs through organizations. These organizations include both cooperative and non-cooperative groups. In general, three divisions of activity in the cooperative handling of livestock in Switzerland are (1) marketing live animals, (2) administering industry programs, and (3) providing market facilities.

Marketing Live Animals

Two groups of cooperatives operate in this field. These are (1) the cooperatives selling breeding stock, and (2) the cooperatives selling animals for slaughter.

Marketing Breeding Stock

As mentioned, the major interest of Swiss farmers in livestock organizations is herd improvement. Thus, over 2,300 were in operation in 1940 (Table 1). Their 14 unions had 76,000 members, owning 260,000 animals. Among these were 73 horse, 1,584 cattle, 296 goat, 198 sheep, and 142 hog-breeding cooperatives.

Livestock breeders' organizations are based on local cooperatives and national associations. The number of associations for some types has increased since 1940. Generally, the associations maintain records of pedigrees and promote breed interests through advertising and stock shows and education.

As expected, the greatest number of breed cooperatives are cattle. About 1,800 of these cattle-breeding associations representing the leading breeds are in operation. Each breed association begins with locals, which sometimes join into cantonal groups, and these in turn combine into national associations.

In addition to herd improvement, some of the breeding associations sell breeding stock. One of the centrals--the Commission of Swiss Livestock Breeders Associations--exports breeding stock, operates a market for breeding bulls at Thun, and encourages the domestic sale of cows and heifers.



Breeding-cattle fair at Erlenbach, Switzerland. Animals are grouped by families with sire at left.

Marketing Slaughter Animals

The Swiss Cooperative Society for Marketing Hogs (Table 4, association 14) does no slaughtering or processing, but acts as agent for its members in selling fat hogs to butchers or dealers.

Cooperative for Administering Industry Programs

It is Swiss Government policy to encourage the production of meat. Subsidies and price-support guarantees are maintained to implement this policy. These programs were formerly handled by a Federal commission. In 1948, however, this commission was abolished and its functions were turned over to a newly organized cooperative, the Swiss Cooperative for the supply of Livestock for Slaughter and Meat (Cooperative Suisse pour l'approvisionnement en betail de boucherie et en viande) (CBV).

This cooperative is composed of 14 associations (Table 4). A glance confirms the fact that it is an industry federation. Its membership covers the span from production through distribution, both domestic and imported. Thus, a program administered through this federation can effectively reach all producers.

The Swiss Cooperative for the Supply of Livestock for Slaughter and Meats is governed by a president and a board of 14 members, of which 12 are elected in delegate assembly. Of these members, the producers are in the lead with six members. Three board members are elected to

Table 4. - *Membership and Activities of Members of the Swiss Cooperative for the Supply of Livestock for Slaughter and Meat. (Cooperative Suisse pour l'approvisionnement en betail de boucherie et en viande)*

Name of member-association	Activities
Swiss Farmers Union (Union Suisse des Paysans)	The top farm organization of Switzerland. Its membership includes practically all agricultural groups, both cooperative and non-cooperative.
Swiss Federation of Producers of Livestock for for Slaughter (Federation Suisse des Producteurs de betail de boucherie)	The breeders' association for beef cattle.
Central Union of Swiss Milk Producers (Zentralverband Schweizerischer Milchproduzenten)(l'Union Centrale des Producteurs Suisses de Lait)	The Swiss dairy farmers' federation.
Swiss Union of Purchasers of Milk (Union Suisse des acheteurs de Lait)	The organization of the dealers who purchase all commercial milk in Switzerland.
Commission of the Federation of Swiss Breeders (Commission des federations Suisses d'elevage)	The agency that markets breeding stock both at home and abroad.
Livestock Exchange - Purchasing Office of the Swiss Union of Butchers (Bourse de betail - office d'achat de l'union Suisse des Maitres-Bouchers)	The cooperative purchase and sale federation for 82 regional Swiss butchers' associations with a combined membership of 3,843 butcher firms.
Swiss Association of Butchers (Union Suisse des Maitres-Bouchers)	The promotion and development organization for members of association number 6.
Union of Butchers of Zurich and Umgebung (Interresenverband von Metzgermeistern aus Zurich und Umgebung)	The cooperative purchase and sales federation of 80 butchers in the Zurich area.
Cooperative Society for Imports for Large Swiss Chain-Store Butchers (Societe cooperative d'importation des grandes boucheries Suisses a succursales)	The cooperative association for purchasing beef cattle and meat abroad for its members.
Swiss Association of Chain-Store Butchers (Association Suisse des etablissements de boucherie a succursales)	The promotion and development organization for members of association number 9.
Swiss Syndicate of Livestock Merchants (Syndicate Suisse des Marchands de betail)	The promotion and development association for 14 regional associations with 3,000 beef and dairy cattle merchants and importers and exporters of livestock.
Cooperative Association for Livestock and Meat Trading (Societe cooperative pour le commerce de bestiaux et de viande)	The cooperative purchasing and importing association for 80 butchers and livestock and meat dealers.
Swiss Union of Livestock Importers (Union Suisse des importateurs de betail)	The promotion and development association for members of association 12.
Swiss Cooperative Society for Marketing Hogs (Societe cooperative pour le mise en valeur des porcs)	The society which acts as agent for hog feeders in selling fat hogs to butchers and livestock merchants.



Cooperative cattle market at Bern, Switzerland.

represent butchers and three to represent livestock merchants. The two remaining board members, who are appointed by the Department of Public Economy, of Switzerland, represent the consumers.

Practically all farmers are members of the Swiss Farmers' Union (Table 4, association 1). The beef-cattle producers are reached through association 2, the dairy farmers through associations 3 and 4, and the hog producers through association 14. Other members of the federation are representatives of development or trading associations of butchers and domestic merchants or importers.

Producers are free to sell their livestock wherever they choose. The Government program operating through the cooperative federation seeks to encourage production through price-support measures.

Stated objectives of the association are:

1. To advise on (a) fixing quotas, (b) deliveries of import permits, and (c) assessment of taxes on imports, should the occasion arise.
2. To organize markets and livestock purchases with price guarantees. If livestock delivered to the CBV market cannot be sold by a producer except at a loss, or at a price too low to be acceptable, he has the alternative, immediately after the market has opened, of selling his livestock to the CBV at the officially fixed "average" price of the day. This is the guarantee protecting producers from a slump in the market. Of course, a producer may sell outside the CBV market, or sell in it at higher free prices, instead of selling at the official prices fixed by the CBV.
3. To organize the purchase and the sale of excess livestock for slaughter, i.e., domestic cattle, including calves, hogs, and sheep.
4. To fix periodically "indicative" prices which, together with seasonal profit margins, constitute "average" producer prices. These "indicative" prices are a guide to producers desirous of selling their livestock to local butchers or merchants. Such prices are obligatory on markets where sales prices are guaranteed.

Cooperative for Providing Market Facilities, or "Market-Hall" Cooperatives

Cooperatives organized to provide market facilities developed to meet the need for market and exhibit space. They were organized primarily as livestock markets. However, they provide facilities for fairs and other events which require a great deal of space. The membership of these cooperatives is quite varied and inclusive. Among the members are agricultural associations, breeding associations, dairy cooperatives, marketing, purchasing, and consumer cooperatives, banks, merchants, and butchers.

Five of these cooperatives have been organized. Located in important trade centers they are:

1. Cooperative Market Hall at Burgdorf. This association is in the Canton of Bern. Its membership consists of 100 associations and 136 individual members.
2. Cooperative Market Hall at Sargans. This association is in the Canton of St. Gallen. Its membership consists of 52 associations and 5 individuals.
3. Cooperative Market Hall at Brugg. This association is in the Canton of Aargau. It has 46 association members including the Swiss Farmers Union.
4. Cooperative Market Hall at Basel. This association is in the Canton of Basel. Founded in 1927, it is the oldest of the market-hall associations. Recently it has been converted from a cooperative to a non-cooperative corporation with the city of Basel holding one-third of the stock.
5. Cooperative Market Hall at Chur, established in 1932.

Fruit Associations

As in livestock production and marketing, the major emphasis among the fruit growers has been in production. The objective of over three-fourths of the 100 cooperative fruit associations is to promote better production (Table 1). These were the first fruit growers' associations organized. Growers' organizations for marketing and processing fruit came later. The cooperative handling of fruit is done by two types of organizations--cooperatives specifically organized for that purpose and other marketing and purchasing associations.

Illustrative of the fruit marketing programs of the marketing and purchasing associations is the program of VOLG (page 102). These cooperatives do extensive processing and storing as well as marketing. The first cooperative fruit processing activity was making fermented cider and Schnapos. Later sweet cider was added. A long line of fruit products such as fruit concentrates, vinegar, pectin and pulp, followed. Still



Storage tanks for fruit juice, owned by VOLG.

later, the fruit cooperatives developed fresh fruit marketing programs, both domestic and export. Along with the fresh fruit programs have come storage installations, both common and cold. The direct-to-consumer approach is present in some 40 well-equipped cider-houses for bottling and marketing cider, fruit juices, and soft drinks.

Other cooperatives operated by fruit growers perform services for the members. One important service is spraying. The cooperatives own power equipment and maintain trained personnel to spray the orchards of members. In this way many growers benefit from services they could not provide individually.

Swiss Fruit Union (Schweizerischer Obstverband)

The fruit associations are federated into a national union, whose membership includes all types of associations--production, nursery, marketing, and processing. As already mentioned, by far the greatest membership is in production associations. In 1941, of the 452 member-associations, 346 were organizations to promote fruit growing, 23 were caretaking associations, 5 were associations of nurserymen, 39 were cider-working associations, and 39 were for marketing and processing fruit (Table 1). The cider associations mostly make single-strength, unfermented juice. However, a few make juice concentrate.

Wine Associations

Wine associations in Switzerland are divided into three classes according to function. These classes are (1) associations for the improvement of grape growing, (2) wine pressing and storing associations, and (3) associations for the purchase and distribution of wine.

The Swiss cooperative wine industry is organized into two large federations, one for the French-speaking and one for the non-French-speaking areas. Each federation begins with local associations and individual members. These are combined into cantonal units. The cantonal federations are then merged into the central federation. Each of the central federations has the three types of member-associations mentioned earlier.

Federation in German-Speaking Areas

The central federation is the Swiss Wine Growers' Association, (Schweizerischer Weinbauverein). Its headquarters is at Wadenswil. The Schweizerischer Weinbauverein handles both wine production and sales in German-speaking cantons. Its membership includes both cooperative and non-cooperative organizations and individuals interested in viticulture or belonging to the wine trade.

The head organization of the federation handles production and sales of domestic wines. It publishes the Swiss Fruit and Wine Production Magazine (Schweizerische Zeitschrift Für Obst-und Weinbau) and organizes courses, lectures, and demonstrations designed to improve viticulture techniques. It offers quality premiums as an inducement to improvement. It also seeks to increase consumption of fresh table grapes and grape juice. And it consults with Federal authorities in questions pertaining to regulating imports and protecting the interests of domestic viticulture.

Federation in French-Speaking Areas

The central federation is the Wine Growers' Federation in French-speaking Switzerland (Federation Romande des Vignerons). Its headquarters are at Lausanne. The offices of its six cantonal federation members are located at Fribourg, Vaud, Neuchatel, Geneva, Valais, and Bern. In 1941, these regional federations had 61 associations in their membership. Late information on the exact number is not available. However, it is probable that the number is somewhat less than it was in 1941. Its activities are similar to those of its German-speaking counterpart.

Wine-Pressing and Marketing Associations

The wine-pressing and marketing associations are among the membership of both central federations.



Cooperative wine cellar at Bern, Switzerland.

Generally, they receive grapes from the growers and make the wine. Some of the cooperatives have modern plants. After being processed, the wine is stored in association cellars until sold. Sales are mainly to large buyers.

Wine-Distributing Cooperatives

The Marketing Association for Domestic Wine (Einkaufsgenossenschaft für einheimische Weine) (CAVI), Bern, is a federation which had 73 members in 1941. It acts as purchasing agent for its members. Among the members are VOLG, the consumer cooperatives, importers, and wine dealers. The central association buys wine from the cooperatives which make it. After the purchase, the bulk wine is allocated to the member cooperatives. The members, in turn, take delivery direct from the processors and pay them for it. In addition, the federation may purchase wine on its own account, store it, and sell it later to its members.

Cooperative Egg and Poultry Marketing

Cooperative egg marketing in Switzerland began in the early 1920's. The chief aims of the cooperatives were to improve the quality of eggs and table poultry and to set up a uniform marketing system. The two main organizations which market eggs and poultry are the Swiss Eggs and Poultry Marketing Cooperatives (Schweizerischer Eier und Geflügel Verwertungsgenossenschaften) (SEG) and the Egg Importers Cooperative for the Purchase of Domestic Eggs (Genossenschaft für Landeiereinkauf der Eierimporteure) (ZELA). SEG is divided into five regional cooperative organizations, while ZELA has no regional organizations but only individual members.

Egg collecting in Switzerland is done by regional cooperatives (SEG), through local collecting stations (cooperatives), by private persons, agricultural societies, and poultry-breeding societies. A certain number of producers do not deliver to the collectors but take their eggs directly to one of the SEG cooperative centers.

In the case of ZELA, egg collecting is done by its members (normally importing firms) through their local representatives. The activities and membership of SEG and ZELA are best seen from the list below:

	Number local collecting centers	Number individual suppliers	Number individual members	Number other members	Eggs col- lected in 1952 (million eggs)
SEG, Basel	289	48	0	15	11.8
SEG, Bern	568	47	86	303	27.2
SEG, Glattbrugg	612	233	0	13	17.1
SEG, Vevey	546	10	7,700	0	17.0
SEG, Sion	63	60	123	9	.4
Total	2,078	398	7,909	340	73.5

The objectives of egg and poultry marketing cooperatives are to collect, candle, stamp, and market eggs and to sell poultry for their members. They also enter into price stabilization activities.

Producer prices for eggs are fixed by the Government. These prices are determined after conferences with all interested parties. In practice, the producer cooperatives or the SEG members sell all the eggs they can in their local area; any surplus over the demand in the local area is delivered to GEIA at the predetermined producer price. Thus GEIA is the sole distributor of surplus eggs, both domestic and imported. The producers receive the full grower price on all eggs produced by them, including those sold to GEIA. A small tax is levied on imported eggs to pay the cost of handling domestic surplus eggs by GEIA.

The fixed grower price results in two prices for eggs in Switzerland, one for domestic and one for imported eggs. It is important to note that such fixed prices are obligatory only for purchases made by importers who are obliged to purchase surplus domestic production. The average volume of such "obligatory" purchases in 1952 amounted to 25 percent of the entire domestic production and to about 37 percent of all imports of eggs. This surplus production is sold by egg-marketing cooperatives to importers at the price paid to producers. A small fee (about one centime per egg) collected on imported eggs helps to defray costs of collection and transportation to the importer's warehouse. However, there is still a considerable discrepancy between prices of imported and of domestic eggs. The latter are, however, in good demand.

Vegetable Associations

There are two central vegetable-growing and marketing organizations in Switzerland. These are the Union of Swiss Vegetable Producers (Verband Schweizerischer Gemuseproduzenten) of Zurich and the Swiss Vegetable Union (Schweizerische Gemuseunion) of Zug. In 1941, a total of 37 agricultural associations were members of these federations.

Neither of these organizations does actual trading; both work in the general interest of the industry. The membership of the Union of Swiss Vegetable Producers is wholly producers, either local associations or individuals. This organization works on educational programs for improving quality through better methods and techniques.

The Swiss Vegetable Union is made up of producers, producer organizations, and members of the trade. It works in the broad fields of both production and distribution. In this capacity it represents the industry in discussions with the Government on import regulations.

Agricultural Cooperative Credit

Cooperative credit in Switzerland grew out of the need for self help among farmers during the depression of the 1870's. It came soon after the marketing and purchasing cooperatives, the dairy-processing cooperatives, and the cattle-breeding associations. The first credit cooperatives were of the Raiffeisen type, such groups still make up the main

cooperative credit program. A later program was set up to assist small farmers in acquiring land.

Raiffeisen Cooperatives

The Raiffeisen credit associations are federated in the Association of Swiss Credit Unions (Verband Schweizerischer Darlehenskassen). In 1952 the union had 950 local associations as members. These locals, in turn, had a combined membership of 101,163 producers.

These credit associations operate strictly on the Raiffeisen plan. In general, each association operates in a small area and the members are well acquainted. The unions obtain a high proportion of their loan funds from deposits. These deposits are accepted from members and non-members alike. However, loans are restricted to members. All members of a local union are jointly liable for all financial obligations of the association. Unlimited liability extends only to the members of local unions, however. There is no liability at all between locals or between locals and the central federation.

The central association receives deposits from members and makes loans to them. It also coordinates the programs of member locals and assists them in maintaining uniform methods. The deposits are in the form of share assessments but based on the balance sheets of the members. The current rate (1953) is 1,000 francs for each 100,000 francs deposited by the members of the local. This fund plus accumulated reserves constitutes the members' capital which the central has to loan.

Farm Mortgage Association

The first farm security cooperative (Buergschaftsgenossenschaft) sponsored by the Swiss Farmers Union was founded in 1921. Its purpose is to assist farm laborers to become landowners or tenants.

The association provides security for loans rather than providing the funds. The money must be borrowed somewhere else. The association merely adds security and this increases the ability of worthy borrowers to acquire modest holdings.

The association is selective in the type of growers it assists. It limits them to day laborers with at least 10 years of farm experience or to sons of peasants who have worked at least 10 years on their parents' farm since their 16th birthday. This assures interest and experience in farming on the part of those assisted.

The extent of assistance is conservative. Liability for mortgages on farms purchased is limited to 10,000 francs (about \$2,310). Liability for leases is limited to 5,000 francs (about \$1,155). A committee from the association appraises and approves each mortgage or lease.

Cooperative Insurance

Cooperative insurance in Switzerland is limited to hail damage and livestock. A national association, the Swiss Hail Insurance Company (Schweizerische Hagelversicherungsgesellschaft) of Zurich, handles hail insurance on a direct-membership basis, that is not through locals. Livestock insurance is handled by a large number of local associations. In 1941, a total of 54 local associations insured horses, 5 insured horses and other livestock, and 2,236 insured cattle and small animals.

Farm Machinery Cooperatives

In 1940, there were 659 farm-machinery cooperatives in Switzerland. Of these, 238 provided threshing machine service; 13, tractor service; and 408, other machinery and tool service.

These associations developed as a result of the need for increased and efficient production. They provide the small farmers of Switzerland with machinery at low cost, which the farmers could not provide individually. The machines are owned by the associations and leased to the members. In an effort to encourage the procurement and use of improved machinery, the Government pays subsidies to these cooperatives.

Milling Cooperatives

There were 51 milling associations in Switzerland in 1940. They are combined into one national federation, the Association of Swiss Millers (Verband Schweizerischer Miller). All but five of the associations are in French-speaking Switzerland. Part of the cooperative mills are owned by the Consumer Cooperative Wholesale Society (VSK) at Basel.

RELATIONSHIPS OF AGRICULTURAL COOPERATIVES

Swiss agricultural cooperatives have close connections with general farm organizations, with the Swiss Government and with consumer cooperatives.

With General Farm Organizations

In Switzerland, the connection between the general farm organizations and the agricultural cooperatives is not one of relationships, but that of being a part of the same organization. The programs of the cooperatives and farm organizations are closely coordinated in some countries through central organizations developed from the national unions of both groups. However, there is neither a national farmers' union nor a national cooperative union in Switzerland. Rather, most of the important top farm organizations combine their strength through direct membership in the Swiss Farmers Union (Union Suisse des Paysans) (See Figure 1).

The Swiss Farmers Union was organized in 1897. Prior to that time, the interests of Swiss farmers nationally were handled by VOLG. Since that

time, the Union has been the sole spokesman for Swiss agriculture, both nationally and internationally. It is the Swiss member of the European Federation of Agriculture (CEA) and the International Federation of Agricultural Producers (IFAP).

The membership of the Swiss Farmers' Union includes practically every farmer in Switzerland. The 63 farm and cooperative organizations in the Union report a membership of about 555,000. As there are only about 238,000 farm operators in the country, the multimembership of many farmers in organizations is indicated.

With Government

The government of Switzerland regards cooperatives as a part of the economic social community and treats them as such. Cooperatives are democratically operated.

However, the importance of farm organizations and cooperatives to agriculture and the trend of Swiss national policy has thrown the farm groups to close partnership with the Government. It has become national policy in Switzerland to encourage agriculture. Thus, agriculture comes in for its share of Government influence and is affected in two ways. One, as a result of the national encouragement of agriculture, farm organizations and many cooperative programs receive direct support benefits. Two, products are channeled to specific uses, and volume is encouraged or discouraged depending on policy. This results in quotas and price regulations. Farm organizations and cooperatives are assuming more and more responsibility with these programs.

The seven major general farm organizations mentioned in Figure 1 on page 100 and 101 receive direct subsidies from the Government. Payments are also made to a number of cooperatives to implement Government programs. Mention has been made of the role of the dairy, livestock, egg, and farm-machinery cooperatives in programs affecting these industries. A similar program is conducted through the seed-growing associations.

This program has partly changed the nature of the original agricultural cooperative societies, as organizations become partially executive organs applying Government policies. Cooperative societies are ideal organizations, so it is believed in Switzerland, to carry out the agrarian policy of the central Government. This is because it is easier for the farmer to contact and receive instructions from a cooperative employee than from a Government office. This reduces the administrative apparatus of a small country.

With Consumer Cooperatives

The agricultural and consumer cooperative fields are not as clearly defined in Switzerland as in some other countries. The objective of cooperative leaders seems to be to provide services to the members, irrespective of the nature of the service. Thus, agricultural and consumer service may be extended by the same overhead organization. For example, VOLG of Winterthur and the Union of Agricultural Cooperatives

of Bern and adjacent Cantons have a high proportion of consumer cooperatives in their membership. Also, VSK, the largest and oldest of the consumer cooperative wholesale societies, has extensive agricultural interests.

There is no official connection between the agricultural and the consumer cooperatives as such. As earlier mentioned, the agricultural cooperatives combine with the general farm organizations in the membership of the Swiss Farmers Union. Practically all the consumer cooperatives are members of one of the two cooperative wholesales. However, neither agriculture nor consumer groups of co-ops has organized an over-all national union. Thus, there is no convenient machinery from which to develop a national cooperative union. So the two groups have gone their separate ways.

Both cooperative consumer wholesales buy extensively from the agricultural cooperatives. Also, consumer cooperatives belong to the associations making up the federations along with agricultural groups. Examples of these are the market-hall cooperatives, the Marketing Association for Domestic Wine, and the dairy federations.

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