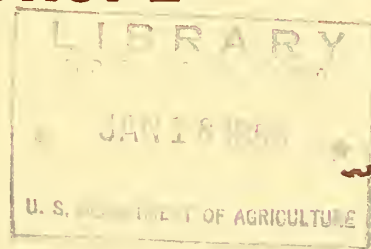
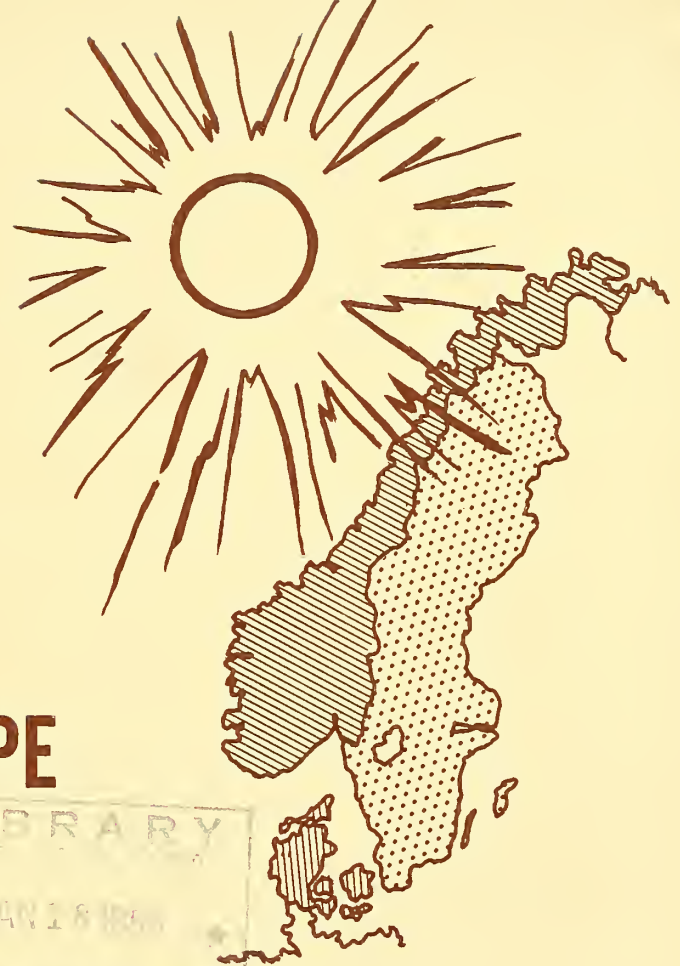


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*Agricultural
Cooperation in*
WESTERN EUROPE



Section C: Norway, Sweden and Denmark

**BY JOHN H. HECKMAN
AND ANNA E. WHEELER**

**FARMER COOPERATIVE SERVICE
U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.**

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U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

JOSEPH G. KNAPP, ADMINISTRATOR

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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AGRICULTURAL COOPERATION IN WESTERN EUROPE

SECTION C. - NORWAY, SWEDEN AND DENMARK

By John H. Heckman and Anna E. Wheeler

Agricultural Economists

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

Section C discusses the time and place of organization of the first cooperatives in Norway, Sweden, and Denmark, the reasons for organizing, the service 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.

NORWAY

Agricultural cooperation is highly developed in Norway, a nation of only about 3 million people. Norway is a rugged country of small farms, 59 percent containing less than 5 hectares (12.4 acres) of land, and only 10 percent more than 10 hectares (24.7 acres). Nevertheless, among these very small holdings, 91 percent are worked by owners - many of whom earn less than the average hired farm worker in the country.

As early as the 1830's, a public-spirited organization known as the Royal Norwegian Agricultural Society (Selskapet for Norges Vel) came into being. This organization followed a wave of interest in adult education and the founding of the folk high schools. Among the early interests of the society was cooperation, both producer and consumer. Being a philanthropic organization, the society has had a great influence in developing cooperatives in Norway.

Although the Royal Norwegian Agricultural Society is a private organization, it receives grants from the national treasury for its public educational work in agriculture. In this educational capacity, it resembles our Agricultural Extension Service. The society serves the country through provincial organizations in each of the 18 provinces. In each provincial society, a staff of experts works in an advisory way with farmers and farm groups on methods of improving agriculture.

Aided by the society and spurred by the great economic need, two kinds of farm organizations arose. These were general farm organizations to represent farmers and promote their interests in general, and cooperatives to solve specific problems of farm business. Some cooperatives were organized to purchase farm supplies; others to market farm products; and still others to provide needed services. All were concerned with improving methods of production and standardization for better distribution of farm products. Today, marketing cooperatives sell an estimated 55 percent of Norway's farm products. Since the war years, or the period of controlled economy, the farm organizations both general and cooperative have assumed the added function of representing agriculture in economic planning. (Figure 1 and table 1.)

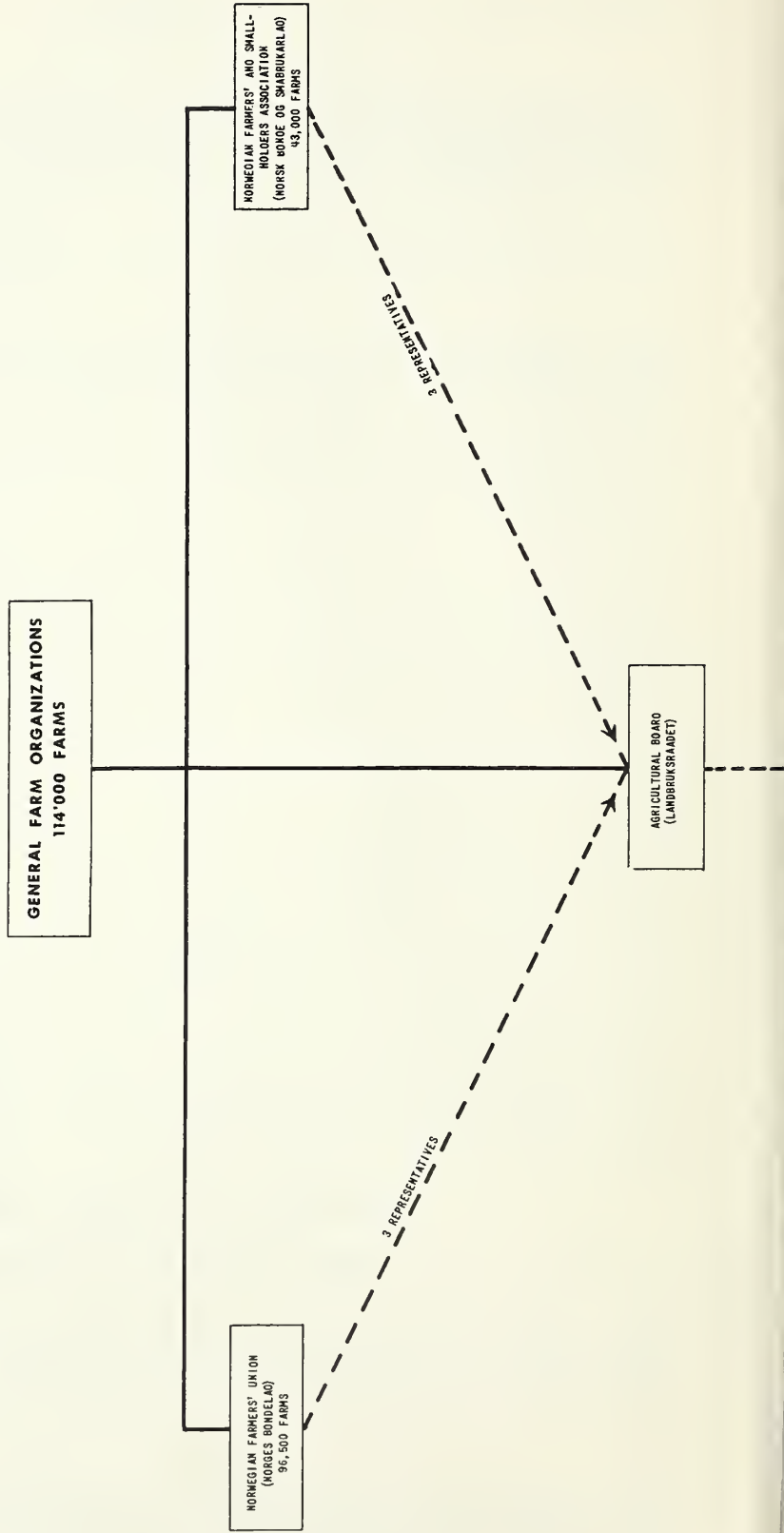
DEVELOPMENT OF FARMERS' COOPERATIVES

Early Beginnings of Cooperation

Early agricultural cooperation in Norway centered around the need for credit and for solving problems of dairying - one of its major farm enterprises. In 1851, a law was enacted by the Norwegian Parliament

Note: The authors of this publication are deeply indebted to Einar Jensen, former Agricultural Attache, and his staff for making available much of the material from which this report was prepared, and to George Dietz, Agricultural Attache, and his staff for their painstaking review of the manuscript and for their many helpful suggestions. This report is based on information available to the authors early in 1954.

FIGURE 1
MAJOR AGRICULTURAL ORGANIZATIONS IN NORWAY



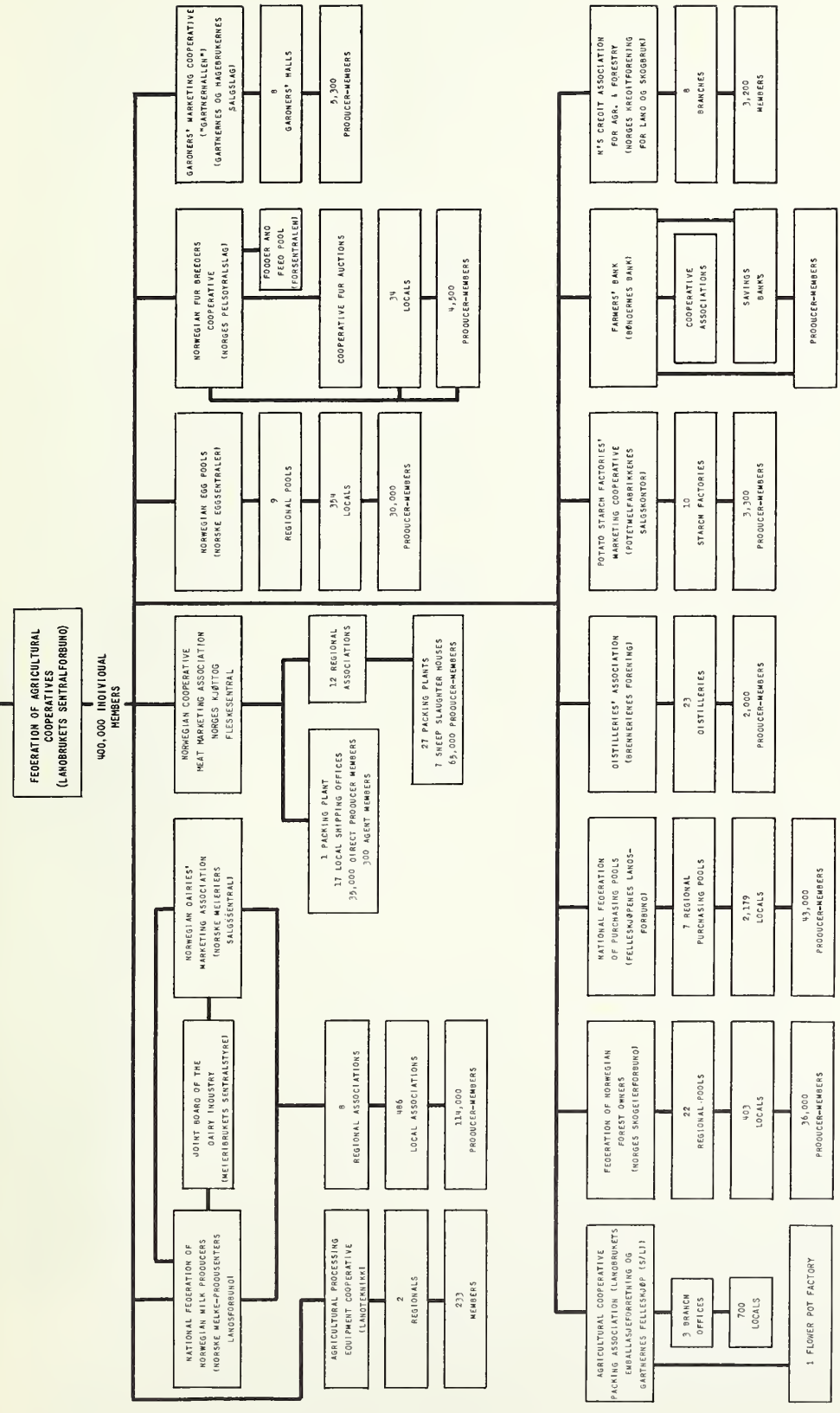


Table 1. - Organization date and membership of the principal Norwegian farm organizations and percentage of the total product handled, 1952

Organization	Date formed	Producer membership	Percentage of total product
General farm organizations:			
Royal Norwegian Agricultural Society----- (Selskapet for Norges Vel)	1810	-	-
Norwegian Farmers' Union----- (Norges Bondelag)	1896	96,500	-
Norwegian Farmers' and Smallholders' Association----- (Norsk Bonde og Småbrukarlag)	1913	43,000	-
Agricultural Board----- (Landbruksrådet)	1930	-	-
Farmers' cooperatives:			
Federation of Agricultural Cooperatives--- (Landbrukets Sentralforbund)	1947	400,000	55
National Federation of Norwegian Milk Producers----- (Norske Melkeprodusenters Landsforbund)	1920	114,000	-
Norwegian Dairies' Marketing Association-- (Norske Meieriers Salgssentral)	1931	-	72 production 98½ fluid sales
Agricultural Processing Equipment Cooperative----- (Landteknikk A/L)	1937	233	-
Joint Board of the Dairy Industry----- (Meieribrukets Sentralstyre)	1931	-	-
Norwegian Cooperative Meat Marketing Association----- (Norges Kjøtt og Fleskesentral)	1931	100,000	60 animals 75 meat
Norwegian Egg Pool----- (Norske Eggsentraler S/L)	1929	30,000	70
Norwegian Fur Breeders' Cooperative----- (Norges Pelsdyrslag)	1926	4,500	75
Gardeners' Marketing Cooperative----- (Gartnerne og Hagebrukernes Salgslag - 'Gartnerhallen' S/L)	1930	5,300	40-50

Table 1. - Organization date and membership of the principal Norwegian farm organizations and percentage of the total product handled, 1952 - Continued

Organization	Date formed	Producer membership	Percentage of total product
Farmers' cooperatives - continued:			
Agricultural Cooperative Packing Association (Landbrukets Emballasjeforretning og Gartnerens Felleskjop S/L - now L.o.G. as combined)	1945		
Federation of Norwegian Forest Owners----- (Norges Skogeierforbund)	1929	36,000	60
National Federation of Purchasing Pools----- (Felleskjøpenes Landsforbund)	1934	83,000	43 fertilizer 61 feed
Distilleries' Association ¹ ----- (Brennerienes Forening)	1879	2,000	State monopoly
Potato Starch Factories' Marketing Cooperative----- (Potetmelfabrikkens Salgskontor A/L) ²	1941	3,300	100
Norway's Credit Association for Agriculture and Forestry----- (Norges Kreditforening for Land- og Skogbruk)	1915	3,200	-
Norway's Agricultural Credit Association----- (Norges Landhypotekforening)	1942	-	-
Farmers' Bank, Inc.----- (Bøndernes Bank A/S)	1918	-	-
Farmers' Society for Short-Term Credit----- (Centralkassen for Bøndernes Driftskreditt)	1925	-	-
Short-Term Credit Institution for Agriculture (Driftskredittkassen for Jordbruket)	1936	19,493	-
Honey Marketing Cooperative ³ ----- (Honningcentralen)	1930	100	-

¹23 distilleries are members of the association: 22 are cooperatives and 1 privately owned.

²10 of the 11 factories are members. All must sell through this agency, however, according to law.

³Formed by Norwegian Bee-Keepers' Association.

(Storting), authorizing the organization of credit societies. The act marked the beginning of a strong cooperative program in credit, although the societies themselves started slowly. The dairy cooperatives began just a little later.

With the commercialization of Norwegian farming during the last half of the 19th century, dairy products offered a major source of income. It was most difficult, however, for individual farmers to produce high-grade butter and cheese. For example, even middle-sized farms took several days to accumulate enough cream for churning. The problem of course, was to keep the cream fresh. Those few farmers' wives who did solve the problem and consequently made high-grade butter then had difficulty in obtaining sufficient premium on their individual small lots to make their efforts worth while. On small farms the situation was even worse since fewer cows meant longer periods of cream collection. The little butter and cheese made was usually of poor quality.

Under these circumstances, farmers naturally tried to organize butter and cheese making on a cooperative basis. By assembling milk from farms within a locality, producers obtained sufficient fresh cream volume for large-scale production of premium products.

The first Norwegian cooperative to process dairy products was established in 1855. The Royal Norwegian Agricultural Society sponsored the cooperative and made it a loan. The venture, however, was short-lived. But others followed, and the Ringerike Cooperative Dairy at Hønefoss organized 5 years later in 1860 was successful. It is still operating today.

Membership in these local dairy cooperatives is vested in the farm and not the farmer. Thus, when the farm changes owners or management, the membership stays with the land. In the early dairy cooperatives, members voted according to patronage - that is, the amount of milk delivered. Today, however, voting in the agricultural cooperatives is shifting to one-member, one-vote basis.

Twenty years or so after the establishment of the first successful dairy cooperative, farmers started purchasing farm supplies cooperatively. Again, aided by the Royal Norwegian Agricultural Society, the cooperatives began purchasing in the 1880's. Farmers had previously bought poor quality supplies from local merchants at high prices. Then provincial societies were formed to pool wholesale orders of farm supplies for farmers. But the volume soon outgrew this system and cooperatives took over. It was the beginning of the present widespread cooperative purchasing program.

The next cooperative venture was in the 1890's, when producers in areas of surplus egg production began marketing eggs cooperatively. In Norway some sections produce a surplus of eggs the year around; others only part of the year. Still other areas are deficit at all seasons. Producers in the vicinities of Stavanger and Trondheim, all surplus producing areas, began organizing local cooperatives. Their purpose was to assemble eggs and market them in the deficit areas.

Encouraged and experienced by their earlier cooperative ventures, farmers now turned to livestock marketing.

These cattlemen were the same farmers who were making a success of their dairy cooperatives. Usually they sold their stock to buyers traveling through the country. Thus, the animals passed through several hands before being slaughtered. Farmers therefore, turned to cooperation as a means of shortening the route between their product and the consumer's table, they organized cooperative slaughterhouses for the same purpose. The first was established at Hamar in 1904.

Federations

As in other Scandinavian countries before the depression in the latter part of the 1920's, Norway's cooperatives operated largely on a local scale. Norwegian producers had long owned and managed dairies (creameries), abattoirs and similar establishments to a greater extent than producers in most other countries. However, it was the economic crisis that prompted producers to seek an efficient and stabilized program by uniting their locals into regional and national federations. Later, these national federations were further joined into industry-wide organizations for greater stability and equality with nonagricultural industries. Meat and dairy industries were the first to be so coordinated.

Marketing Board

By an act of Parliament of 1930, a Marketing Board was established. The Board was to promote the sale of farm products included in the law (milk, butter, cheese, eggs, meat, furs, fruits, and vegetables) through cooperatives.

This act was the foundation of modern cooperation in Norway, and continues today through the following management and financial set-up.

The Marketing Board of 10 members is appointed by these organizations: The Royal Norwegian Agricultural Society, the Norwegian Cooperative Meat Marketing Association, the National Federation of Norwegian Milk Producers, Norwegian Egg Pool, Gardeners' Marketing Cooperative, Norwegian Fur Breeders' Cooperative, Norwegian Farmers' Union, Norwegian Farmers' and Smallholders' Association, the Federation of Norwegian Commercial Associations, and the Federation of Norwegian Consumer Cooperatives.

Under the Marketing Board, a marketing tax is levied on the following products: Milk, 1/4 øre per liter (0.13 cent per gallon); meat and eggs, 5 øre per kilogram (31.75 cents per 100 pounds); furs, fruits and vegetables, 2 percent of their value.

The various funds derived from the marketing tax are the property of each individual agricultural cooperative marketing federation. They are, however, administered by the Marketing Board. They may be used only for regulating the market and with the approval of the Marketing Board. Special assessments are also made on milk for fluid consumption

in order to effect adjustment between the price of such milk and that of milk for cheese and butter, or other processed products. The proceeds also are used for regulating and improving marketing conditions.

Federation of Agricultural Cooperatives (Landbrukets Sentralforbund)

The Federation of Agricultural Cooperatives was formed in 1945 and reorganized in 1947. The national organization for national associations, with headquarters in Oslo, it claims most important agricultural cooperatives as members. This means that almost every farmer in Norway is a member of at least one of the affiliated groups. The total membership runs to 400,000. The president and vice-president of the federation are chosen from the board of directors which consists of the presidents of the 13 member organizations and three members elected at the annual meeting.

The federation provides for close cooperation between the national associations and acts as their representative in legislative and other matters of common interest. Members of the federation are:

National Federation of Norwegian Milk Producers
(Norske Melkeprodusenters Landsforbund)

Norwegian Cooperative Meat Marketing Association
(Norges Kjøtt og Fleskesentral)

Norwegian Egg Pool (Norske Eggsentraler S/L)

Norwegian Fur Breeders' Cooperative (Norges Pelsdyralsalg)

Agricultural Cooperative Packing Association (Landbrukets
Emballageforretning og Gartnernes Felleskjøp S/L)

Gardeners' Marketing Cooperative (Gartnernes og
Hagebrukernes Salgslag) ("Gartnerhallen" S/L)

Federation of Norwegian Forest Owners
(Norges Skogeierforbund)

National Federation of Purchasing Pools
(Felleskjøpenes Landsforbund)

Distilleries' Association (Brennerienes Forening)

Potato Starch Factories' Marketing Cooperative
(Potetmelfabrikkenes Salgskontor A/L)

Agricultural Processing Equipment Cooperative (Landteknikk A/L)

Farmers' Bank, Inc. (Bøndernes Bank A/S)

Norway's Credit Association for Agriculture and Forestry
(Norges Kreditforening for Land- og Skogbruk)

The federation acts as secretariat for the Agricultural Budget Commission which was appointed in March 1948 by the Ministry of Finance. It also prepares a yearly budget for Norway's entire agricultural industry. This budget then serves as a basis for negotiating prices between agricultural representatives and the government.

The first such price agreement was reached in the fall of 1948. Since it has not been wholly satisfactory, the federation is now working on a new long-term agreement as well as on rules and procedures for conducting future price negotiations.

As a service in this field, the organization maintains an Office of Agricultural Prices which gives information on prices and marketing conditions in domestic and foreign markets. Information is sent out by both press and radio.

The federation also works with individual farmers as well as marketing organizations on tax problems. It promotes advertising and educational programs to aid member associations. The federation publishes a farm journal, distributed to all members.

On the initiative of the Federation of Agricultural Cooperatives, an Agricultural Correspondence School was started in 1946. The school gives courses in more than 40 subjects related to agriculture. In addition, the information program includes publications, talks, educational films, and a magazine which has a circulation of some 190,000.

The federation is a member of the Scandinavian Farmers' Council, an organization linking the economic cooperatives of Denmark, Norway, and Sweden. Known locally as NBC, its formal name is Nordens Bondeorganisasjoners Centralrad.

The federation is also a member of the International Federation of Agricultural Producers (IFAP).

MARKETING COOPERATIVES

In Norway cooperatives market for their members milk and dairy products, meat, eggs, fruits and vegetables, honey, and potato byproducts, and also furs and forest products.

Milk and Dairy Products

The first dairy cooperative (creamery) in Northern Europe, organized in Norway in 1855, started with a loan from the Royal Norwegian Agricultural Society. Two years later it failed. Another dairy cooperative, the Ringerike Cooperative Dairy at Honefoss, was set up in 1860 and is still operating.

Numerous attempts were made in the 1850's and 1860's to organize butter and cheese marketing on a cooperative basis in sufficient quantity to gain the advantages of larger volume operation. However, it was not until the invention of the first successful cream separator, by L. C. Nielsen of Denmark in 1879, that a number of cooperative creameries came into being in Norway.

In the decades following 1879, several hundred local dairy cooperatives were formed. These locals did a good job of assembling, handling, and processing dairy products. However, they soon began competing among themselves since they lacked central authority and coordination. As a result, industry progress was limited. To remedy this, locals formed district federations in the 1880's, which in turn set up a loosely organized national federation. Since the latter had no real authority, real coordination in the dairy industry was postponed until the 1920's.

It was at this time that the disastrous fall in agricultural prices led producers to recognize the value of consolidating into larger and stronger units. This move led to the formation in 1920 of the National Federation of Norwegian Milk Producers.

This section also discusses two other large organizations serving dairy cooperatives in Norway; The Norwegian Dairies' Marketing Association with the exclusive right to export all dairy products from the country; and the Agricultural Processing Equipment Cooperative, through which dairy cooperatives purchase equipment.

National Federation of Norwegian Milk Producers
(Norske Melkeprodusenters Landsforbund)

The National Federation of Norwegian Milk Producers replaced the loosely organized national association formed in 1881. The new association was set up to provide a compact central, but democratic, authority for marketing fluid milk. The federation's program was strengthened by the law of 1930. This act permitted taxes on approved agricultural products to finance its research, education, and price equalization. This federation now includes nearly all the dairy cooperatives in the country, numbering 486 in 1951. Producer-members total 114,000 (see figure 1 and table 1).

Another organization, the Norwegian Dairies' Marketing Association (Norske Meieriers Salgssentral), markets dairy products other than fluid milk. In 1931, these two organizations set up a Joint Board of the Dairy Industry to handle their mutual problems. It is called the Meieribrukets Sentralstyre.

Through this coordinated effort the organizations help stabilize milk, butter, and cheese markets and obtain prices in line with the price quotations fixed. In this way, Norwegian producers are paid prices substantially higher than those reflected by world markets. The

difference at times is estimated as high as 0.05 Kroner per liter (0.19 Kr. - 2.6 cents per gallon).¹

Eight milk centrals or district milk pools of cooperatives (set up in 1930) are combined in the National Federation. The association fixes prices and regulates production quotas for butter and cheese. Special dues collected on fluid milk are used for adjusting prices between fluid milk and milk for processing. As stated under the Marketing Law of 1930, the milk pools are also permitted to collect a fee on the sale of milk from their producers and from non-member dairy cooperatives. Under the same law, the Marketing Board mentioned above was established to supervise the fee collections. However, the plan under which the adjustments are applied is based on a system set up by the district milk pools.

Also, the federation makes special assessments for inspection and other purposes. In 1950, it inaugurated a plan for leveling seasonal fluctuations in milk production through a system of price changes from season to season. So far, the federation has made no variation in the price of fluid milk according to fat content.

The federation in 1951 completed a plant to produce evaporated and dried skimmed milk. This new plant can process 30 million liters (7 million gallons) of milk annually. Located at Brumundal, in Hedmark County, one of the best agricultural sections, the plant will prove a valuable outlet for surplus production in the flush summer season.

In addition to marketing activities, the federation in 1934 set up laboratories for milk analysis and to control disease such as mastitis. The Ministry of Agriculture pays part of the expense of inspection in connection with the "Four Clover" brand, set up under strict standards. Through subsidizing the inspection of products of this grade, the Ministry is encouraging improved quality.

All the dairy organizations follow the cooperative principle of democratic control. In the beginning, producers in local dairy cooperatives voted according to the total milk they delivered. But in recent years more and more dairy associations have adopted the one-man, one-vote method.

In the main federation, delegates--or representatives--of the eight milk pools exercise control. Representation is based on total deliveries--for instance, one delegate for each 5 million kilograms (1.28 million gallons) of milk; 2 delegates for the first 10 million kilograms (2.56 million gallons); but only one delegate for each 10 million kilograms (2.56 million gallons) above that figure. No single pool can have more than half of the delegates. This practice of decreasing the number of

¹One dollar of U. S. currency equaled 7.14286 Norwegian Kroner in September 1949, and is practically unchanged.

votes as patronage volume increases, with a ceiling on the total votes of a member, is common in Norway.

Norwegian Dairies' Marketing Association
(Norske Meieriers Salgsentral)

Norwegian Dairies' Marketing Association, set up in 1931, has the exclusive right to export all dairy products from Norway. Marketing butter and cheese is centralized in the Norwegian Dairies' Export Corporation, owned by the dairy cooperatives but by special contract affiliated with the federation of milk producers. The corporation participates in market planning.

Dairy cooperatives hold shares (andeler) in the Norwegian Dairies' Marketing Association--one share for each 100,000 kilograms (25,635 gallons) of milk received by the dairy and one share for each 100,000 kilograms of milk made into butter and cheese.

Sale of dairy products by this agency is one of the leading business activities in Norway. Regulating markets through control of supply, with diversion or temporary storage of excess supplies, has been very effective in keeping distribution costs down in comparison with returns to producers. In fact, a study of normal years just before World War II showed that the cost of distribution (including freight from the farm) was only 25 percent of the price to consumers. Milk, however, is not delivered to doors, but is sold in the food shops.

The National Federation of Norwegian Milk Producers estimates that cooperatives handle 72 percent of the total Norwegian milk production. However, it estimates that cooperatives handle about 98.5 percent of the commercial production.

Agricultural Processing Equipment Cooperative
(Landteknikk A/L)

Norwegian dairy cooperatives started their own pool for purchasing equipment--the Agricultural Processing Equipment Cooperative. This organization buys machinery, parts, and other items for the milk pools and most of the dairy cooperatives who are members. Two regionals serve the 233 member units. The program, however, extends beyond the dairy cooperatives. Cooperatives of meat producers, gardeners, and potato starch factories are also customers of this pool. It has branches in Trondheim and Stavanger. As Landteknikk specializes in plant equipment, its operations are independent of and not competitive with the agricultural purchasing associations.

The machinery business was drastically reduced during the war period, but has been on the upgrade since that time. The agency's capital investment has been doubled since its start in 1937.

Meat

Having gained experience in cooperatively handling dairy products, farm supplies, and other agricultural items, some farmers decided to try cooperative meat packing as well. In 1904 they organized the first cooperative meat packing plant at Hamar in eastern Norway. Another cooperative plant began operation at Oslo in 1911. From 1916 to 1921, 5 additional cooperative packing plants came into being in Kristiansand, Stavanger, Bergen, Trondheim, and Skien. There are now 27 cooperative slaughterhouses in operation.

Crisis Approaches

The 1920's were especially hard for the Norwegian meat producers. Since there is practically no home production of feed concentrates, these had to be imported at considerable expense. Under these conditions, home-grown meat still had to compete with pork from the United States and beef from the Argentine so Norway levied a tariff on imported meat. But as the country was not yet self-supporting in meat, imports continued to come in at prices difficult for the home producer to meet.

Home production of meat was about to catch up with home needs at the end of the 1920's. But the approaching economic depression moved prices downward and made home production again less profitable. Although the local cooperative slaughterhouses were doing a good job, they could not carry out the national program needed now. Concerned over the approaching crisis, Norwegian Farmers' Union (Norges Bondelag)--a general farm organization founded in 1896--called a meeting of leading representatives of the country's meat producers in Oslo in 1930. A new pool called the Norwegian Cooperative Meat Marketing Association was a result of this meeting.

Norwegian Cooperative Meat Marketing Association (Norges Kjøtt og Fleskesentral)

This pool of meat producers formed in 1931, developed a plan to apply the newly enacted Marketing Law to the marketing of pork. Later, both beef and mutton were included. Under the new law, taxes could be levied on agricultural products to finance marketing programs.

The Oslo market was the key to meat prices throughout the country. Controlling temporary surpluses in Oslo would have a stabilizing effect on the whole country. Therefore, in 1936 the pool took over the slaughterhouse and packing plant belonging to an independent Oslo meat marketing cooperative. The 35,000 members of this cooperative became direct members of the pool. In meat marketing, cooperative organization took place from the top down, so to speak.

The organization first attempted to smooth out the day-to-day fluctuations in supplies on the Oslo market. The pool graded meat and put temporary surpluses in storage, while some animals were "stabled," or held alive during surplus periods. The pool sold meat in the "Meat

Hall," a common market place used by cooperatives, private butchers, and commission men. However, outlying producers were unable to use this market, even though they received indirect benefits from it. Therefore efforts were made to further the organization of producers throughout the country. Thus the central organization did not content itself with economies in marketing and processing meat animals. It became active in creating new local organizations and cooperative packing plants.

The pool has developed a broad program of assembling and marketing live animals, slaughtering, grading and processing meats and then distributing the meat and meat products throughout the country. About 100,000 meat producers are members of the pool.

The association has three classes of membership:

1. Individual producers.
2. Twelve regional associations throughout the country, which have joined the pool with all their local members.
3. Cooperative consumer societies and private enterprises which were wholesale distributors of meat in their local districts before the meat pool was organized. They were temporarily accepted as agents of the pool on a contract basis.

To give complete coverage for distribution purposes, the pool appoints its own sales societies in areas not served by the distributor membership or regional associations. These are not members but are local branches of the meat pool itself. There are now 17 such sales societies throughout the country.

The system of selecting delegates to the annual meeting protects the interests of the two types of producer-members and also those of the distributors. One delegate is selected for each 1,000 members of the provincial agricultural societies (Landbruksselskapene), thus assuring representation of the individual grower. Also, each producer cooperative and each sales society is permitted to send one delegate. These delegates elect the 9 directors of the pool.

This joint, centralized and member-association distribution program gets meat to the consumers throughout the country.

In addition to the plant at Oslo, which belongs to the pool, the 12 regional associations own 27 slaughterhouses and packing plants, and also 7 sheep slaughterhouses; and operate, in addition to these, 7 municipally-owned slaughterhouses. However, there are still places in the country where the butchering is done in a primitive way. The pool members look forward to a complete and modern system of plants, each serving its allotted area under pool management.

The pool is working on an expansion program. A new regional association covering Vestfold County will be founded, with a slaughterhouse and

packing plant at Tonsberg. The four local sales societies now serving Vestfold County will become branch offices of the new regional association. The construction of a new packing plant and slaughterhouse at Trondheim is also contemplated, and in 1952 plans for constructing two slaughterhouses at Narvik and Tromsø had been approved.

Through the Norwegian Cooperative Meat Marketing Association, cooperatives distribute about 75 percent of the meat which comes on the market in Norway. The association also handles about 60 percent of all marketings of meat animals. This makes the pool an important factor in controlling and operating any general marketing scheme.

The pool operates on a 2 1/2 percent commission basis. In addition to this, it receives from the Marketing Board 5 øre (0.7 cent) per kilogram of marketed meat (31.75 cents per 100 pounds), to meet expenses in connection with such market regulations as storing and building slaughterhouses and freezing plants. During 1951, the pool received 4,552,000 kroner (\$637,280) from the Marketing Board.

In addition to meat handling, the central also acts as a commission house in selling live animals for both individual members and local livestock shipping associations.

The pool has set up a system of grading, quality control, and payment according to quality. It also administers the entire government subsidy program for meat and wool and has done considerable work on improving wool marketing in Norway.

Eggs

Local Societies

Poultrymen in the Stavanger and Trondheim districts formed local egg marketing societies during the 1890's. But it was not until the 1920's that egg producers commenced to organize in earnest. In the middle 1920's, with the help of the Royal Norwegian Agricultural Society and other agricultural societies, locals were organized throughout the country. These locals were afterwards united into district pools.

Overproduction came with the general economic depression. As a result, prices of eggs became so low that it hardly paid to produce them. The local and district pools were equipped to sell only in the domestic markets. In view of the surplus, some eggs had to be exported. This required centralized volume, greater standardization, and certified quality. Local and district egg-marketing associations' programs of quality control enabled small farmers, in groups, to assemble large quantities of high-quality eggs. However, centralized marketing was necessary to obtain full advantage from the extra care needed to produce such eggs. It was felt that some help could be had from a national federation and so in 1929 the eight district pools were united in a national pool.



Central warehouse of egg marketing cooperative. Cooperatives handle about 70% of the commercial egg production in Norway.

Norwegian Egg Pool (Norske Eggsentraler S/L)

Competition between locals for different markets decreased when the Norwegian Egg Pool began operating. Through the pool it became possible to give one set of quotations for the entire country. The pool handles both receipts and distribution. Local associations deliver the eggs to designated receivers, who may be consumers' societies, cooperative dairies, or noncooperative dealers.

Based on quotations from the pool, the receivers sell locally all the eggs they can, and turn the remainder over to the district pools. Also, based on instructions from the national pool, the district pools send these surplus eggs to deficit districts, or to the national pool to store or to export. In this way, the pool maintains a remarkable equalization between supply and demand in various parts of the country.

As roads improved and better trucks became available, egg-marketing cooperatives expanded their routes to cover more territory. The increased volume made possible some general improvement in services. For instance, country egg receiving stations are now being operated in some localities in connection with creameries.

Nine regional pools, with 354 locals and about 30,000 producer-members, belong to the Norwegian Egg Pool (Norske Eggsentraler).

Membership in the national pool is on a permanent basis. The local society pays a small sum of money for each member into the national pool

as a registration fee. These members then have no further financial responsibility toward the pool. Current running expense is deducted from the remittances to members for eggs sold.

War times naturally created abnormal conditions. Some of the local societies even closed their doors, and for a time only sick people were allowed egg rations. In fact, eggs were never as common on Norwegian tables as they are in this country. Also, rationing of imported feed concentrates affected the normal output. However, egg production is again on the increase. Federation statistics show that the national pool sells about 70 percent of the eggs in the commercial market.

Egg marketing is included in the Marketing Act as of July 1, 1949. Present marketing tax is 5 ore per kilogram (31.75 cents per 100 pounds).

Financing for improved equipment has been obtained from government sources through the National Federation of Norwegian Milk Producers.

Furs

Norway is the leading producer of silver and blue fox. Practically all of the commercial furs are finally sold at auction in Oslo.

Norwegian Fur Breeders' Cooperative (Norges Pelsdyralsalg)

Starting about 1914, a few Norwegian farmers began to raise a new fur-bearing animal--the silver fox--and soon other fur animals were produced on farms. The common needs of growers led to the organization of the Norwegian Fur Breeders' Cooperative in 1926.

The breeders' association is a "centralized" organization, with direct individual farmer membership. The farmer who becomes a member of the central association automatically becomes a member of a local cooperative. Largely educational or promotional, the locals arrange exhibitions of fur animals and short courses and demonstrations to improve production. Only the central markets the furs.

In 1949, around 6,000 fox farms, or 75 percent of those in Norway, were members of the central association. Membership in 1952 was nearly 4,500 fur breeders from 34 locals. These farms represent, however, an even larger percentage of the animals under care, for it is the small fur farmers who are less likely to be members.

The number of fur farms was reduced from 21,000 in 1939 to about 8,000 in 1949. Also the number of skins marketed dropped from half a million in 1939 to around 200,000 in 1949. However, Norway is still the world's leading producer of silver and blue fox. Working in a practical way, the association has rebuilt its fish-meal factory in the Lofoten Islands on a modern scale and is working to expand exports. Many of the furs exported from Norway are made into fur coats in the United States.

The association, first financed by voluntary contributions from members, in 1942 came under the authority of the Marketing Law of 1930. This

law permits a fee to be charged for marketing.² Since then the association's research work and vocational training for fur breeding have been financed largely by this fee. The association has its own counsellor in charge of pedigrees and registration. It carries on an extension type of information and advisory work.

Oslo Cooperative Fur Auctions (Oslo Skinnauksjoner S/L)

Practically all the furs grown in Norway are sold at auction in Oslo. In 1934, the Norwegian Fur Breeders' Cooperative established connection with a private auction firm in Oslo. The auction soon attracted buyers from all over the world. In 1941, the association bought the firm outright and also another private auction firm in Oslo. The Oslo Cooperative Fur Auctions (Oslo Skinnauksjoner S/L) is now run as a cooperative. All the shares are held by the Norwegian Fur Breeders' Cooperative.

Sales for the most part are run on a joint commission basis. The seller pays 3 percent and the buyer 2 percent of the selling price. In addition, the producer pays a small fee per skin.

Fruits and Vegetables

About half of the commercial fruits and vegetables of Norway are marketed cooperatively. In addition cooperatives handle supplies including hot house supplies.

²In 1952 this fee was 2 percent of the value.



Cooperative Gardeners' Market at Larvik. About half of the fruits and vegetables of Norway are marketed through cooperatives.

Gardeners' Marketing Cooperative
(Gartnernes og Hagebrukernes Salgslag)
("Gartnerhallen" S/L)

Like many other Norwegian cooperatives, the organization of fruit and vegetable growers began in the depression years. The Gardeners' Marketing Cooperative was organized in 1930 in Oslo in a building named Gardeners' Hall (Gartnerhallen). The Gardeners' Marketing Cooperative is a national organization, covering all the country with the exception of northern Norway. It is divided into eight branch organizations, each with its clearly defined territory. In order to assist its members and customers as effectively as possible, it has established pools in different districts. But the society is called the Gardeners' Hall, after its first place of business in Oslo.

This marketing society for garden products is a purely cooperative concern. Each member must take at least one share (andel) in the cooperative, which cost 20 kroner (about \$2.80 in 1952³). At the same time he subscribes to a guarantee sum of 200 kroner for each share (about \$28). The members must deliver their products to their local organization or to one designated by it. But 10 percent of the production can be sold in the local market. During the war, the association managed the fruit and vegetable program for the government.

The association markets fruits, vegetables, potatoes, and berries. It has done a great deal toward improving quality. It grades the produce received and pays the producer according to quality. Attempts are being made to expand the membership sufficiently to regulate, to some extent, the flow of supplies to market and to further standardize grading and packing.

The association began with 168 members. By 1951, the membership had increased to 3,200 direct members and about 2,100 indirect members who are producers belonging to member associations. The Gartnerhallen is the wholesale market for about 40 to 50 percent of the fruits and vegetables in Norway. It has recently become the leading organization in Norway growing seed potatoes for export.



Packing apples in a cooperative in Norway.

³Converted on the basis of 7.14286 kroner equals \$1 as of the September 1949 rate of exchange still effective in 1952.

**Agricultural Cooperative Packing Association
(Landbrukets Emballageforretning og Gartnernes Felleskj p, S/L)**

In 1929, the Norwegian Farmers' Union initiated a movement to provide suitable standardized packing materials for agricultural products. The organization formed was known as Landbrukets Emballageforretning S/L, charged with provision of packing material and other needs for gardeners. Its functions were soon broadened to include such production needs as hotbed frames, glass, and putty. The organization pioneered in standardizing packing material, hothouses, and hothouse equipment. In 1934, the group began to build hothouses complete. In 1943, a department was added to provide expert advice, assistance in planning, and in preparing drawings. This program was further broadened to include architectural service.

In 1945, the group, known as L.E., was united with the Gardeners' Purchasing Pools. Its full Norwegian name then became Landbrukets Emballageforretning og Gartnernes Felleskj p, S/L--as it is known today. The name is abbreviated for convenience to L.o.G., by which it is now commonly known. It has three branches, and 700 society members.

The L.o.G. also handles seed, nursery plants, and many kinds of tools as well as some dairy equipment. Since 1944 it has operated a tinning plant for milk pails and coolers. It also owns and operates a flower pot plant.

This supply cooperative operates in a specialized field. It is thus independent of and largely noncompetitive with the dairymen's purchasing pool (Agricultural Processing Equipment Cooperative) and the farm supply pools. On the other hand, each frequently buys from the others.

**Federation of Norwegian Forest Owners
(Norges Skogeierforbund)**

This association was organized in 1929 as a federation of regional timber marketing associations. The regionals in turn are made up of local associations of forest owners. Altogether, 22 regional and 403 local associations are members of the national federation. Producer membership totals 36,000 forest owners.

The organization markets the forest products produced by its members. The individual member reports the kind and amount of timber he has for sale to the local and the local reports it to the regional sales office. Sales are made by the regionals to sawmills and pulp mills.

The national association is governed by a board of directors of 12 members. Ten of these directors are elected by the members. One director is elected by the Norwegian Farmers' Union. The twelfth director is the manager of the association. Volume of the federation totals about 60 percent of the country's annual timber production.

Processing by the organization consists of operating a number of small sawmills. The forest owners look forward to eventual ownership of some large paper and pulp mills.

Potato Byproducts

Potatoes are important in Norway as food, feed for livestock, and for making byproducts of starch and liquor.

Potato Starch Factories' Marketing Cooperative (Potetmelfabrikkenes Salgskontor, A/L)

Norway's first potato starch factory was opened in 1872. In 1907 the small competing starch factories formed The Norwegian Potato Starch Factories' Society (De Norske Potetmelfabrikkers Forening). The organization was not very successful and seemed destined to disband. However, a new law, passed in 1939, led to the formation of a marketing cooperative (Potetmelfabrikkenes Salgskontor). The association opened its office in Oslo in 1941.

The law provided for controlling distribution of starch through the Ministry of Agriculture and the cooperative. According to the law, all starch produced in the country must be sold through the sales agency. Ten of the 11 potato starch factories are members of the association. The nonmember factory also must sell through the organization, but has no voice in directing its affairs. There are 3,300 producer-members.

Farmers own all shares in the association. Each member factory has a member on the board of directors. In addition to sales and distribution, the association is interested in improving the quality of potatoes produced for making starch. In 1947, the marketing cooperative purchased an experimental farm where experiments on improving potato seed are conducted.

Distilleries' Association (Brennerienes Forening)

The distillery cooperative is a byproduct of the potato industry. Surplus potatoes are chiefly used by the distilleries.

Before 1879 each distillery had its own sales agent. However, in that year the local distilleries formed their own society and arranged to have a joint agency take care of their sales. In 1948, however, the Distilleries' Association established its own office in Oslo, which took over the duties of the joint agency.

There are now 23 local distilleries, 22 cooperatively and 1 privately owned. All the voting stock is owned by farmer-members. The raw material used by the distilleries is mostly potatoes. These are delivered, when in surplus supply, in proportion to the shares owned. When the supplies are poor or short of the demand, this plan of delivering is suspended.

All liquor in Norway is sold through a State Liquor Monopoly (Vinmonopolet), started in 1926 after a short period of prohibition. Each distillery has its production quota. All of it must be delivered to the liquor monopoly in the form of spirits. Further processing from there on is conducted by the monopoly. Prices are fixed by a committee of five, appointed by the Ministry of Social Affairs.

Norwegian Bee-Keepers' Association (Norges Birøkterlag)

This association draws its membership from the 9,000 honey producers in Norway, and markets its members' honey through the Honey Marketing Cooperative (Honningcentralen) which it organized. The cooperative's volume was high during the 1930's because prices were high and sales came easy. However, dissatisfaction arose over management. Thus, in 1947, the cooperative handled less than 5 percent of the national volume. Eventually, with a change in management, conditions improved and a strict standardization program was adopted. The society now includes some 100 members interested in standardizing the handling and marketing of honey. Sales are made through the Norwegian Dairies' Marketing Association. It delivers direct to retailers along with butter and cheese.



Cooperative warehouse.

NATIONAL FEDERATION OF PURCHASING POOLS (FELLESKJØPENES LANDSFORBUND)

As Norwegian agriculture became commercialized to an increased degree, it became necessary for farmers to purchase considerable quantities of

farm supplies. To insure the supply of high quality goods at lowest possible cost, farmers banded together as early as the 1880's to form purchasing associations. Supplies purchased now include feed concentrates, commercial fertilizers, seed grains and seed, farm machinery, binder twine, pesticides, building materials, and the like.

Wholesale purchases of production needs were at first handled by some of the agricultural societies. The program, however, soon outgrew this procedure and seven regional purchasing pools were formed. The seven regional purchasing pools in Norway are all independent cooperative business organizations. They are, however, federated in the National Federation of Purchasing Pools (Felleskjøpenes Landsforbund), which deals with matters of common interest. The National is governed by a board of three members, selected from among the chairmen of the boards of the seven regionals.

All these purchasing associations follow the conventional cooperative pattern. Farmers held membership in 2,179 locals in 1952 which are affiliated with the regional associations. The number of locals which belong to each of the seven regionals of the "Felleskjøpenes" are as follows: Felleskjøpet, Oslo, 986 locals; Agder Kjøpelag, Kristiansand, 140 locals; Rogaland Felleskjøp, Stavanger, 145 locals; Vestlandske Kjøpelag, Bergen, 120 locals; Møre Felleskjøp, Aalesund, 55 locals; Felleskjøpet, Trondheim, 633 locals; and Troms Felleskjøp, Troms, 100 locals.

The first objective of the purchasing groups still is to provide their 83,000 members with high quality supplies and machinery at the lowest possible cost. They have attained considerable success in such fields as feed concentrates and commercial fertilizers. In 1952 they supplied 61 percent of the feed concentrates and 43 percent of the commercial fertilizer marketed in Norway. They handled only a small share (about 15 percent) of the agricultural machinery. However, even in this field the cooperative activities have had some beneficial effect.

Field seeds are sold by cooperatives in substantial volume. The cooperatives have brought about considerable improvement in seed marketing in Norway.

Much of the feed concentrates and other farm supplies used in Norway have to be imported. Thus, the farm supply cooperatives are in the



Cooperative elevator.

importing business. This importing is done by the regional purchasing pool at Oslo for the entire seven regionals. This regional, Felleskjøpet at Oslo, is the pioneer of the Norwegian purchasing pools. It is also by far the largest. Thus, it acts as national importer for all the regionals.

AGRICULTURAL CREDIT

The early purchasing pools encountered difficulty in obtaining credit to finance their operation since the large banks had their programs adapted to other types of business. Also, these banks were influenced by the competitors of the purchase pools. The 30-day credit they offered the pools was wholly unadaptable to their needs. Credit for individual farmers was also difficult to obtain.

The small savings banks in the country were sympathetic to the pools and did their utmost to help. After all, many savings banks were in the rural areas. However, their ability was limited and their programs decentralized.

The farm organizations concluded that agriculture needed a credit system of its own. Under the sponsorship of the Norwegian Farmers' Union (Norges Bondelag) a program was begun which has developed into a broad and well-rounded credit program for agriculture.

Norway's Credit Association for Agriculture and Forestry (Norges Kreditforening for Land- og Skogbruk)

The need for cooperative credit was recognized in Norway as early as 1851. In that year Parliament passed a "Credit Society" Act. Little progress, however, was made in developing the society, even though the need continued to exist.

In 1913, the Norwegian Farmers' Union took direct sponsorship of a program to adapt credit for farm needs. A committee studied the matter 2 years. Based on its report, Norway's Credit Association for Agriculture and Forestry was organized in 1915.

The new credit society obtained and still obtains its capital through the sale of bonds. Most of the bonds are purchased by life insurance companies. Prior to this time, the insurance companies had shunned rural loans and had invested in the cities.

The collective liability plan of the society makes its bonds readily salable. The law provides that borrowers are collectively liable to an extent two-thirds greater than their loan. This provision, along with a conservative loan policy, makes the society's bonds choice investments.

The society makes a wide variety of loans to farm and forest owners, and cooperatives. Loans are made up to 60 percent of the appraised value of land and forests and 40 percent of the appraised value of buildings.

Loans can be made for a period up to 54 years. All loans are on first mortgages. In 1948, its outstanding loans totaled 78.6 million kroner--over \$11 million.

The society is a centralized cooperative with headquarters in Oslo. It has eight local branches in various parts of the country. The member-borrowers in each province elect delegates to the annual meeting. The number of such members was 3,200 in 1952.

Norway's Agricultural Credit Association (Norges Landhypotekforening)

This society was organized in 1942. While independent, it is a companion organization to the agriculture and forestry society. In fact, it has the same board of directors.

The function of this cooperative is to extend second mortgage credit on the security of farm land. Its maximum loan period--30 years--is less than that of the agriculture and forestry credit society. The total loan limit is 67 percent, including the first mortgage. Also, the first mortgage may be made by a public or semipublic institution but one made by the agriculture and forestry society is preferred.

Farmers' Bank, Inc. (Bondernes Bank A/S)

This agricultural bank was organized in 1918 in response to the need for a large bank to serve agriculture. It is a regular business bank with headquarters in Oslo and branches at Stavanger, Bergen, and Trondheim.

The bank has three classes of stockholders--farm and forest cooperatives, savings banks, and individuals. The board of directors consists of one member elected by each of these groups and the managing director.

The bank makes loans to both individuals and cooperative associations. At the beginning of 1949 it had loans outstanding totaling 96 million kroner (\$13,439,995). The loans are made from deposits by cooperatives, individuals, and banks. Of 164 million kroner (\$22,959,991) on deposit January 1, 1949, 99 million kroner (\$13,859,994), or 60 percent, was deposited by individuals and cooperatives and 40 percent by banks.

Farmers' Society for Short-Term Credit (Centralkassen for Bøndernes Driftskreditt)

The need for a short-term as well as a long-term program of agricultural credit became apparent. As a result, a companion organization to the agriculture and forestry society was set up in 1925--the Farmers Society for Short-Term Credit. Wholly independent of the original society, its function is to extend short-term credit--loans for one season, though some run longer.

The Farmers' Society for Short-Term Credit makes loans to both individuals and cooperative associations, although its greatest use has been by

the forest owners' federation. The federation's sales association - Norges Skogeier - advances money to its members for the production of lumber and pulpwood. The sales association gets this money from the short-term credit society. The society obtains the money it loans from the Bank of Norway. In 1948 loans of the short-term credit society amounted to over 15 million kroner (\$2,099,999).

Short-Term Credit Institution for Agriculture (Driftskredittkassen for Jordbruket)

Still another credit society was formed in 1936, independent of Norway's Credit Association for Agriculture and Forestry. It has government assistance and is primarily for small farmers. In 1949 this society had 826 locals and 19,493 individual members. A local must have at least 10 members. Main purpose of this society is to finance farmers' purchases of farm machinery and domestic animals. However, it can also lend money to erect farm buildings and for some other purposes of direct importance to farm operations. Money for loans is obtained from a fund (or capital stock) appropriated by the Parliament (Storting). The society has legal authority to borrow from other sources up to three times the amount of its capital stock.

OTHER FORMS OF AGRICULTURAL COOPERATION

There are numerous cooperative activities outside the Federation of Agricultural Cooperatives. Some of these activities are small--others are very large.

Rural Cooperative Insurance Societies

Rural cooperative insurance societies in Norway mainly handle fire and livestock insurance. Some of these societies are very old.

Norway has 269 local mutual fire insurance societies, some of them covering several counties. However, at least one such society is usually available in every county in southern and central Norway. Ordinarily they do not insure large undertakings, but handle such items as farm buildings and chattels, sawmills, carpenter shops, flour mills and creameries.

Insurance on buildings is based on a prevaluation of the property, with a new evaluation taking place every tenth year. Because some risks were too heavy to be carried alone by a local society, in 1922 the societies formed their own joint insurance society, Samtrygd (Joint Insurance).

Some local societies and two nationals carry insurance on both domestic and fur animals, covering death from accidents and from disease. Also, in some instances, the coverage includes veterinary service and medicine.

Irrigation Groups

Water for irrigation is provided cooperatively for a few farms or for an entire county by local societies. As a rule, the society first

obtains rights to an adequate water supply, and then arranges with members to lay pipes to each individual farm. The member himself must then complete the pipes for his own needs.

Each member pays the society an annual fee based on the number of shares he holds. When a farmer joins the society, he agrees to retain membership for 20 years. However, he can withdraw by giving notice 6 months in advance. Upon withdrawal, a member will not be repaid for his shares unless the reserve funds are adequate to make such payments. The membership goes with the land. If the member sells his property, the new owner takes over the membership. Aid is received from both county and local fire insurance societies as well as financial aid from the state in the planning stage.

Pasture Societies

Cooperative pasture societies undertake to provide adequate grazing lands, to develop the range, and to erect barns. Each member takes shares according to the number of animals he must pasture--2 shares for each cow over 2 years old, 1 share for each younger head of cattle, and 1 share for 2 sheep or 4 lambs. Members must join for 10 years, and if they then withdraw, the value of the shares is not refunded.

Cooperative Stables

Cooperative stables for dairy cows were a wartime development but have probably come to stay. An acute shortage of labor during World War II prompted the movement. In a cooperative stable a number of farmers house their cows under one roof, bringing labor-saving devices within the reach of the small farmers. The Ministry of Agriculture has appropriated money to assist this movement. Under the plan a member buys one share in the cooperative for each animal, and joins for 20 years. The society builds a common stable and each member must deliver his share of hay, root crops, or feed concentrates to feed the animals.

Peat Moss

A number of small informal groups collect peat moss and distribute it to members. A foreman employed by the group has charge of the work of spading up and drying the peat. Since practically all the peat is used by members for stock bedding and other purposes, there is no marketing activity.

Farm Machinery

Another outgrowth of labor scarcity is group ownership of farm machinery. In 1946, a law was passed making available loans to such groups to purchase farm machinery. In 1950, there were 1,050 such machine stations in the country. Some own machinery, while others contract with the owner for collective use of the equipment and guarantee his loan through Norway's Credit Association for Agriculture and Forestry.

Miscellaneous

Still other forms of farmer cooperation cover such widely different needs as cold storage of fresh meats and other products, and cooperative laundries. The laundries are equipped with modern labor-saving devices and offer two types of services. One type includes complete laundry service, while the other makes the equipment available for the use of the member. Such laundries frequently operate with the local cold storage or creamery plant. Other groups extract fruit juices and preserve them as light nonintoxicating wines. Even the berry pickers who pick the many wild berries for market have their own society to protect their common interests.

GENERAL FARM ORGANIZATIONS

In addition to cooperatives, two general farm organizations help solve specific problems of farm business in Norway to meet the needs of its agricultural industry. Their objectives are the general improvement of farmers' social, economic, and technical conditions. These organizations are: Norwegian Farmers' Union (Norges Bondelag) and Norwegian Farmers' and Smallholders' Association (Norsk Bonde og Smabrukarlag) (see figure 1).

Norwegian Farmers' Union (Norges Bondelag)

Largest and oldest of the general farm organizations in Norway--the Bondelag--was founded in 1896. It was organized to promote interests common to all farmers, to stabilize the agricultural economy, and in general to represent and protect the farming group in Norway. The association engages in no political activities, furnishes no economic aid, and receives no economic aid from any political party. Annual meetings are held but there are no elections. Of an estimated 143,922 Norwegian farm operators, the Bondelag numbers 96,500 members.

The main office of the Bondelag is composed of such divisions as administration, information, statistical and economic, legal, and public relations. Routine activities are carried on by an Executive Board which is responsible to an elected Board of Representatives and to the General Assembly. Regional offices are maintained throughout the country, usually one in each county. Attached to these regionals are local associations--county farm unions.

During its more than 50 years of existence, the Norges Bondelag has attacked many problems of an economic nature, such as protective tariffs, equality of prices, and equality of income for farmers. One of the main objectives has been to obtain long-time agricultural price agreements with government authorities. Such agreements, or programs, were planned as "future pricing" according to indices which would maintain the economic relationship between farmers and industrial groups.

As a further objective, Norges Bondelag has throughout its history promoted the application of cooperative principles to such activities

as purchasing farm supplies and selling farm products. In fact, it is mandatory that all members of the Bondelag market their products through farmers' cooperatives. It is the only fully independent large farmers' organization in Norway, as others are to some extent subsidized by the government.

Although the Bondelag has always been active in supporting the cooperative organizations, there is no direct connection between the general organization and any of the cooperatives. Members of the Bondelag own some 54,000 farms throughout the country and control probably 40 to 50 percent of the total tillable acreage. In some counties the percentage is higher--in Vestfold 70 percent and in Ostfold 60 percent. Relationship between membership in the Bondelag and size of land holdings is shown below.⁴

Size of farms owned by members of Norges Bondelag, 1949

0-19 dekares ⁵	-----	19 percent
20-39 dekares	-----	37 percent
50-99 dekares	-----	26 percent
100 or more dekares	-----	<u>18 percent</u>
Total	-----	100 percent

Membership in Norges Bondelag among farmers owning
farms of--

0-19 dekares ⁵	-----	40 percent
20-49 dekares	-----	54 percent
50-99 dekares	-----	60 percent
100-199 dekares	-----	56 percent
200-499 dekares	-----	45 percent

Bondelag's influence has helped to start most of the agricultural cooperative groups and it has played an important role in furthering development of Norwegian agriculture since the turn of the century. It publishes a biweekly magazine, the Bondeblad, which goes to 80,000 readers.

**Norwegian Farmers' and Smallholders' Association
(Norsk Bonde og Smabrukarlag)**

Another large general farm organization set up on much the same lines as the Bondelag was started in 1913. Its membership is made up of small farmers, and its objectives are to promote the small farmers' interests. It encourages buying and expanding small farms, and improving their management. The association also encourages cooperative purchase and

⁴Jensen, Einar. Foreign Service of the USA, despatch No. 110; Oslo, December 13, 1949.

⁵A dekares is .2471 acre.

sale; better education for smallholders; and other measures to improve conditions for small farmers.

Its farm-owning membership is estimated at about 20,000, but no figures are available on their land holdings. This organization strives not only for equality of agriculture with other industries but also for equality within the agricultural industry--hence, its emphasis on assistance for smallholders. The association encourages and assists smallholders in forming groups to use modern machinery and production methods. Also these groups receive proportionately larger allotments of fertilizer and concentrate feeds, and are paid subsidies on the milk produced and acres of potatoes grown. To further such assistance, the government makes them an annual grant of 60,000 kroner (\$8,400).

Agricultural Board (Landbruksraadet)

In 1945, the two large general farm organizations--Norwegian Farmers' Union and Norwegian Farmers' and Smallholders' Association--formed the Landbruksraadet, or Agricultural Board. The board is made up of three representatives from each organization. Its function is to deal with matters of common interest to both organizations.

RELATIONSHIPS OF AGRICULTURAL COOPERATIVES

With General Farm Organizations

In some European countries, a joint national organization includes both the cooperatives and the general farm organizations. This is not the case in Norway. Here each organization is separate. However, cooperation between cooperatives and the general farm organizations is very close.

Beginning with the Royal Norwegian Agricultural Society in the 1850's, the general farm organizations have consistently sponsored and fostered cooperatives. As a result, the two groups work hand in hand. Representatives of each group sit in on meetings of the other in an advisory capacity. The Federation of Agricultural Cooperatives and the Norwegian Farmers' Union share the same offices in Oslo. In fact, they have the same telephone number. Both organizations are members of the International Federation of Agricultural Producers. To save expense, they sent one representative to the IFAP Congress in Mexico City to represent both organizations.

With Government

Apparently the Norwegian government, as such, has not assumed a direct sponsoring role for cooperatives. Thus, the cooperatives have largely charted their own courses. Favorable public opinion which developed regarding cooperatives was able to obtain legislation favorable to the growth of sound cooperatives. Examples of this legislation are the Cooperative Law of 1930 and the Credit Society Act.

As a result of their important position in the industry, agricultural cooperatives assist with many government programs relating to agriculture. In the rigidly controlled economy of Norway, there are many more government programs than in the United States.

Some examples of the cooperatives' role in government programs are:

Price negotiations. As secretariat for the Agricultural Budget Commission, the Federation of Agricultural Cooperatives prepares a total budget of costs for agriculture. This budget serves as a basis for the price negotiations between the government and the representatives of agriculture.

Dairy. The National Federation of Norwegian Milk Producers administers the government program for paying subsidies on milk and dairy products. In addition, the organization is endeavoring to level out seasonal fluctuations in milk production by using a system of changing prices at various seasons. This federation also has attempted to vary prices on milk for fluid consumption according to its fat content, but has not yet arrived at a satisfactory program.

Meat. The Norwegian Cooperative Meat Marketing Association administers the entire government subsidy program for meat and wool.

Starch. The Potato Starch Factories' Sales Association has been designated the sole distributor of starch. Thus, it sells for both the cooperative and the other types of plants.

Timber. In 1948 a government regulation was put in effect requiring all timber to be marketed through the Federation of Norwegian Forest Owners' Cooperatives.

Liquor. A joint committee representing the Distilleries' Association and the State Liquor Monopoly determines the prices to be paid the distillers.

With Consumer Cooperatives

No organization in Norway brings the agricultural and consumer cooperatives into direct formal cooperation. In Denmark, this is accomplished through the Cooperative Federation. In Norway, however, the two federations are separate.

A close working relationship exists among the various types of cooperatives. First, about one-third of the families of Norway are members of the 1,000 local consumer cooperatives. Thus, these societies are important outlets for the products of the agricultural cooperatives. Leaders are trying to develop methods for distributing more of the products of agricultural cooperatives through these consumer cooperatives. The meat marketing program is an example. Here, many of the

consumer cooperatives are distributor members of the Norwegian Cooperative Meat Marketing Association.

An informal working arrangement among the cooperatives delineates the field of activities for each group. In their expansion programs each group began to overlap the other's field. The agricultural cooperatives began to put in grocery shops. At the same time, the Consumers' Cooperative Wholesale (NKL) began to put in feed mills and slaughterhouses.

The result of this situation was the appointment of a joint committee by the agricultural cooperatives, the consumer cooperatives, and the cooperative fishermen. The function of the committee is to arbitrate disputes and to define gradually the areas of activities for the various groups of cooperatives. Results to date have been an agreement by the farmers' cooperatives to get out of the grocery business and an agreement by NKL not to put in any more feed mills or slaughterhouses.

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SWEDEN

Although Sweden lies in the same latitudes as Alaska, southern Greenland, and Siberia, farming there is highly developed. Thanks to the Gulf Stream, the climate is more mild than its latitude implies. Climate varies however owing to the length of the country from north to south about 1,000 miles. Only one-tenth of the land area is arable, or permanent pasture. Large farms are mainly in the plains area of central and southern Sweden. Here modern technical advances are employed and yields per acre are among the world's highest. For the country as a whole, the average farm area is about 9 hectares. At least 275,000 farms are of less than 30 hectares. Some 18 percent of the farmers are tenants. Between 80 and 90 percent of the agricultural produce is marketed by farmer cooperatives.

ECONOMIC CONDITIONS FURTHER COOPERATION

Agricultural cooperatives in Sweden grew out of the county agricultural society programs. The first of these were formed early in the nineteenth century.

These societies, organized to improve agriculture, soon found that many of Sweden's farm problems were economic. One of these was how to secure supplies at reasonable prices. Clover seed came from Holland and Belgium, rye from Finland, breeding stock from Great Britain, and machinery from home and abroad. The societies found the answer in cooperation.

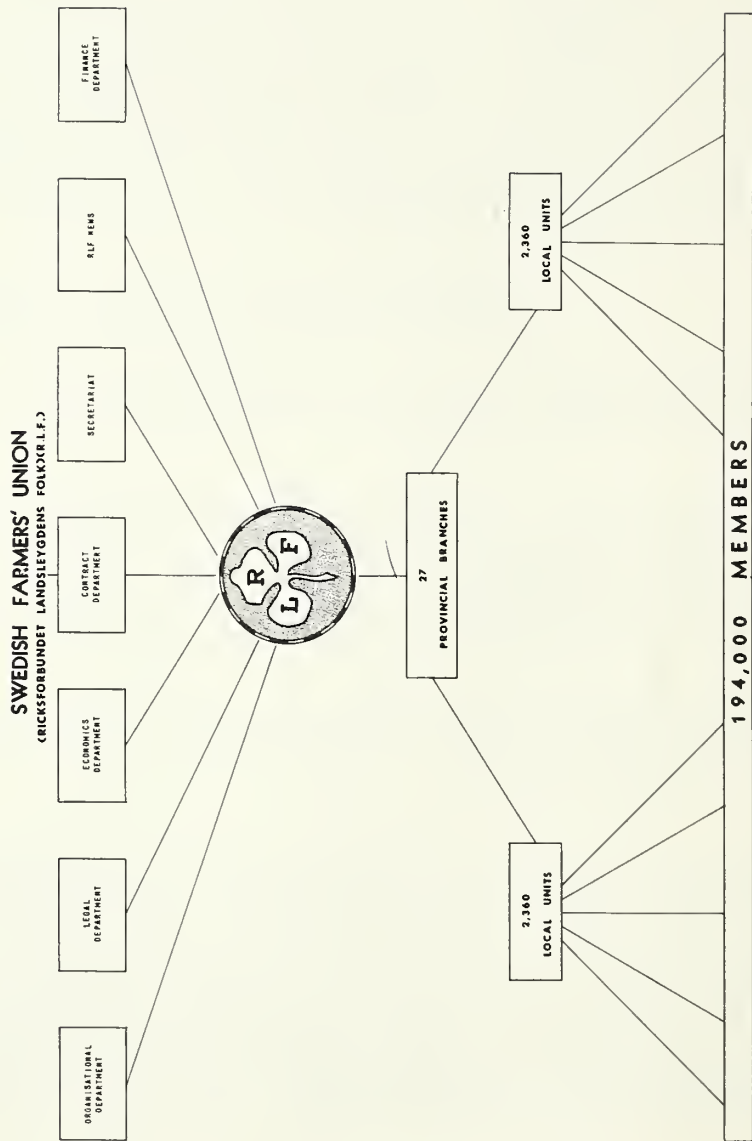
Lagunda-Hagunda Supply Company was the first cooperative supply association. It was organized in 1849 and was a direct outgrowth of the county agricultural society.

There have been two main stages in the development of agricultural cooperation in Sweden--one at the end of the nineteenth century and one in the early 1930's. Toward the end of the nineteenth century Swedish agriculture was expanding rapidly. This growth was encouraged by the importation of grain and the resulting increased production of milk and butter, hogs and poultry. Better methods of farming were also responsible for this increase. These improved methods were possible through the change from the village economy to that of individual farms. Also, the educational programs of the county agricultural societies were important.

With the surplus of meat and dairy products came new marketing problems. A special problem was the need for standardizing products sold in distant markets.

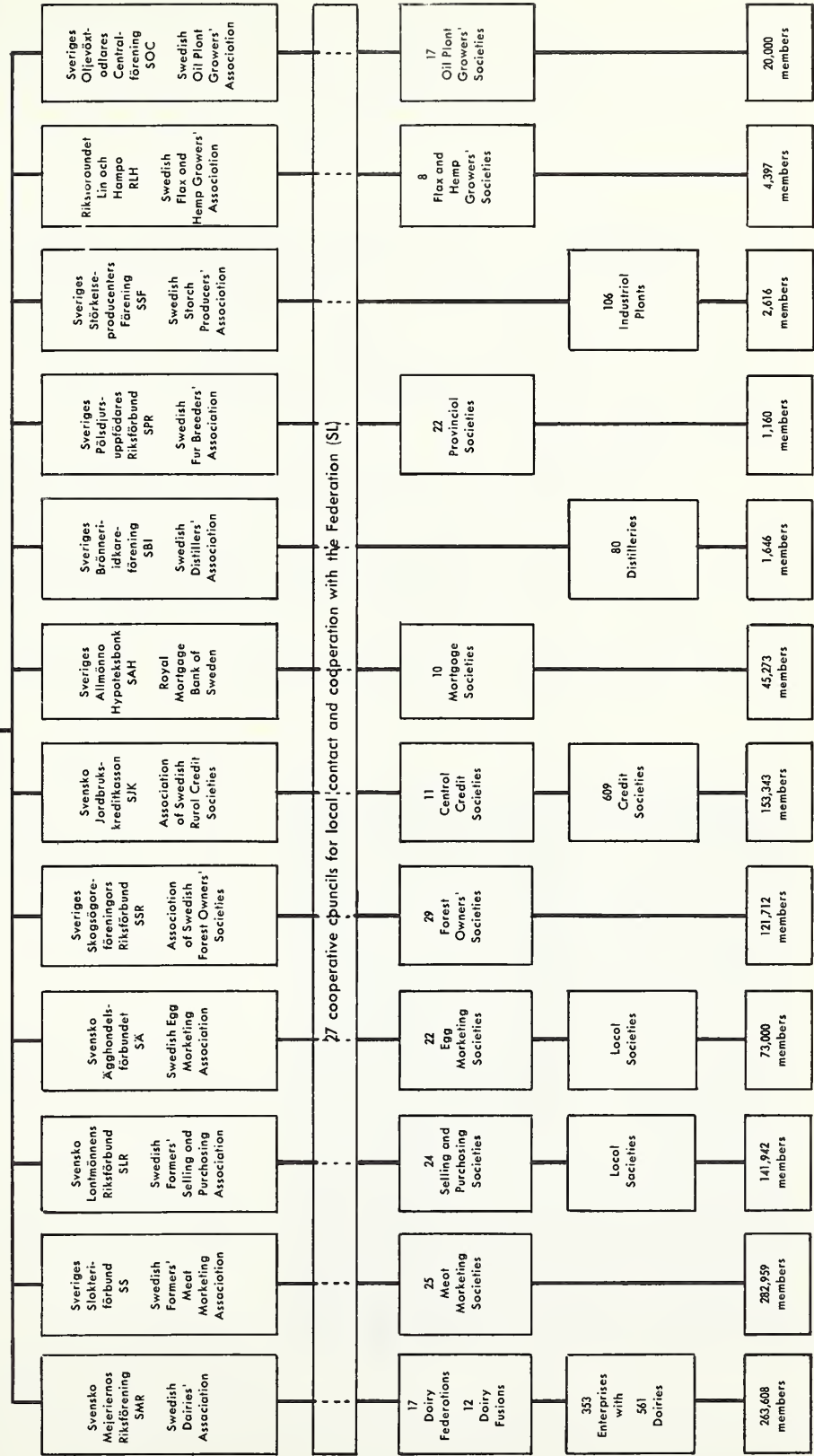
Note: The authors of this publication are indebted to Elmer A. Reese, Agricultural Attache, American Embassy, Stockholm, and his staff, for their painstaking review of the manuscript and for many helpful suggestions. This report includes the most recent statistical information on Sweden available to the writers at the end of 1954, although some of the figures go back to 1949.

FIGURE 1
MAJOR AGRICULTURAL ORGANIZATIONS IN SWEDEN



THE SWEDISH FARMERS' COOPERATIVE ORGANISATIONS

SVERIGES LANTBRUKSFORBUND, SL THE FEDERATION OF SWEDISH FARMERS' ASSOCIATIONS



The figures given refer to the end of 1953

THE BROKEN LINES SHOW THAT THERE IS NO DIRECT ORGANIZATIONAL CONNECTION BETWEEN THE UNITS SO JOINED.

Butter was one of the surplus products for export. Thus the idea of cooperative creameries came as an early step. Cooperative dairies, as they were called, were already started in Denmark. The first cooperative dairy in Sweden was set up in the 1880's. Others soon followed, mainly in south Sweden. The major objective was to make butter for export.

Bacon factories were next. The first of these was opened in 1899 by a group at Halmstad. Local associations for collecting and selling eggs also came with the 1880's and in 1906 larger groups were formed for quality control and sale. Along with dairies and bacon factories came increased cooperative purchases of feed, fertilizer, and other farm supplies. These farm supply cooperatives formed the first national union in 1905. This federation is the Swedish Farmers' Purchasing and Selling Association (SIR).

OBJECTIVES AND PRACTICES OF AGRICULTURAL COOPERATIVES

Although farmers in Sweden formed cooperatives to improve their economic position, in country districts these cooperatives also have a social and cultural significance. Membership in cooperatives is open to any farmer who wishes to sell or purchase through them. The cooperatives are obliged to accept all produce delivered by members. In turn, farmers agree to sell all their produce through the cooperative. Approximately 300,000 farmers are thus affiliated.

To become a member a farmer pays a fee. This fee varies with each organization. In general, fees are based on the amount of produce delivered by the farmer, or on his area of tilled soil and forest land. This amount is usually paid through annual deductions. A member may be refunded this contribution when he retires from farming or leaves the organization for some acceptable reason. Cooperatives make patronage returns annually on the basis of the business done by the member. Since taxes are heavy on unrefunded money, the cooperatives usually refund heavily and then request subscriptions of capital from the members.

Figure 1 shows the 12 national organizations that pay annual subscriptions and executive fees to their central body, the Federation of Swedish Farmers' Associations -- Sveriges Lantbruksforbund (SL). It is the top organization of the cooperative system and also represents farmers in general. These 12 organizations contribute to SL in relation to the annual business turnover of each. SL uses the capital thus built up to invest in enterprises which are important to agriculture in general. Up to 1949 SL had used small sums to construct a chemical plant and to finance a woolen-textile factory.

FEDERATIONS OF COOPERATIVES

Local associations are organized largely along commodity lines. Each cooperative handles one principal product. Local associations of the same type are combined into regional and national federations. The latter hold membership in the central Federation of Swedish Farmers' Associations.

One of the important features in the upsurge of farmer cooperation in the early 1930's was the formation of national associations or unions for milk and dairy products, meat, eggs, and forest products. The local and regional cooperatives joined the appropriate national organizations and formed federations. Chief function of the national federations is to regulate supplies throughout the country and to minimize competition among the local and regional cooperatives. The first of the major cooperative federations was set up in 1905. It was the Purchasing and Selling Association, Svenska Lantmannens Riksförbund (SLR). The distillers, fur breeders, starch producers, and bank credit federations followed in 1907, 1926, 1927, and 1930, respectively.

Swedish Dairies Association, Svenska Mejeriernas Riksförening (SMR) was formed in 1932 and the Swedish Union of Meat Marketing Associations in 1933. About the same time a reorganization of the General Agricultural Society of Sweden was undertaken, establishing it as the central body of the agricultural cooperative movement, with a new title, the Federation of Swedish Farmers' Associations--Sveriges Lantbruksförbund (SL).

FEDERATION OF SWEDISH FARMERS' ASSOCIATIONS (SVERIGES LANTBRUKSFÖRBUND) (SL)

Membership of the federation comprises 12 national organizations (figure 1). Of these branches, those concerned with dairy marketing and slaughterhouse or meat marketing activities are the largest, with 263,600 and 280,000 members, respectively. The federation had at the end of 1953 a total of 1,111,656 members (Table 1). This figure includes duplication as most farmers are members of more than one group. It is estimated that about 300,000 farmers hold membership in at least one cooperative. Of these, 260,000 farmers have farming as the principal source of income. Thus almost every farmer is a member of one or more cooperatives. In fact, the average is about 3 memberships per farmer. It is estimated that the marketing cooperatives affiliated with the Federation handle about 90 percent of the total agricultural marketing.

Activities of SL are divided into administrative departments and semi-independent companies (figure 1). The marketing department issues quotations in consultation with farm and trade organizations,



Swedish Farmers' Purchasing and Selling Association (SLR) was the first of the National Federations. It handles about 65 percent of the food grains, 30 percent of the farm machinery, and also general farm supplies.

Table 1. - *Principal Swedish cooperative business federations, year organized, and producer membership, 1950 and 1953*

Organization	Symbol	Year organized	Producer membership	
			1950	1953
<u>Members of the Federation of Swedish Farmers Associations:</u>				
Royal Mortgage Bank of Sweden-----	(SAH)	1861	¹ 61,473	45,273
Swedish Farmers' Selling and Purchasing Association-----	(SLR)	1905	136,439	141,942
Swedish Distillers' Association-----	(SBI)	1907	1,745	1,646
Swedish Fur Breeders' Association-----	(SPR)	1926	1,145	1,160
Swedish Starch Producers' Association---	(SSF)	1927	2,841	2,616
Swedish Farmers' Bank Credit Association-----	(SJK)	1930	141,616	153,343
Swedish Dairies Association-----	(SMR)	1932	259,899	263,608
Swedish Egg Marketing Association-----	(SA)	1932	71,377	73,000
Association of Swedish Forest Owners Societies-----	(SSR)	1932	112,473	121,712
Swedish Farmers' Meat Marketing Association-----	(SS)	1933	279,976	282,959
Swedish Flax and Hemp Growers' Association-----	(RLH)	1942	3,674	4,397
Swedish Oil Plant Growers' Association--	(SOC)	1943	20,000	20,000
Total-----			1,092,658	1,111,656
<u>Nonmembers of Federation:</u>				
Beet Growers' Association ² -----	(SBC)	1899	28,130	-
Elevator Association-----	(SSS)	1931	4,709	-
Market Gardening Association ² -----	(STR)	1939	-	-
Total-----			32,839	-
Grand total-----			1,125,497	-

¹Number of loans. (Number of members is about two-thirds of this figure.)

²Former member of Federation.

Sources: *Swedish Farmers Organizations. Sveriges Lantbruksforbund. Stockholm. 32 p. 1955.*
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provides surveys of domestic and foreign markets, and acts as an agency for placing vocational trainees on farms in Sweden and abroad. In addition SL is building an investment fund to be used for installing processing equipment in cooperative plants or in plants of other industries serving agriculture. The Economic Administration Department assists the affiliated services on studies and other measures to increase their operating efficiency. Table 2 shows the number of employees in the principal cooperative business organizations in 1950.

A comprehensive extension service organized by the Swedish farmers' organizations is under the direction of SL. It includes: Farmers' School for Cooperative Education; Education Department with Lecture Bureau; Farmers' Publishing Company, the LT Company, Ltd.; Correspondence School of the Company, LTK; Press Relation Department; Film Department (Sol-film).

Since 1944 the federation has owned, operated and financed the cooperative school, Jordbrukets Foreningsskola, at Sanga Saby, Svartsjo, about 20 miles from Stockholm. The board is made up of three representatives from SL and two members each from the Swedish National Farmers' Union (RLF), a general farm organization; from the Young Farmers Union (JUF); and from the Swedish Rural Study Association. The Farmers' School for Cooperative Education, which can accommodate about 40 students, is an important center of technical training for service in the farmer cooperative field.

Table 2. - *Number of employees in principal cooperative business organizations in Sweden, 1950*¹

Type of association	Administrative personnel	Foremen and workers	Retail stores	Total
Dairy-----	2,291	7,916	2,729	12,936
Meat marketing-----	1,270	4,988	2,075	8,333
Purchasing and selling-----	2,250	2,740	21	5,011
Egg marketing-----	136	532	1	669
Forest owners'-----	913	2,235	-	3,148
Flax-Hemp-----	48	690	-	738
Elevators-----	18	24	-	42
Distillers-----	3	532	-	535
Total-----	6,929	19,657	4,826	31,412

¹Includes national federations and subsidiaries.



Farmers' School for Cooperative Education, at Sanga Saby, by Federation of Swedish Farmers' Associations. The school trains federation staff members and future farm leaders.

The correspondence school (LTK) had approximately 300,000 pupils over a period of 8 years.

The Cooperative Farm Journal, *Jordbrukarnas Foreningsblad*, published by the L. T. Company, Ltd., has a circulation of 370,000.

**Royal Mortgage Bank of Sweden (SAH)
(Sveriges Allmänna Hypoteksbank)**

Credit is a first need of farmers and in Sweden the first local mortgage society was formed in 1836. The first central credit organization, The Royal Mortgage Bank of Sweden (SAH) was formed in 1861. In 1950, it had 10 branches which had outstanding 61,473 loans averaging 11,000 kroner (\$2,126).⁶

Through these 10 regional land banks, SAH extends long-term loans on farm real estate. Maximum loans are 60 percent of the appraised value of the farm and run at a fixed interest rate for a period of 30 or 40 years, but a borrower can repay his loan after 10 years. Loans are made with or without amortization. Interest rate in 1952 was 3.5 percent. To this is added an annual administration charge of 0.1 percent of the original amount of the loan.

SAH finances its loan operations by issuing bonds on the security of farm real estate. It has monopoly right to this method of financing.

Since 1938, SAH has also provided secondary credit for the balance of the loan between 60 and 100 percent of the appraised farm value. Even though no mortgages exist on the farm, the farmer may avail himself of this type of credit.

Total volume of credit outstanding in the fall of 1951 was 775 million kroner (\$149,807,500). The number of borrowers was 61,500. On 1953 the total reached 920 million kroner (\$177,836,000) for its 45,000 borrowers.

⁶Converted on the basis of 19.33 cents current exchange value per kroner.

**Swedish Farmers' Purchasing and Selling Association
(Svenska Lantmannens Riksforbund) (SLR)**

Founded in 1905 this association was the first of the national cooperative federations. It purchases farm supplies and sells grain and other crops (except fruit or green vegetables) for its member associations. There were 141,942 producer members in 1953 in the 740 local societies and 24 centrals.

More than 60 percent of the tilled land holdings of more than 5 hectares (12.4 acres) are operated by members for raising grain crops. Storage capacity in SLR for grain amounts to about 500,000 metric tons (551,160 short tons) and about 500 other warehouses. In addition to SLR, there are 8 storage societies in southern Sweden which collaborate with regional cooperatives.

SLR provides most production requirements such as fertilizer, feed for livestock, grain and other seeds, chemical preparations, and oils. Its subsidiary, the Sloor Company, A B Sloor's Maskiner, manufactures farm equipment, and distributes about 30 percent of the farm machinery in the country. This group also owns shares in the Swedish superphosphate factories.

**Swedish Distillers' Association
(Sveriges Bränneridkareforening) (SBI)**

This federation was founded in 1907. Its membership includes the 80 cooperative and farmstead distilleries, mainly located in the potato districts in Scania and Blekinge. In these plants potatoes are made into crude alcohol. Final production takes place in the state monopoly plants. Members of these co-op groups in 1953 totaled 1,646.

**Swedish Fur Breeders' Association
(Sveriges Palsdjurs Uppfordares Riksforbund) (SPR)**

This association was founded in 1926 to assemble and market the pelts of such fur animals as silver and blue fox, mink, and nutria. Practically all the Swedish fur breeders are members of this group. The association had 1,160 members in 1953, grouped in 22 provincial societies. It publishes a magazine for its members.

**Swedish Starch Producers' Association
(Sveriges Starkelseproducenters Forening) (SSF)**

This association was founded in 1927. Its membership is composed of 106 industrial plants, all except two of the starch associations in the country. These factories had 2,616 members in 1950. The association mainly handles the trade in potato starch. However, it also purchases machinery for members.

**Swedish Farmers' Bank-Credit Association
(Svenska Jordbrukskreditkassan) (SJK)**

This organization, founded in 1930, had 153,343 members in 1953. It is composed of 11 central bank-credit societies grouping some 609 associated member societies in which the individual borrowers have membership. There has been no significant increase in number of the member societies. However, the membership of individual farmers has increased (Table 1).

Through its 11 regional and 609 local credit associations, SJK supplies farmers with short- and medium-term credit. Principal types of loans are mortgage loans, cosigner loans, personal loans on basis of promissory notes, and loans based on checking accounts. Mortgage loans can be terminated after 3 months' notice. Interest rates range between 3.5 and 5 percent depending upon the length of the loan period and the type of security.

Loans are financed principally by farmer deposits and to the extent needed by credit from SJK which raises the necessary funds by loans from the money market. In 1953 deposits reached 620 million kroner (\$119,846,000).



About 98 percent of all milk sold in Sweden is handled by cooperative plants.

Total volume of credit outstanding in the fall of 1951 was 440 million kroner (\$85,052,000). In 1953 loans reached 575 million kroner (\$111,147,500).

**Swedish Dairies Association
(Svenska Mejeriernas Riksförening) (SMR)**

Milk and dairy produce have long been principal foods in Sweden. Of the Swedish farmer's total income from farming, about 40 percent comes from milk. The dairies (creameries) with few exceptions are cooperatives. They are joined in large regional groups and these in turn are federated as the Swedish Dairies Association, Svenska Mejeriernas Riksförening (SMR). However, some local dairies are linked together in so-called "fusions", and these in turn are members of SMR.

This association was founded in 1932, in the midst of the general agricultural depression. Its first long-time objective was to raise the prices of dairy products to a level acceptable to farmers. The principal method of approach was to export enough to raise the price at home. Other reasons for organization were to reorganize the dairy marketing system -- eliminate small plants through consolidation, modernize the remaining plants, and reduce duplication in hauling and delivery.

The organization had 263,608 members in 1953 in 17 dairy federations and 12 provincial dairy associations known as "fusions", including altogether some 561 dairies (Table 1). These dairies handled on the average over 6 million kgs. (13.2 million pounds) of milk in 1952. For 1949 see Table 3.

Under the plan of operation, each local handles distribution in its own area. Surplus supplies are sent to the district association. The districts in turn pass on any remaining surplus to SMR.

Table 3. - *Volume (in million pounds) of products handled by four major Swedish cooperative associations. (Index 1935 = 100)*

Year	Dairy		Meat marketing		Purchasing and selling		Egg marketing	
	Milk	Index	Slaughter	Index	Total turnover ¹	Index	Eggs	Index
1935-----	4,861	100	2,388	100	12,363	100	136	100
1939-----	6,539	135	3,521	147	21,411	173	222	163
1940-----	6,129	126	3,995	167	19,266	156	228	167
1941-----	5,470	113	3,521	147	20,472	166	167	122
1942-----	5,187	107	1,881	79	21,907	177	88	64
1943-----	5,891	121	2,498	105	26,210	212	105	77
1944-----	6,471	133	3,225	135	30,818	249	186	137
1945-----	7,092	146	2,985	125	28,898	234	294	215
1946-----	7,456	153	3,364	141	33,173	268	386	283
1947-----	7,326	151	3,761	158	33,234	269	370	271
1948-----	7,235	149	3,388	142	35,992	291	440	322
1949-----	8,111	167	4,008	168	39,101	316	534	392

¹Principally grain, feed, and fertilizers.

Source: Frostenson, Georg. *Foreign Service of the USA*; Stockholm, December 29, 1949. No. 571. Holmstrom, Sven. *Institute for Agricultural Investigations*. 20 p. (Mimeographed report.) 1949.

The dairy association has almost 100 percent of the dairy producers in its membership. In 1953 it handled 98 percent of all milk sold to Swedish dairies. In 1949 cooperatives manufactured 97.6 percent of the commercial butter and about 94.1 percent of the cheese. About half the total value of products marketed cooperatively is handled by the dairies. Even though the dairy industry is nearly 100 percent cooperative, healthy competition prevails among the individual societies.

The dairy societies vary widely in size. In the smaller ones, a few farmers in the neighborhood deliver to a country plant. The largest one boasts 30,000 members. The farmers deliver the milk in cans to a point on the collection route. From there the milk is picked up and handled by association trucks. Some of these trucks also deliver groceries at the same time.

The dairy association is concerned mainly with collecting, processing, and storing milk and milk products. However, the group has set up its own machine factory and a special research station. Also some individual societies have set up retail milk shops. Home delivery of milk is almost unknown. The household consumers are supplied through milk shops only.

Swedish Egg Marketing Association (Svenska Agghandelsförbundet) (SA)

This cooperative also was founded in 1932, though local groups were formed for collecting and selling eggs as early as the 1880's. In 1906 these groups began to form larger societies for quality control and marketing. Most of these larger societies are members of SA, which had in 1953 a membership of 22 regional egg marketing centers with 1,438 poultry farmers' societies. They serve 73,000 individual producer-members.



About 65 percent of the eggs sold at wholesale, one-third of the total production in Sweden, are packed in cooperative plants.

It is estimated that about 65 percent of the eggs marketed at wholesale are handled through these cooperatives. This represents about 35 percent of the total egg production of the country. The eggs are retailed in the large cities and towns and the surplus exported.

The association also operates 10 large modern slaughterhouses for poultry. Exports handled by SA amount to more than 60 percent of the country's egg exports. Its program includes sale of machinery to egg packers and poultry slaughterhouses, and some feed and equipment to farmers. In addition some of the marketing centers have started poultry farms.

Association of Swedish Forest Owners Societies (Sveriges Skogsagareforeningars Riksforbund) (SSR)

This association, founded in 1932, was based on earlier joint activities in forest management and policy. The national association had 121,712 members in 1953, grouped in 29 local societies. The members control forest land amounting to 6 million hectares (or nearly 15 million acres). This is about 50 percent of the total land in farm forests.

Although the national association does no selling, many of the locals do marketing. They also operate sawmills and other wood processing plants and handle both lumber and timber exports. Their activities are also partly educational, directed toward improved methods in the care and harvesting of timber. The central organization publishes a journal, "Skogsagaren" (The Forest Owner).

An example of industrywide cooperation is the establishment of a modern pulpmill in 1952 by the forest owners' organization and private forest owners supported by the Swedish Farmers' Union (RLF) and the Federation of Swedish Farmers Associations (SL).

Swedish Farmers' Meat Marketing Association (Sveriges Slakteriforbund) (SS)

This meat marketing affiliate of the Federation of Swedish Farmers Associations, was founded in 1933. In 1953 it had 282,959 members in 25 meat marketing cooperatives. Membership of these cooperatives ranged from 3,000 to 25,000. They own and operate about 60 slaughterhouses and some 40 meat packing plants. The organization controls about 77 percent of the total meat production and does one-third of the processing. Output of the slaughterhouses in 1952 amounted to 222,000 metric tons (244,715 short tons). A special branch (Kontrollhudar) handles the hides, and collects wool and horsehair. Payments to members are based on "dead" or "carcass" weight and grade as set by government inspectors.

Foreign trade in meat is handled by the SS for a Government-controlled import-export association (Svensk Kotthandel). Net imports in 1952 amounted to only about 1,700 metric tons (1,874 short tons).



Some 40 cooperative meat-packing plants in Sweden handle about 77 percent of the total meat production.

Retail trade in meat, storing, and handling of pigs, hides, and wool are part of the functions of SS and its affiliated organizations. Country districts are provided with transportation arranged through a system of truck delivery. Prices are set according to a formula based on market reports and expected supplies. Numerous societies have their own retail meat shops and some have mobile units.

Flax and Hemp Growers' Association (Riksförbundet Lin Och Hamps) (RLH)

The bulk of the fiber and seed produced in Sweden goes to the home market, but since 1951 there has been annually exported about 1,250 metric tons (1,378 short tons) of linseed fiber and about 500 metric tons (551 short tons) of linseed for sowing. Total output of flax fiber amounts to some 3,000 metric tons (3,307 short tons) annually and hemp fiber to 2,500 metric tons (2,756 short tons). In addition, about 2,500 metric tons (2,756 short tons) of flax seed and 600 metric tons (661 short tons) of hemp seed are produced.

The Flax and Hemp Growers' Association is a union of all the societies in that trade. It operates modern facilities to prepare the flax and hemp for market, sells the products for members, purchases machinery for them, and conducts some experimental work. In 1953 the association had 8 growers' societies as members and 4,397 individual growers.

Swedish Oil Plant Growers' Association (Sveriges Oljevaxtödlares Centralforening) (SOC)

The Swedish Oil Plant Growers' Association is a federation of the oil plant growers' societies, formed in 1943. Its membership is about 20,000. Functions are chiefly bargaining for sale of the extensive oil

crop production - primarily rape seed. As other large cooperative groups, this one conducts some research and disseminates information to members.

OTHER FEDERATIONS OF COOPERATIVES

All but three of the non-member groups have been at some time members of the Federation of Swedish Farmers' Associations. (Former members include the Beet Growers' Association and the Elevator Association.) The associations that have never been members are the Gardening Association, the Federation of Swedish Artificial Insemination Associations (Riksorganisationen Sveriges Semin Foreninger) and the Swedish Federation of Commercial Fruit Growers.

Beet Growers' Association (SBC)

This is one of the oldest of the Swedish associations of cooperatives. It was organized in 1899. In 1950 the membership consisted of 19 locals with some 28,000 grower members. It is a bargaining agency which negotiates prices and other business terms with the Swedish Sugar Manufacturing Company.

Elevator Association (SSS)

This association, organized in 1931, is a federation of eight local associations. In 1949 these locals had 4,700 grower members.

This association promotes cooperation among local elevator and other grain marketing associations, sells grain, and provides other services for members.

Market Gardening Association (STR)

This society was organized in 1939 and reorganized in 1945. Later it became inactive. Its member organizations however--4 regional garden centrals--still conduct business in vegetables, fruit, root crops and potatoes and had about 700 members and a combined business volume of 5.1 million kronor (\$985,830) in 1950.

The purpose of STR was to promote the interests of the members by working for quality improvement, standardization, control, payment according to quality, and to provide advisory and information services.

Swedish Federation of Commercial Fruit Growers (Sveriges Yrkesfruktodlares Riksforbund)

The difficulties experienced in marketing the record crop of 1950 prompted the fruit growers to form a market organization. The organization, formed in 1951, was named Sveriges Yrkesfruktodlares. It has 10 local fruit growers' associations with a combined membership of 1,200 individual members. These control about 10 percent of total production.

The federation is promotional and is not engaged in selling activities. Important functions of the Federation of Commercial Fruit Growers are to maintain contact with the Market Regulatory Agency and the State Agricultural Marketing Board, and to establish weekly quotations of prices to producers for apples and pears. The latter function is performed in collaboration with the wholesale trade.

The new organizational set-up, reportedly, has been successful due to the awakened interest in orderly marketing on the part of the growers.

Federation of Swedish Artificial Insemination Associations (RSS)

Artificial insemination is a rather recent development in Sweden as in this country. Started on a commercial scale in 1943, this activity is carried on almost altogether by farmer-owned and controlled artificial breeding associations. From 9 such associations in 1945, the number had increased to 29 in 1950, enlisting 18,145 herds and 221,000 cows or 13 percent of the total number of cows in the country. These groups are affiliated in a national, known as the Federation of Swedish Artificial Insemination Associations (Rifsorganizationen Sveriges Semin Foreningar).

The average number of cows per herd enrolled was 12. The associations owned 260 bulls and employed altogether 80 college-trained veterinarians and 50 assistants who were specially trained.

Voting is on the basis of one vote per share of stock held and each share represents one cow. No member may control more than 20 percent of the votes represented at any meeting. A member may withdraw after two years if he so desires. Some attempts have been made to create county-size locals, some with sub-stations where necessary.

Some interest has been shown in regulating artificial insemination through registering approved bulls and judging the offspring. Legal basis for such a program has been considered by Parliament.

Storehouse Societies

Apart from the purchasing and selling societies are the related storehouse, storage, grain-drying, and grain-selling societies. Most of these are members of the Association of Swedish Grain Societies (Svenska Spannmalsforeningarnas Samorganisation) which cooperates with the SLR in the sale of grain.

Machine Stations

Machine stations, so called, are important in agricultural production. Through 400 to 500 such stations farmers jointly use expensive machinery for cultivating, planting, and harvesting crops as well as land clearing and spraying equipment. These stations have been financed partly by government loans and grants. As the average Swedish farm is only a few acres in many cases it is not practical for farmers to own this machinery individually.

RELATIONSHIPS OF AGRICULTURAL COOPERATIVES

In Sweden cooperatives work closely with the general farm organization, the Swedish Farmers' Union (SL). These cooperatives operate independent of government control. There is no official connection between the consumer and the agricultural cooperatives.

With General Farm Organizations

Side by side with the cooperatives and SL, another nationwide organization has grown up. This is the Swedish Farmers' Union (RLF) (Figure 1). This organization expanded greatly during the general depression of the 1930's. During that discouraging period many farmers lost faith in the cooperatives. RLF did much to restore the farmers' confidence. The union has generally assumed a sponsoring role toward cooperatives. It assists in the organization of new societies and tries to create favorable public opinion for them.

Local units of RLF are scattered all over the country. They plan important work in their districts and arrange for forums at which local problems are discussed, and for debates on such questions as prices, schools, roads, and the methods and aims of RLF and the cooperatives.

At the close of 1953, members in this union numbered 200,000, or about 75 percent of those making a major part of their living from farming or closely related industries.

The two large central organizations SL and RLF cooperate on questions involving cooperatives and farming. Together they represent agriculture in negotiations with the government on such questions as price regulations. The two organizations jointly own the "Institute of Agricultural Investigations." Each year the Institute calculates the total cost of agricultural production. These calculations form the basis for the annual price negotiations between the government and the farm organizations.

Common board meetings are arranged for discussing important matters. At these meetings the chairman and vice-chairman of one organization automatically become delegates on the board of the other. Both organizations took part in the negotiations and resulting contracts with the Swedish Cooperative Wholesale Society (KF) which represents consumer cooperatives. In like manner they work closely together in matters of international agricultural policy. The delegations work jointly at such international conferences as the International Federation of Agricultural Producers (IFAP), the Food and Agriculture Organization (FAO), and the Joint Council of Farm organizations of the Nordic Countries (NBC). The joint management of the cooperative school at Sanga Saby has been mentioned. The two organizations also jointly conduct The Institute of Agricultural Investigations. Its objective is research in the economic and social problems of agriculture.

With Government

Agricultural cooperatives of Sweden are wholly independent of government control. However, they have received strong sympathetic support from the government. Also the cooperatives are so important in some commodity fields that they have been assigned the responsibility for certain government programs. In like manner they are in position to influence government programs.

Some examples will be cited. One is the milk price stabilization program. Since prewar years the Swedish government has authorized SMR to collect and distribute certain funds for equalizing the price of milk. This authority has done much to extend cooperative milk marketing.

The derationing of meat is another example. This was under discussion at the beginning of 1949. The government was in favor of postponing action for fear of an unfavorable effect on the cost-of-living index. Farmers, however, were in favor of derationing, since rationing had caused a great deal of black market slaughter. As an alternative procedure, the government cancelled a number of slaughter permits held by small butchers. The purpose was to check black market slaughter. One result, however, was to increase the volume of business of the cooperative meat packing associations.

During World War I, the government financed the building of granaries to help farmers store grain. In the 1930's the government issued loans up to 85 percent of the cost of constructing warehouses for storing products. It also helped finance storage with loans up to 80 percent of the value of the warehouse receipts. The former loans were mostly to consumer cooperatives, the latter to farmer cooperatives.

A new act governing cooperative societies came into force January 1, 1953. Under the act of 1911, an economic society was so loosely defined that profit-making associations could be registered as "economic societies." The scope of the new law is general. It applies to all kinds of cooperative enterprises except insurance societies, mutual insurance societies, sick benefit societies, benevolent societies, and groups for granting loans against the security of a mortgage. These come under special laws. The new act recognizes basic cooperative principles but offers wide latitude in specific aims of organizations.

With Consumer Cooperatives

In Sweden, farmers' and consumers' cooperatives, while both are strongly developed, are completely independent of each other. Farmers make up a big part of the membership of consumer cooperatives. However, the thinking and leadership of these consumer cooperatives has been predominantly urban. This has resulted in a difference in operating objectives between the two groups. Naturally the objective of one is to buy as cheaply as possible; that of the other is to sell as high as possible.

While the cooperative enterprises were mainly local, there was room for both agricultural and consumer cooperatives to expand without encroaching on each other's territory. In the early 1920's, however, some of the meat-marketing cooperatives extended their operations to include retailing and manufacturing meat products. This was done by county federations of local societies.

Some discussions took place in the 1920's concerning definition of the respective spheres of the farmers' and consumers' associations. Nothing came of it. The main sources of difference seemed to be the opening of retail shops by farmers for selling meat and dairy products.

The formation of the national federations of cooperatives intensified this competition. Negotiations between the Federation of Swedish Farmers' Associations (SL) and the Swedish Cooperative Wholesale Society (KF) finally resulted in the agreement of 1936. In general, this agreement defined the fields of activity for the various types of cooperatives and provided for arbitration committees to settle disputes. Both sides, however, were too aggressive. The agreement didn't work. They both expanded their activities. Many disputes were referred to the arbitration committees. Continued differences and continued expansion led to another agreement--that of 1945.

The 1945 agreement was made for a 5-year period or until the end of 1950. It was then renewed for 1 more year. This agreement had few remedial factors. It recognized the right of both groups to expand and compete and accepted the current pattern of cooperative trade as a standard. Then it concerned itself with means of regulation within that pattern.

It seems that both sides want to get along together but cannot find a compatible formula. In the meantime they are keen competitors in some fields. However, each is the other's best customer.

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DENMARK

Denmark is a small country made up of the Jutland Peninsula and many islands, including the Faroes. The combined area totals about 17,100 square miles. This equals about 1/3 the size of New York State. Copenhagen, the largest city, holds about 22 percent of the total population.

In spite of a difficult climate and soil of low to average fertility, agriculture has been highly developed. Agriculture leads industry in importance both in domestic production and in exports.

Denmark abolished the village system at the turn of the 18th century. Thus, attractive farm buildings, located on the individual farms, dot the countryside. By our standards the farms are medium to small. Grain is the leading product, claiming about 40 percent of the cultivated acreage. Grazing claims another 40 percent and forage crops 15 percent, reflecting the dairy and livestock economy of the country.

In Denmark agricultural and consumer cooperatives are part of the same organizational structure. These cooperatives have developed and expanded as various needs for them have arisen. Their development was not planned and organized. Consequently they are a complicated network of many organizations, with some dependent on others and some entirely independent. (Figures 1 and 2.)

Backbone of the Danish cooperative system is the local society. The locals, in turn, are organized into federations. There are 19 major federations. (Figure 2.) Memberships in all cooperatives in 1952 totaled about 2.2 million. While there are only about 210,000 individual farms in Denmark, about 475,000 rural and urban people are members of one or more cooperatives. Approximately 7,250 producer and nearly 2,000 consumer cooperatives serve these people.

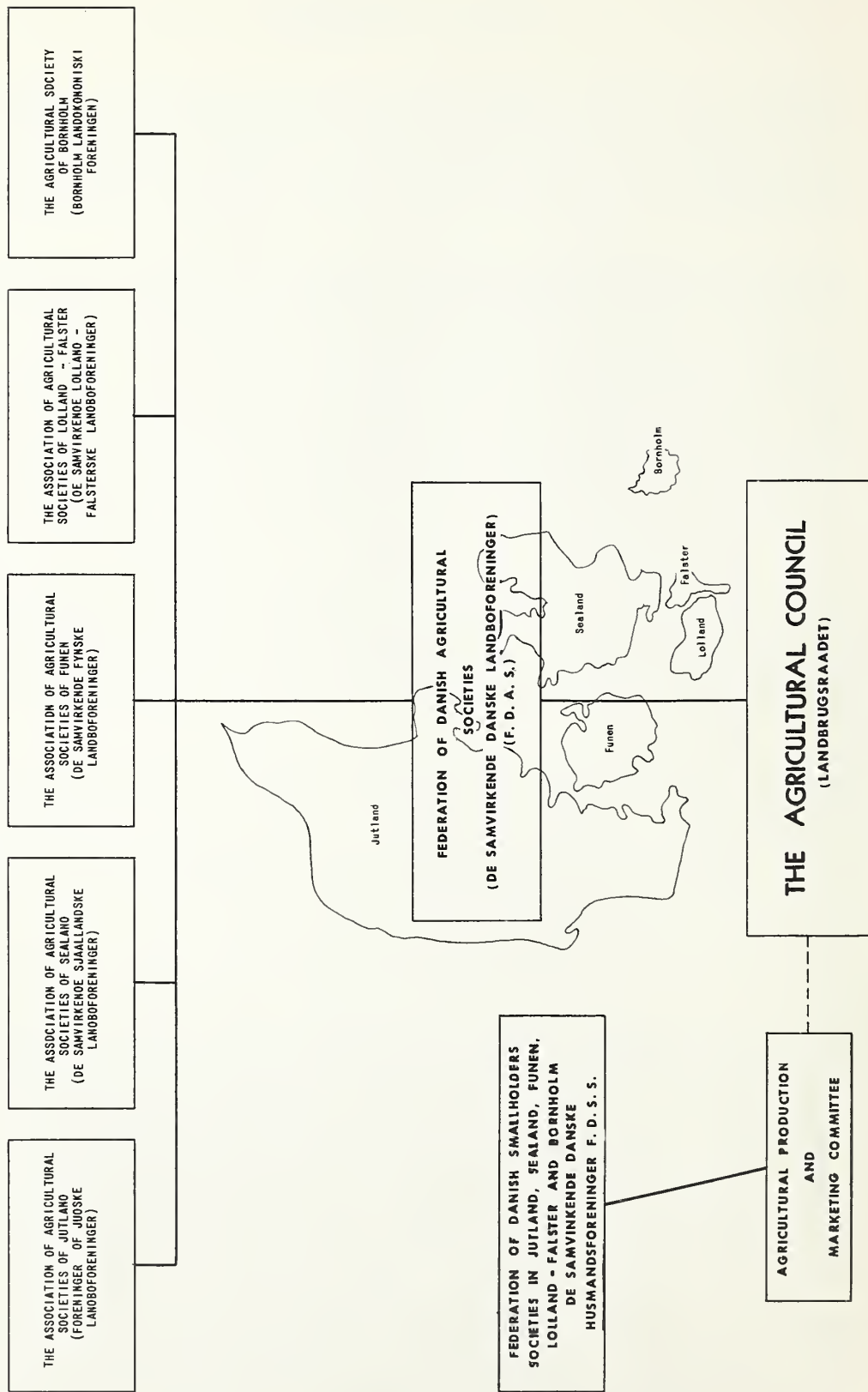
EARLY BEGINNINGS OF COOPERATION

Early agricultural history of Denmark is typical of most European countries. From early times, Danish farmers have practiced economic cooperation. In the Middle Ages, a certain feeling of fellowship developed in the rural villages. The enclosed fields around the village, even when apportioned in strips to the various farms, required uniform and simultaneous working by all the farmers, and joint use was still more necessary for the commons lying outside the cultivated fields.⁷ Livestock grazed on common land. Even the government of the villages was cooperative. Roads, the village street, the pond, even the village

⁷Knudsen, A. F. Landbrugets Organisationer. Landbrugsudstillingen, Copenhagen, 1938. 144 pp.

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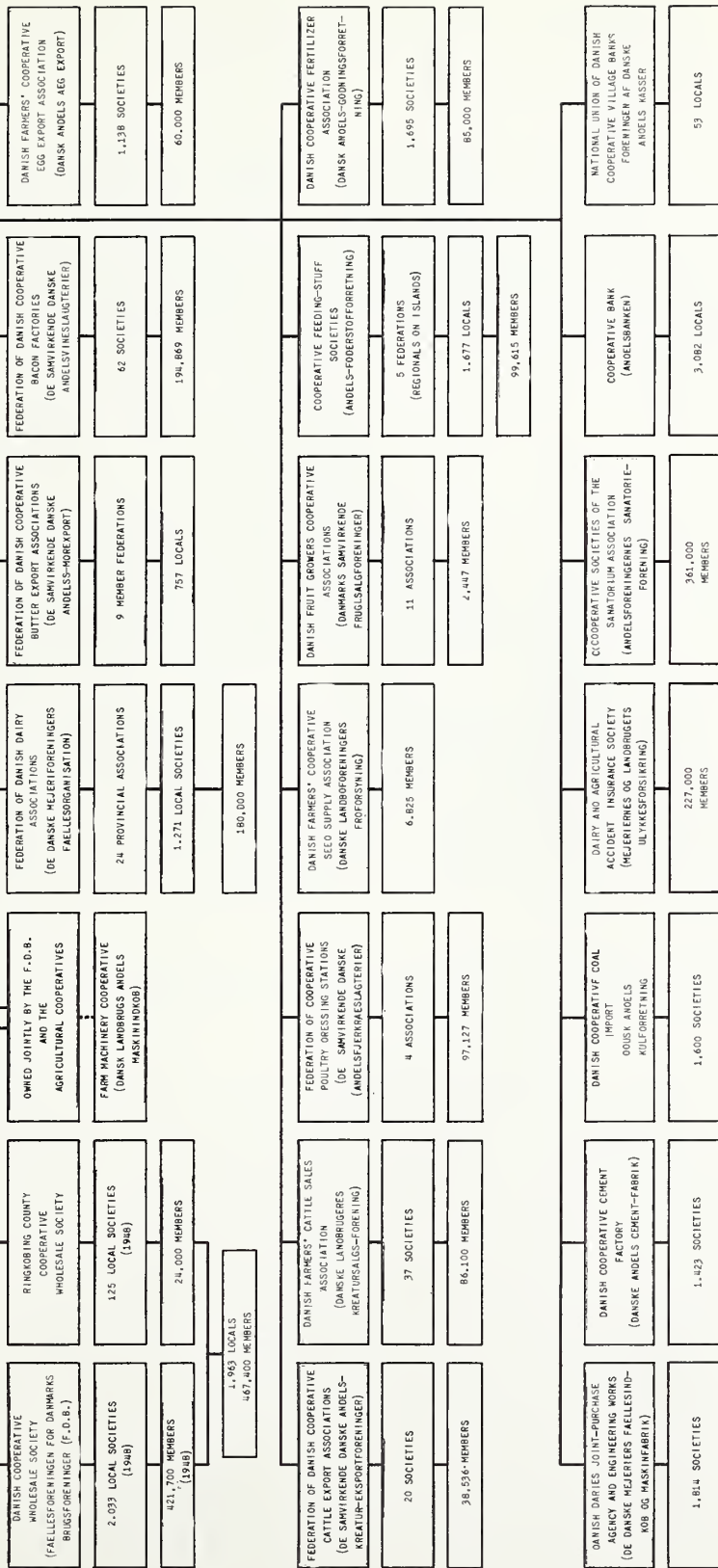
FIGURE 1
MAJOR AGRICULTURAL ORGANIZATIONS IN DENMARK



CENTRAL COOPERATIVE COMMITTEE (ANDELSUDVALGET)
FEDERATION OF DANISH COOPERATIVE SOCIETIES (DE SAMVIRKENDE DANSKE ANDELSSELSKABER) (F.D.C.S.)

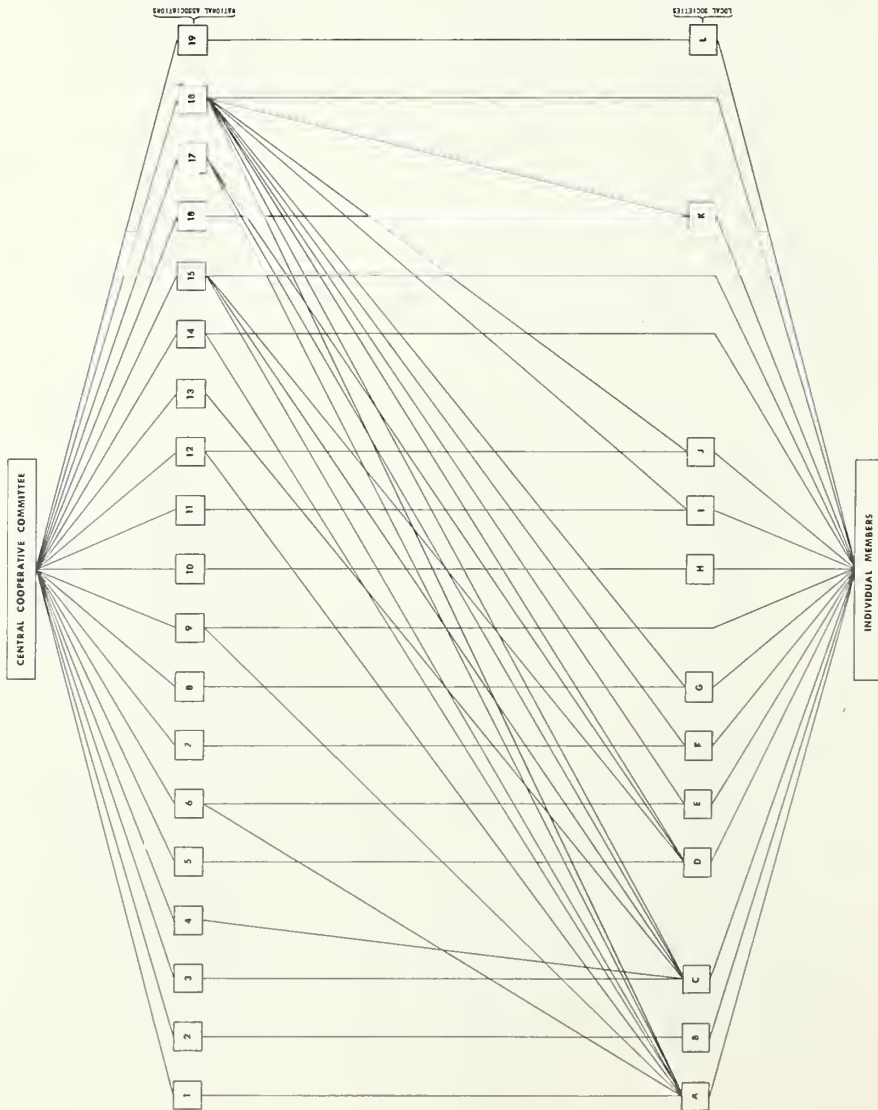
CONSUMER

AGRICULTURAL



THE BROKEN LINES SHOW THAT THERE IS NO DIRECT ORGANIZATIONAL CONNECTION BETWEEN THE UNITS SO JOINED.

FIGURE 2
INTERRELATIONSHIPS OF DANISH COOPERATIVES



CENTRAL CO-OPERATIVE COMMITTEE

NATIONAL ASSOCIATIONS:

1. Co-operative Wholesale Society.
2. County of Ringkøbing Wholesale Society.
3. Federation of Dairy Associations.
4. Federation of Butter Export. Associations.
5. Federation of Bacon Factories.
6. Egg Exports.
7. Cattle Exports.
8. Federation of Poultry Killing Stations.
9. Seed Supply Association.
10. Fruit Growers' Association.
11. Feeding-Stuffs Association.
12. Fertilizer Association.
13. Danish Dairies' Joint Purchasing Agency and Engineering Works.
14. Cement Factory.
15. Coal Supply.
16. Insurance Societies.
17. Sanatorium Association.
18. Bank.
19. Village Banks.

LOCAL SOCIETIES:

- A. Distributive societies.
- B. Distributive societies.
- C. Dairies.
- D. Bacon factories.
- E. Egg-collecting societies.
- F. Cattle export societies.
- G. Poultry killing stations.
- H. Fruit growers' societies.
- I. Feeding-stuffs societies.
- J. Fertilizer societies.
- K. Insurance societies.
- L. Village banks.

INDIVIDUAL MEMBERS

bull and boar, were common property under joint management. But almost all peasants suffered under the system as land was controlled by the big estates.

Agricultural reforms came toward the end of the eighteenth century. The land was apportioned to individual peasants who, with their families, moved out of the villages and lived on their own farms.

Individual ownership created problems. Farmers raised the most profitable cash crops--especially grain--until the soil began to lose its fertility. Fortunately grain prices dropped because cheap grain from the Western Hemisphere was imported during the 1870's. Denmark then turned to dairying, importing feed for livestock from the new world.

This change from grain-growing to dairying gave farmers a new need for cooperatives. Until this time farmers had paid their rents, taxes, wages, and other expenses with farm produce--bacon, butter, grain--or in work performed. Payment in cash now replaced payment in kind. Farmers needed money to pay their bills. Private lenders took advantage of their need. This situation became common to almost all of Europe.

Cooperatives offered a new and much needed program in a field where others were not already operating. The first credit cooperative in Denmark was established in 1851, the first producer cooperative--a dairy or creamery--in 1863, and the first purchasing cooperative in 1866. For some years cooperative progress was slow, but rather steady. Comparatively little opposition was encountered through this early period.

CHARACTERISTICS AND PRACTICES OF DANISH COOPERATIVES

Cooperation kept pace with the advances made in animal industry. Improved feeding methods, care in handling products, mechanical devices, increased production, and standardization led to new sales and export market organizations. Thus, the production of butter, bacon and eggs, and later cheese, became important. This came about partly through the rising importance of the export market. With modern transportation and the development of refrigeration, more and more products could be sent abroad. But the difficulties of marketing small quantities of unknown quality and unrecognized origin made it impossible to realize full values from these exports. So it was logical to combine in a central marketing program the varied interests of the different organizations (Table 1).

Danish cooperatives are usually organized around one activity or commodity, such as dairy, bacon, eggs, fertilizer and feedstuff. This is true of both federations and locals and accounts for the 19 federations. However, a few local cooperatives may handle the products or use the services of several federations.

Table 1. - Date of organization and membership of the national cooperative federations and percentage of the total product handled by these cooperatives, 1952

Commodity group	Date federation formed	Associations and societies	Individual members	Percentage of product handled
Consumer associations:				
Local societies-----		1,963	467,400	-
The Danish Cooperative Wholesale Society ¹ -----	1896	(2,033)	(421,700)	-
Ringkøbing County Cooperative Wholesale Society ¹ -----		(125)	(24,000)	-
Total-----		1,963	467,400	-
Producer associations:				
Marketing cooperatives:				
Dairies-----	1912	1,271	180,000	91
Butter export associations-----	1897	9	⁴ 757	58
Cheese export societies-----			48	-
Bacon factories and egg export--	1897	62	194,869	90
Bacon factories special activities-----		17	-	-
Danish cooperative egg export-----	1895	1,138	60,000	² 35
Cattle export societies-----	1916	20	38,536	45
Danish farmers' cattle sales-----	1933	37	86,100	37
Poultry dressing-----	1932	4	97,127	45
Seed growers' society-----	1906	1	6,825	40-45
Fruit marketing societies-----	1945	11	2,447	
Total-----		2,570	666,709	
Purchasing associations:				
Feeding-stuff societies-----	1898	1,677	999,615	53
Fertilizer societies-----	1901	1,695	⁴ 85,000	39
Dairy machine society-----	1901	1	³ 1,814	-
Cooperative machine stations-----		12	⁵ 3,000	-
Cement factory-----	1911	1	³ 1,423	-
Danish cooperative coal import-----	1915	1	³ 1,600	-
Funen coal purchase society-----	1914	1	³ 280	-
Total-----		3,388	192,481	
Other cooperatives:				
Life insurance (Tryg)-----		1	229,900	-
Accident insurance (M.L.U.)-----		1	227,000	-
Accident insurance (parish councils)-----		1	24,000	-
Annuity society-----		1	6,100	-
Insurance society (Fællesvirke)---		1	-	-
Sanatorium association-----		1	361,000	-
Total-----		6	848,000	
Grand total-----		7,927	2,174,590	

¹Thirty-three of these societies and their individual members are also members of the Ringkøbing County Cooperative Wholesale Society.

²Thirty-three percent of the eggs for the home market were handled cooperatively.

³Local societies.

⁴1951 figure.

⁵36 stations.

Source: Denmark Statistical Department; Denmark, 1952 and Statistik Arbog, 1954; also Yearbook of Agricultural Cooperation, Horace Plunkett Foundation, 1953.

Danish cooperatives are soundly and democratically organized. Local societies use the one-member, one-vote method. In the locals, liability is unlimited, but this is modified in the case of the federations. Here the members live farther apart and are not so well acquainted. They hesitate to assume unlimited obligations with producers they do not know. Therefore, the liability of local societies in federations is usually limited to their patronage with the federation during a specified period.

Tightly drawn contracts are in effect between the producers and the local societies and between the locals and the federations. The periods vary from 1 to 20 years. Generally, these contracts are self-renewing unless notice to withdraw is given during a specified notification period.

Member-patrons own the cooperatives. Each year, after the cooperative sets aside amortization and reserve funds, it distributes the remaining earnings on a patronage basis. At the end of each contract period the net worth of the cooperative is appraised. Each member is assigned his share of the net worth in proportion to his patronage during the preceding period. Should a member withdraw he is paid a portion, but not all, of his equity allotment.



The Liberty Obelisk, in Copenhagen, was built in 1795 in honor of King Christian VII. Just back of it is Axelborg, the Farmers' House, headquarters of the Agricultural Council, the Cooperative Bank, and many other Danish agricultural and cooperative organizations.

MARKETING COOPERATIVES

Marketing societies give emphasis to the highly standardized products for export such as butter, cheese, and bacon. Settlements to growers for products marketed are usually on a pool basis. The cooperative grades each member's products, places them in the appropriate pool, and makes advances on the items delivered. However, the co-op does not make final settlement until the pools are closed. Some pools extend over the entire year.

Dairy Cooperatives

As early as 1852 the Royal Danish Agricultural Society--an organization that originally included Denmark and Norway--issued a circular

recommending that farmers assemble their milk at one collection point where butter could be made in sufficient quantities for export. The first of the "joint" dairies of this type was founded at Marslev, near Odense, in 1863. Others were started in the 1860's but were not successful. In 1879, however, L. C. Nielsen of Denmark invented the first workable mechanical cream separator. This changed the picture. Dairies on large estates purchased separators and began to buy milk from neighboring farms for processing. Some farmers combined to form joint-stock dairies. Again, because of the poor quality of milk delivered, results were unsatisfactory.

Farmers themselves found the solution. They built and operated a dairy together, sharing the returns on the basis of the quantity of milk supplied by each. The first cooperative dairy of this type was started in 1875 in Funen, but it remained unknown for many years. The Hjedding dairy, built in 1882, is generally recognized as the first dairy cooperative in Denmark. The movement spread rapidly over the country. Between 1882 and 1888, 489 cooperative dairies were started in Denmark.

Production and quality of dairy products rose rapidly with the new organizations and their emphasis on exports. Many other cooperatives were formed. The introduction of margarine into Denmark about this time also encouraged making butter for export.

Lur Brand. - Farmers soon realized that a distinguishing brand or mark on their butter for export would benefit them. In 1900 the dairy associations appointed a committee called the Danish Butter Mark Society. This group decided on the Lur Brand as their trade-mark. Lur was the Danish name for a Bronze Age war trumpet. By 1906 all but 15 of the 1,328 Danish dairies had joined the society. The society's trade-mark was registered in England and in Germany, and came to be used on meat also.

The idea of a trade-mark was popular, not only with the Danish farmers but with the foreign-trade markets. In 1906 a law was passed making it compulsory for all butter produced for export from pasteurized milk to be so marked. Many other requirements were added before butter could carry the trade-mark. Thus, this system contributed greatly to the standardization and high quality of Danish butter.

For some time after butter became one of the important export products there was no definite system for exporting it. Creameries sold through one of three types of butter traders--a cooperative butter export association, English wholesale houses with representatives in Denmark, or Danish butter merchants supplying home and export trade.

Cooperative creameries attempted to consolidate the sale of butter in one export agency in 1889. It failed in 1908. However, there was a growing dissatisfaction among the farmers who suspected that the buyers' criticisms were merely an excuse for low prices.

Federated Danish Cooperative Butter Export Association
(De Samvirkende Danske Andels-Smørekseportforeninger)

The first successful butter export society was started in 1895. By 1922 there were 11 societies with a combined membership of 546 creameries scattered throughout the country. These societies formed a national organization known as the Federation of Danish Cooperative Butter Export Associations. This federation has done much to improve the quality and standards of Danish butter. In 1951, the cooperatives handled 58 percent of the total butter exports.

One of the early objections to cooperative dairy plants was that milk from many herds was mixed. Some of these herds might have unhealthy cows. This was a real threat to the cooperative system. However, it was averted by success in combating tuberculosis and by introducing pasteurization. In 1898 a law was passed prohibiting delivery of unpasteurized skim milk or buttermilk to farmers to go back to the farms. By 1923, cooperative dairy plants were receiving and pasteurizing 86 percent of Denmark's milk.

Federation of Danish Dairy Associations
(De Danske Mejeriforeningers Fællesorganisation)

In 1899 dairy cooperatives formed three provincial unions. These dairies worked through a committee of three chairmen. This committee was reorganized in 1912 into the Federation of Danish Dairy Societies (De Danske Mejeriforeningers Fællesorganisation). Membership was granted to those unions or persons having a production of not less than 55 million pounds of milk per year.

In 1950 there were 1,560 dairy plants in the country, of which 1,309 or 84 percent were cooperatives. These cooperatives handled 91 percent of all the milk delivered by farmers to dairy plants. The annual average milk per dairy plant was 79 million pounds. In 1953 there were 1,271 cooperative dairies with 180,000 producer members. All the cooperatives and about half the other dairy plants are members of the Federation of Danish Dairy Associations. The federation thus represents 97 percent of all milk produced.

Business of the federation is conducted through an executive board of 9 members, 5 from Jutland and 4 from the islands.

Special sales committees, such as Danish Dairies Butter Export Committee and Danish Dairies Cheese Export Committee, take care of all business matters.

Bacon Factories

From their cooperative dairies, farmers received back large quantities of skim milk, buttermilk, and whey. This supplied inexpensive pig feed. This cheap feed led to an increase in pig production. In 1887 the first cooperative bacon factory was started at Horsens in Jutland.



The Haslev Cooperative Bacon Factory, Zealand, one of 61 cooperative bacon factories, handles more than 90 percent of the Danish pig production and bacon exports. .

Development of the dairy cooperatives while slow did not encounter strenuous opposition. Bacon factories, however, met opposition on all sides. Increased tariffs against live pigs sent to Germany and other bans had forced pigs formerly exported alive to be sent to slaughterhouses. Numerous non-cooperative slaughterhouses were in operation. Inefficiency and uncertain marketing conditions around these plants awakened interest in cooperative slaughterhouses.

Development Period

Financing for new projects was difficult to obtain. Also, some obstacles had to be met. By 1890 there were 10 bacon cooperatives with 15,648 members. In 1897 there were 24 factories. In 1950 the number had increased to 61 with 201,300 members. In that year, these factories slaughtered 3,717,013 head. By 1952, there were 62 factory members in addition to the 17 specialty groups associated with combined membership of 194,869. Contrary to many of the first dairy plants, the early bacon factories did their own marketing. In the case of exports this was through an agency. In 1902, the cooperatives set up their own sales agency in London, the Danish Bacon Company. In 1950, cooperatives killed 89.6 percent of the pigs intended for export.

As in butter, steps toward standardization were greatly facilitated by the introduction of brand marks for all bacon intended for export. Class 1-A products are stamped with the red Lur Brand. The law for registering and marking pigs went into effect in 1908 and since then all pigs slaughtered must be examined by veterinarians appointed by the Ministry of Agriculture.

Canning and byproducts have also come in for their share of attention from the cooperative bacon factories. They now operate three canneries, a fat refinery, nine meat and bone meal factories, and special factories

for processing blood and other byproducts. Some of the factories also collect and export eggs.

Federation of Danish Cooperative Bacon Factories
(De Samvirkende Danske Andelssvineslagterier)

The national Federation of Danish Cooperative Bacon Factories was formed in 1897. It was preceded by an earlier federation called Cooperative Bacon Factories (Andelsslagteriernes Faelleskontor). It promotes trade cooperation and handles matters of joint interest such as legislation, transportation and sales conditions, breeding and production.

The federation is not engaged in business operations directly. But it has close working relations with the Export Bacon Factories Sales Organization. This organization is composed of both cooperative and non-cooperative bacon factories. It handles trade negotiations, sales, and all other business matters in connection with bacon and byproducts.

Eggs and Poultry

Cooperatives handle about 33 percent of all Danish eggs, and about 45 percent of the dressed poultry.

Danish Farmers' Cooperative Egg Export Association
(Dansk Andels Aeg-Export)

The Danish Farmers' Cooperative Egg Export Association has never reached the primary position of the cooperative dairies and the bacon factories. However, it is important. Export of Danish eggs began as far back as 1865 when the first direct steamship communication with England was established. Egg export trade rose rapidly for about 20 years and then began to drop off. English dealers complained about the quality of the eggs.

The Royal Danish Agricultural Society undertook to improve handling practices and quality. In 1889 it helped to organize local societies which required members to deliver their eggs weekly. It also attempted to form provincial or nation-wide societies along this line. But the plans did not receive enough support. First, eggs in Denmark mostly come from small producers. Such small units are difficult to handle and control. Also eggs can be marketed easily and with less capital than can milk or bacon. So the producers often market their eggs independently.

It soon became apparent that the many small producers could not be depended upon to deliver quality eggs. The cooperatives must do the collecting as well as grading and exporting. It was also found necessary to use some means of control. So a system of marking was proposed. A numbering system was devised which makes it possible to trace the producer of poor eggs and to penalize him through his egg cooperative. Based on such systematized handling, the Danish Cooperative Egg Export Association was formed in 1895.

The cooperative started with 24 branches and less than 3,000 members. By 1950, it had 1,005 locals and a total of 58,000 producer-members. In 1952 it had 1,138 locals and 60,000 members. On joining the society, members commit themselves to deliver eggs for a year at a time, and to accept joint liability.

After eggs are collected, they go to the packing stations. There are 29 of these stations. Here the eggs are sorted and graded, candled, and packed. Some are stored. Eggs are exported cooperatively--both by the egg export association and by 7 of the bacon factories. Total business of both equals 35 percent of the total Danish egg exports.

The association's work cannot be fully evaluated, however, by the percentage of exports handled through its plants. The system of producer identification not only helped to restore confidence in eggs produced in Denmark, but was copied by producers in other countries. Also the association's work was not limited to marketing. It encouraged improved breeding, better feeding, and better general management of poultry. In 1914 this sort of extension service, as it is known in this country, was taken over by a joint committee appointed by leading agricultural societies and supported by the Ministry of Agriculture.

The Poultry Extension Service was reorganized in 1948. It is now administered and financed through a national committee of 9 members. The members are appointed by the agricultural organizations, the poultry breeders associations, and the private and cooperative egg exporters.

Federation of Cooperative Poultry Dressing Stations
(De Samvirkende Danske Andels-Fjerkraeslagterier)

Up to 1932, Danish imports of dressed poultry exceeded exports. Since then poultry production has increased to such an extent that dressed poultry is now exported.

The first cooperative poultry dressing plant was established at Svendberg (Funen) in 1932. In 1952, there were four such stations, with 97,127 members. Besides handling about 45 percent of the dressed poultry these plants also dress rabbits for market. The societies are affiliated in the Federation of Cooperative Poultry-Dressing Stations.

Livestock and Meat

Cooperative cattle marketing in Denmark started in 1898. It began with a cooperative to export livestock to Germany and meat to Great Britain. It was an informal type of cooperative and members were under no obligation to deliver their products. It did, however, insure stock in transit.

Federation of Danish Cooperative Cattle Export Associations
(De Samvirkende Danske Andelskreatureksportforeninger)

Cattle exports increased greatly during the first World War. In 1916 the local cooperatives formed the Federation of Danish Cooperative Cattle Export Associations.

Danish Farmers' Cattle Sales Association
(Danske Landbrugeres Kreatursalgsforening)

In 1933 another export society was organized, the Danish Meat Supply Society. Its name was later changed to Danish Farmers' Cattle Sales Association.

The two organizations cooperate in their programs and are both members of the Central Cooperative Committee, described on page 77. In 1952, the 20 societies that were members of the Federation had 38,536 members. The Cattle Sales Association had 37 locals with 86,100 members. Thus, the two organizations together had a membership of about 125,000. About 37 percent of all Danish exports of cattle are made through these organizations.

Federation of Cooperative Slaughterhouses
(Jyvske Andelsslagteriers Konservesfabrik (J. A. K. A.))

Nineteen Danish cooperative slaughterhouses formed the Federation of Cooperative Slaughterhouses to operate a meat canning plant at Braband in Jutland. These cooperatives control about 25 percent of the slaughterhouse capacity in Denmark. This plant operates exclusively on preparing products for export. The export markets in view are chiefly the United States and Great Britain.

The Danish Cattle and Beef Export Organization
(Landbrugets Kvaeg - Og Kød salg Oxco)

In 1950, a joint sales organization of both cooperative and noncooperative trade was set up. This organization is now the regulating factor in marketing cattle and beef products, and has been established to assure farmers reasonable prices for their products. Members of the organization are the leading agricultural and cooperative organizations and the Federation of private Cattle and Beef Exporters.

Cooperatives have worked on long-time improvement as well as current marketing problems. For instance, by 1949, tuberculosis had been eliminated from 99.8 percent of the herds. This resulted from a joint undertaking by the farmers and the Government. Other diseases are now being attacked with the same vigor.

Fruit

Danish Fruit Growers' Cooperative Associations (Danmarks Samvirkende Frugtsalgforeninger)

This fruit growers' federation was founded in 1945, and includes 11 societies and 2,447 grower-members. The federation serves its members in much the same manner as other cooperatives. While it makes both domestic and export sales, it is not so important in its field as many other Danish cooperatives.

FARM SUPPLY SERVICES

Cooperative purchasing of farm supplies is highly specialized in Denmark, with a number of national and regional cooperatives supplying one particular item such as feed, fertilizer, machinery, seed, cement and coal.

Feed

During the period 1871 to 1900, following the sudden drop in grain prices, farmers began to form cooperative feeding-stuff societies (Andels-Foderstofforretning). Denmark ceased to be an exporter of grain and became an importing country. During the same period imports of oil cakes, corn (maize), and bran increased. Farmers lost confidence in the products offered by the local dealers. Laboratory examinations revealed weed seeds and other noxious material. A general law was passed but it had many loopholes. In 1896 a number of private importers at Aarhus combined into a closely knit organization.



The storehouse and factory of the Jutland Cooperative Society for the purchase of feedstuffs, in Esbjerg, with branches and storehouses in 15 towns in Jutland, imports and distributes more than 50 percent of the feed used in Denmark.

After a long series of meetings, the Jutland Cooperative Feeding-Stuff Society (Jutsk Andels-Foderstofforretning) was set up in 1898. It was not easy at first to procure capital and meet other obstacles. However, several other associations were soon founded. Among them were the Cooperative Feeding-Stuff Purchasing Society for the Danish Islands (Øernes Andelsselskab for Indkøb of Foderstoffer), the Lolland-Falster Cooperative Feeding-Stuff Society (Lolland-Falsters Andels-Foderstofforretning), and the Funen Cooperative Feeding-Stuff Society (Fyns Andels-Foderstoff-Forretning).

Under these district associations, branches are formed with individual members as shareholders. The

members are obligated to buy from the association over a period of years. They also subscribe guaranteed capital according to the size of their herds.

The one serving Jutland is the largest and imports about one-third of the feed brought into the country. All the district cooperatives combined import about 53 percent of the Nation's total imports of feed. The 1,677 locals had a combined membership of nearly 100,000 in 1952.

Fertilizer

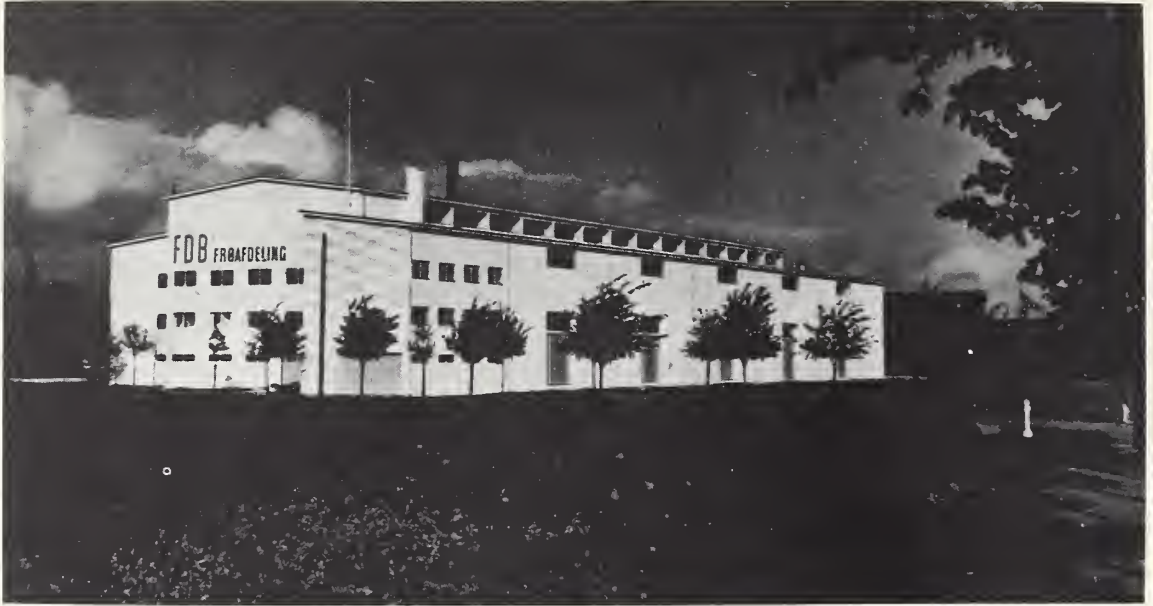
Twenty-two purchasing societies organized the Danish Cooperative Fertilizer Association (Dansk Andels Godningsforretning) in 1901 as a protest against a combination of commercial interests in what amounted to a fertilizer trust. During the 1880's, use of chemical fertilizers increased rapidly with increased fodder production. In Denmark members of these groups are under contract to make their purchases through the association for as long as 10 years and they accept joint liability within set limits.

In 1952 this association had 1,695 locals with about 85,000 individual members and delivered nearly 40 percent of the fertilizers used in Denmark. As it has no factories, it imports fertilizers from abroad or buys them from Danish manufacturers (as superphosphate). So this cooperative is in a dual position of customer and competitor of the non-cooperative fertilizer trade. However, it maintains friendly relations with its competitors.

Machinery

In 1947, the Danish Farmers' Cooperative Machinery Purchase Society (Dansk Landsbrugs Andels-Maskinindkøb) was formed to purchase or produce farm machinery and implements. Both the Danish Cooperative Wholesale Society (FDB) and the farmers' organizations are interested in and support the machinery cooperative. It is jointly owned by 12 major cooperatives (including F.D.B. the consumers' cooperative wholesale) and agricultural societies. The farm machinery cooperative purchases large quantities of farm machinery outside Denmark. Substantial portions come from the United States. The machinery is distributed by the local societies which are members of the 12 regionals that make up the membership of the farm machinery cooperative.

Cooperative machine stations partially solved the problem of using the same tractors and other machinery on a number of small farms. The members pay a general fee and in addition pay for the work they have done. The cooperative uses all savings made for maintenance and additional purchases of equipment. There are now 35 cooperative farm machinery stations associated in the National Association of Cooperative Machine Stations. This, however, represents only a fraction of the existing cooperative use of machinery in Danish Agriculture.



The Cooperative Wholesale Society's seed department, in Glostrup, near Copenhagen, in cooperation with Danish Farmers Seed Supply Association, delivers more than 40 percent of all grass, clover, and vegetable seed used in Denmark.

Seed

The Danish Farmers' Cooperative Seed Supply Association (Danske Landboforeningers Freforsyning) was formed in 1906 to promote seed growing and to improve strains for both domestic and export markets. The seed association operates the largest such business in Scandinavia. Seed grown on about 35,000 acres was handled through the association in 1949-50. The total area used for seed growing in Denmark in 1949 was about 125,000 acres and in 1950 about 150,000 acres--both exclusive of areas in mustard and rape seed for oil production. The cooperative's objectives are two-fold--to supply good seed for domestic crops and to provide a profitable and ready market for seed.

The cooperative seed supply association, the Danish Cooperative Wholesale Society, and the farmer and smallholder associations work jointly on this program. Together they decide each year upon fair average prices. Members of the seed supply association produce the seed. Seed sales in Denmark are handled through the stores of members of the Danish Cooperative Wholesale Society. The wholesale society has set up a seed department to handle this business. The seed supply association makes export sales.

The Wholesale society and the seed supply association jointly undertake the breeding and improvement of seed at special experimental farms. In 1950 the association had 135 local agricultural societies affiliated with it. Members of these cooperatives cultivated about 25 percent of the country's seed acreage.

Dairy Equipment

To provide the modern equipment needed by the dairies and their affiliated groups, the cooperative dairies in 1901 took over the purchase of machinery and some farm equipment. The joint purchasing agency Danish Dairies Joint Purchase Agency and Engineering Works (De Danske Mejeriers Faellesindkob og Maskinfabrik) was set up at that time to provide the needed items.

In 1952 this agency had 1,814 members. Besides supplying the Danish dairies with up-to-date machinery, the engineering works have gradually developed a substantial export business.

Cement

The Danish Cooperative Cement Factory (Dansk Andels Cementfabrik) was established in 1911. It had a rough competitive battle. However, in 1913 the factory was set up and the consumer cooperative stores began to purchase from it. The Danish Cooperative Wholesale Society had a contract with the non-cooperative trade for cement. Long litigation over this contract caused the factory to suspend operations for a time. Only cooperative cement factory now in Denmark, its annual production is some 900,000 casks.

Coal

In 1913, the rising need for fuel led to the establishment of the Jutland Cooperative Coal Association. In 1914 the Funen Coal Purchasing Society was formed. In 1915, the Jutland Society extended its activities to Sealand. Thus, its name was changed to Danish Cooperative Coal Import (Dansk Andels Kulforretning). In 1950, the coal association supplied coal to a membership of some 1,600 business consumers--including dairies and bacon factories.

INSURANCE

A large part of Danish insurance is the mutual type. The main divisions of cooperative insurance are accident, life, and pensions.

Dairy and Agricultural Accident Insurance Society (Mejeriernes og Landbrugets Ulykkesforsikring)

Cooperative insurance began in Denmark in 1898 with a cooperative accident insurance society for employees of dairies. Accident insurance was extended to all large farms by law in 1908. The existing cooperative widened its scope and changed its name to Dairy and Agricultural Accident Insurance Society. Several other insurance cooperatives were incorporated later.

Other Cooperative Insurance

Another society known as Tryg handles cooperative life insurance. Various cooperatives have also established a joint pension plan for retired and disabled cooperative employees and their dependents.

SANATORIUM ASSOCIATION OF THE COOPERATIVE SOCIETIES (ANDELSFORENINGERNES SANATORIEFORENING)

Among urban cooperatives in Denmark, as elsewhere, much of the early effort was toward social and benevolent objectives. In only one respect has the Danish agricultural cooperative movement undertaken such work. In 1905, two sanitoriums were established. One of them has since been taken over by the National Society for Combating Tuberculosis. In 1933, the other one - Sanatorium Association of the Cooperative Societies opened a sanitorium for rheumatic diseases.

CREDIT

The first credit co-op was established in 1851, but such service continued to be far from adequate. Reluctance of private banks to accept credit risks of farmers' organizations led to a proposal that cooperatives establish banking facilities of their own. For some years after the idea was put forth by Jorgensen in 1895, conservative thinkers urged that the cooperatives merely bring pressure to bear on private banks. After the cooperatives came together in 1898-99 and established the Central Cooperative Committee (discussed on page 77), credit needs of cooperatives became a major program.

Cooperative Bank (Andelsbanken)

The committee collected information from cooperatives and thus aroused opposition from private banking interests. Over this opposition The Danish Cooperative Bank (Den danske Andelsbank) was founded in 1909. Because of unsettled conditions in the money market, it did not begin to function until 1914.

The main office was set up in Aarhus, in Jutland, but was later transferred to Copenhagen. Unwise management together with a boom in trade circles caused the bank to close in 1925. It was able to pay its creditors over 90 percent.

In the same year The Danish Cooperative Bank closed, the Danish Cooperative and Peoples' Bank (Dansk Andels-og Folkebank) was established. The societies were cautious in supporting it at first but its conservative policy won out. In 1932, new subscriptions were invited and the name was again made the Cooperative Bank (Andelsbanken). The capital was subscribed by over 1,700 cooperatives and about 25,000 individuals. Thus it has a broad representation among farmers and farm organizations. Its financing policies are conservative. In 1940, 60 percent of its loans were to cooperatives with joint liability.

In 1948 it was the fourth largest Danish trading bank. At that time, among its customers were over 3,000 cooperatives. Among these were 702 retail store cooperatives, 440 dairies, and 31 bacon factories. Thus the bank seems well on its way toward financing the Danish cooperative movement.

National Union of Cooperative Village Banks (Foreningen Af Danske Andelskasser)

At the same time the Cooperative Bank was being promoted by the Central Cooperative Committee, local cooperative banks were growing up in connection with local activities. The first village bank was set up in 1914. In 1950, there were about 70 of these banks. They are typical local financing institutions, or community banks. They accept deposits from and make loans to their members.

Fifty-three of these banks are federated in the National Union of Cooperative Village Banks. The union formed in 1921 serves the local banks in an advisory capacity.

ROYAL DANISH AGRICULTURAL SOCIETY (DET KONGELIGE DANSKE LANDHUSHOLDNINGSSKAB)

The first farm credit association in Europe was started in Prussia in 1769, the same year that the Royal Danish Agricultural Society was founded. The Danish Society was organized by a group of liberal landlords, civil servants, merchants, and others. The program had the King's approval.

The original purpose of the society covering both Norway and Denmark was "to encourage by prices and prizes the agriculturist, the artisan and the merchant." However, from the first it was concerned principally with agricultural matters. In 1809 the Royal Society of Norway was formed. After the political separation of the two countries in 1814, the two societies were quite independent of each other.

The Danish society has a two-fold purpose--it advises the nation on matters of rural economy and helps farmers to improve methods by recommending improved practices. It was the first to urge training for agricultural instructors, the use of paid agricultural advisors, and the publication of technical agricultural literature. Much of the pioneer work of the society was later taken over by other agencies. This included recording and analyzing weather data; experimental work in animal husbandry, dairying, and plant culture; and work in agricultural accounting and statistics.

Local and national agricultural societies of the Federation of Danish Agricultural Societies and the Federation of Danish Smallholders Societies, discussed later, are entirely separate from the Royal Agricultural Society. However, they are historically related.

Although not an operating cooperative, the Royal Society took the initiative in organizing the first local cooperative in 1805 - the Agricultural Society of Bornholm. At first so-called "dirt" farmers were not among the members of the Royal Society, but with the growth of the cooperative movement from 1840 its membership was broadened. A new constitution became effective June 5, 1849, and allowed the farmers to be members. Improved communications then did much to promote such interests.

In 1872, the agricultural societies were permitted to elect half of the governing committee of the Royal Society. From 1919 to 1933, the Royal Society was a member of the Agricultural Council. The Society had 1,580 members in 1951. Individuals, institutions, or societies can be members. Functions of the Royal Agricultural Society have become rather limited in recent years. Its main duties are to publish agricultural literature for schools and farmers, to arrange training courses for agricultural teachers and advisors, to provide practical training for farm foremen (forvalters) and feeding masters, and to distribute awards and prizes to agricultural students and outstanding farmers. However, it had a pronounced influence on early Danish cooperatives.

FEDERATION OF DANISH AGRICULTURAL SOCIETIES (DE SAMVIRKENDE DANSKE LANDBOFORENINGER)

This federation was formed in 1893 and consists of five major Island groups (figure 1). The Association of Agricultural Societies in Jutland (Foreningen of Jydske Landboforeninger); a similar group on Sealand (De Samvirkende Sjallandske Landboforeninger); on Funen (De Samvirkende Fynske Landboforeninger); on Lolland-Falster (De Samvirkende Lolland-Falsterske Landboforeninger); and the Agricultural Society of Bornholm (Bornholms Landøkonomiske Forening).

To show how very complete this organization pattern can be, the Jutland association consists of 95 agricultural societies with 93,000 individual members. Furthermore, the following participate: the Jutland and Belgian Horse Breeding Unions (203 societies with about 14,000 individual members), the Society for Breeding of Black and White Danish Dairy Cattle with 2,100 members, the Union of Pig Breeding Stations, the Danish Society for Sheep Breeding, 23 Committees on Livestock Breeding and Milk Recording, and finally 600 individual members. Under the leadership of the association special committees function on animal husbandry, plant culture, dairying, farm building, machinery, home economics, farm accounting and youth education. Through these committees a wide-ranging extension service is carried out by means of a great number of advisers employed partly by the association and partly by the participating committees and societies.

Main objective of such societies is to further agricultural and technical development for the advantage of the social and rural economy. In many respects they combine both farm organization and extension work. They maintain agricultural and home economics advisers and aid farmers in improving their crops and livestock. Practically all such advisory work

is done by the agricultural organizations. The exception is the State appointed agricultural attaches and advisers. There were only 11 of these advisers in 1949. The Federation of Danish Agricultural Societies received government support in the fiscal year 1950-51 amounting to 71,000 kroner, (\$10,288)⁸ exclusive of grants to the advisory service.

FEDERATION OF DANISH SMALLHOLDERS' SOCIETIES (DE SAMVIRKENDE DANSKE HUSMANDSFORENINGER F.D.S.S.)

This federation was founded in 1910, and functions parallel with the Federation of Danish Agricultural Societies. It was formed especially to help small farmers. It has played an important role in the land settlement legislation in Denmark, in the same way as the Federation of Danish Agricultural Societies. It offers, through the provincial associations, and their 1,348 local societies with their 114,100 members help and guidance in animal husbandry, plant culture, horticulture, poultry keeping, apiculture, accountancy, home economics, and youth education. It is also similar to the F.D.A.S. in that its provincial associations work with the local societies. The local societies are usually formed on a parish basis. This federation receives government support. In the fiscal year 1950-51 this support amounted to 98,000 kroner (\$14,200) exclusive of government grants to the advisory service.

Until 1940 F.D.S.S. was represented in the Agricultural Council. Since 1948, a certain cooperation with the other groups has been re-established through the Agricultural Production and Marketing Committee (Figure 1).

LARGE FARM-OWNERS' ASSOCIATION (CENTRALFORENINGEN AF TOLVMANDSFORENINGER-OG SØRREJLANDBRUGERE I DANMARK)

This association was founded in 1923. In 1949 it consisted of 70 single unions known as Twelve Men's Unions with altogether 1,500 individual members. The aim of this organization is to take care of its members' interests. It collaborates with other agricultural institutions and organizations, but is not represented in the Agricultural Council. (See page 79.)

CENTRAL COOPERATIVE COMMITTEE--CCC (ANDELSUDVALGET)

To protect their common interests and to strengthen the cooperatives a central organization was formed to coordinate the efforts of the various cooperative groups. It is known as the Central Cooperative Committee (Andelsudvalget), in short CCC.

The Central Cooperative Committee was set up in 1899. It was composed of representatives of the most important agricultural cooperatives. In 1917 further coordination was brought about by the formation of the Federation of Danish Cooperative Societies. This organization gave the various societies more direct influence. The Central Cooperative Committee became the executive body of this federation. The Federation of

⁸Converted on the basis of 14.49 cents per Danish kroner.

Danish Cooperative Societies handles joint problems common to all societies and not problems of individual member societies (Figure 1).

The central committee does not interfere with the work of the individual societies but confines itself strictly to joint problems of the societies represented. In addition, the committee acts as joint representative of the cooperative movement in appointing members to a number of government committees and councils and to the Agricultural Council (Landbrugsraadet). The CCC also functions as the representative of the Danish cooperative movement in the International Cooperative Alliance.

FEDERATION OF DANISH COOPERATIVE SOCIETIES (DE SAMVIRKENDE DANSKE ANDELSSKABER FDOS)

The Federation consists of three main groups:

Consumer cooperatives (Forbrugerandelsselskaber)

Producer cooperatives (Producentandelsselskaber)

Other cooperatives, as for insurance, etc.

The federation was established in 1899 and reorganized in 1917 to consolidate and develop the cooperative movement and maintain contact with the international trends in cooperation. The controlling board is known as the Central Cooperative Committee. The 2,000 consumer (or distribution) cooperatives handle about 10 percent of the retail trade of the nation. Unlike most consumer cooperatives, these retail groups are located principally in the rural districts. Many societies operate a single store. There are now more than 150 consumer cooperatives in the cities. These are closely associated with the labor unions. Leadership is by the urban membership. However, the rural influence dominates the policies of the federation. Thus the consumer cooperative movement in Denmark is closely interlocked with the producer cooperatives.

Of the producer cooperatives, the most important according to commodity are the cooperative dairies; the slaughterhouses or bacon factories; the egg export societies; the cattle export associations; the poultry dressing establishments; the seed growers; and the fruit growers.

Other cooperatives include various insurance companies for life, accident, pension, and retirement purposes; sanitoriums, banks, farm machinery ownership; and other services.

The Federation of Danish Cooperative Societies includes the following associations. (See Figure 1.)

Danish Cooperative Wholesale Society
Ringkøbing County Cooperative Wholesale Society
Federation of Danish Dairy Associations
Federation of Danish Cooperative Butter Export Associations
Federation of Danish Cooperative Bacon Factories
Danish Farmers' Cooperative Egg Export Association
Federation of Danish Cooperative Cattle Export Associations

Danish Farmers' Cattle Sales Association (D.L.K.)
 Federation of Danish Cooperative Poultry Dressing Stations
 Danish Farmers' Cooperative Seed Supply Association
 Danish Fruit Growers' Cooperative Associations
 Cooperative Feeding-Stuff Societies:
 Jutland Cooperative Feeding-Stuff Society
 Cooperative Feeding-Stuff Purchasing Society for the Danish Islands
 Funen Cooperative Feeding-Stuff Society
 Lolland-Falster Cooperative Feeding-Stuff Society
 Ringkøbing County Cooperative Society for Purchase of Feeding-Stuffs
 Danish Cooperative Fertilizer Association
 Danish Dairies Joint Purchase Agency and Engineering Works
 Danish Cooperative Cement Factory
 Danish Cooperative Coal Import
 Funen Cooperative Coal Supply Association
 Federation of Danish Cooperative Insurance Societies
 Dairy and Agricultural Accident Insurance Society
 Sanitorium Association of the Cooperative Societies
 Cooperative Bank
 National Union of Danish Cooperative Village Banks
 Federation of Cooperative Tractor and Machinery Stations
 Danish Dairies Cooperative for Sale and Export of Cheese
 Federation of Danish Cooperative Fish Marketing Associations

RELATIONSHIPS OF AGRICULTURAL COOPERATIVES

With General Farm Organizations

Agricultural cooperatives and the general farm organizations present a "one package" program in the development and protection of their mutual interests. (Figure 1.) This program is projected through The Agricultural Council, (Landbrugsraadet).

This organization was founded in 1919⁹ to represent Danish agriculture. It was formed by the Federation of Danish Agricultural Societies, the Federation of Danish Cooperative Societies, the Federation of Danish Smallholders Societies, and the Royal Danish Agricultural Society. According to its bylaws, the Agricultural Council encourages cooperation among the various agricultural organizations and acts as agriculture's representative to the Government and in international relations. It is, for example, the Danish member of the International Federation of Agricultural Producers. Furthermore, by an agreement with the Government, the Council collaborates with and assists Danish Agricultural Attaches abroad in gathering information. It represents agriculture in relations with other Danish industries.

In 1933, however, the Danish Royal Agricultural Society's participation in this organization ended, and in 1940 the Federation of Danish Smallholders Societies withdrew.

⁹Landøkonomisk Aarbog 1951.

Today the Agricultural Council is managed by an 18-member board of directors. Eight of these directors are elected from the Federation of Danish Cooperative Societies and 10 from the Federation of Danish Agricultural Societies. These two are now the only participants of the Agricultural Council.

In 1948, however, a degree of cooperation with the Federation and Danish Smallholders Societies was re-established by the creation of the Agricultural Production and Marketing Committee, consisting of two members from each of the two federations united in the Agricultural Council and two from the above-named Smallholders Federation. The secretariat of this committee is located in the Agricultural Council, and the Committee's aim is to carry out investigations of economic and political importance to Danish agricultural production, prices, and marketing.

With Government

Danish cooperatives have developed "on their own" so far as government assistance is concerned. However, they exert a powerful influence on and are of great service to the government. The cooperatives assist in government programs through their connection with the Agricultural Council (Landbrugsraadet).

With Consumer Cooperatives

In Denmark there are not the sharp divisions between the various segments in cooperation that are found in many countries. Thus, the agricultural and consumer cooperatives are part of the same organizational structure.

Local consumer cooperatives are located largely in the rural areas. So their membership and that of the agricultural cooperatives overlap. This common membership has developed common understanding and excellent cooperation.

As part of this cooperation, the local consumer societies distribute many agricultural items. Also, the consumer societies assemble some items for the agricultural federations. For example, the fertilizer cooperative distributes part of its supplies through the local consumer societies. In like manner, these societies sell seed for the seed supply association. Also the local consumer cooperatives collect eggs for the egg cooperatives (Figure 2).

This cooperation between the consumer and the agricultural producer cooperatives extends into the federations. The cooperative wholesale societies, along with the agricultural federations of cooperatives, are members of the Federation of Danish Cooperative Societies. Through the federation and the Central Cooperative Committee both groups tie into the Agricultural Council (Figure 1).

The two groups also have joint business programs. The farm machinery cooperative, jointly owned by the Danish Cooperative Wholesale Society (FDB), has established a seed sales department.

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