

Farmer Co-ops Growing, But Not Keeping Pace

Farmer cooperatives are growing faster than other agribusinesses but remain "comparatively small" when stacked against those firms in similar activities. But cooperative and non-cooperative businesses serving agriculture are lagging national economic growth and at an increasing rate. Trends and comparisons of

cooperative growth over the 20-year period of 1950-70 are discussed in a 106-page report prepared by Farmer Cooperative Service (FCS), U.S. Department of Agriculture.

Cooperatives have made substantial progress, increasing volume 2½ times, from \$8 billion to \$19 billion, over the decades. Gains on other agribusinesses

are reflected by cooperatives' increasing market shares. The proportion of products marketed through cooperatives rose from 20 to 26 percent. Gains were biggest in marketing of dairy products, fruits and vegetables, and cotton and cotton products. The share of farm supply purchases through cooperatives increased from 12 to 16 percent.

Biggest increases came in fertilizer and lime, petroleum products, and pesticides.

Even so, the report states, cooperative growth stated as an index rose only 82 points while the Gross National Product moved up 120 points. Growth was relative the first 15 years, then the GNP gained ground increasingly in the period, 1965-70.

Cooperatives are still small businesses, the report states: "Only 7 percent of all cooperatives had an annual volume of \$5 million or more and nearly half of these were in the \$5 million to \$10 million size."

The report makes "top four" comparisons in 11 functions. Differences are striking

Four biggest dairy cooperatives, for example, had combined sales of \$2 billion in 1970 compared with \$7 billion for other dairy firms. The cooperatives' assets were \$493 million compared with \$3.4 billion; net worth, \$214 million compared with \$2 billion.

Similar comparisons made in 10 other activities are livestock, poultry, fruits and vegetables, grain, tobacco, cotton, commercial feeds, commercial fertilizers, petroleum, and pesticides.

A "Big Ten" comparison showed a greater size disparity between cooperatives and other firms. The ten biggest cooperatives produced \$4.2 billion in sales for 1970 against \$34 billion for other businesses with similar activities. The co-ops' net margin was \$79 million against \$1.7 billion; total assets, \$1.4 billion against \$25 billion; and net worth, \$610 million against \$14 billion.

"These data size up the challenge cooperatives face to match the growth of other businesses," the report states, "to enable them to be effective for the farmer in the marketplace. 'If cooperatives are to serve members more efficiently,

they will need to develop successful growth strategies."

An outline in the report identifies elements of growth that management should consider in developing strategy.

Single copies of FCS Information 87, "Cooperative Growth—Trends, Comparisons, Strategy," are available from Farmer Cooperative Information, U.S. Department of Agriculture, Room 1474 South Building, Washington, D.C. 20250.

Hiring Handicapped Called Good Business

The President's Committee on Employment of the Handicapped, observing its twenty-fifth anniversary this year, enters its second quarter-century of operation with a campaign to remove architectural barriers which hamper the disabled in using public buildings and transportation facilities.

According to Harold Russell, Chairman of the President's Committee, "A large number of handicapped men and women find it impossible to hold jobs because of environmental and architectural barriers."

Mr. Russell said that each year finds a growing number of employers who are convinced of the business advantages in hiring the handicapped. "Records of productivity, reliability and loyalty, set by the handicapped themselves, provide the convincing evidence," he said.

He summarized the national effort by saying, "This year, let's make the basic question, 'Can the man or woman do the job?'"

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