



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



# Journal of Agricultural Cooperation

Volume 9

1994

## Articles

- Agricultural Cooperatives and Market Performance in Food  
Manufacturing  
*Richard T. Rogers and Lisa M. Petraglia* ..... 1
- Financial Appraisal of the Banks for Cooperatives  
*Richard N. Weldon, Endah Srinarni, Charles B. Moss, and  
John J. Van Sickle* ..... 13
- Toward an Organizational Theory of Membership Structural  
Design  
*Thomas W. Gray and Gillian Butler* ..... 27

## Invited Paper

- The Role of Management Behavior in Agricultural Cooperatives  
*Michael L. Cook* ..... 42
- The Role of Management Behavior in Agricultural Cooperatives:  
Discussion  
*Bruce L. Anderson* ..... 59
- The Role of Management Behavior in Agricultural Cooperatives:  
Discussion  
*Mahlon Lang* ..... 61

## Classic Review

- Economic Nature of the Cooperative Association  
*Richard Phillips* ..... 67
- A Comment on Phillips' "Economic Nature of the Cooperative  
Association"  
*John M. Staatz* ..... 80
- Economic Nature of the Cooperative Association: A Retrospective  
Appraisal  
*Jeffrey S. Royer* ..... 86

WAITE MEMORIAL BOOK COLLECTION  
DEPT. OF AG. AND APPLIED ECONOMICS  
1994 BUFORD AVE. - 232 COB  
UNIVERSITY OF MINNESOTA  
ST. PAUL, MN 55108 U.S.A.

National Council of Farmer Cooperatives  
50 F Street, N.W., Suite 900  
Washington, D.C. 20001

WAITE MEMORIAL BOOK COLLECTION  
DEPT. OF APPLIED ECONOMICS  
UNIVERSITY OF MINNESOTA  
1994 BUFORD AVE. 232 COB  
ST. PAUL MN 55108 U.S.A.  
National Council of Farmer Cooperatives



## Journal of Agricultural Cooperation

Editor: V. James Rhodes

Managing Editor: Lisa L. Keller

Editorial Consultant: Patricia L. Poupore

Editorial Board:

Bruce L. Anderson, Cornell University  
James R. Baarda, National Council of Farmer Cooperatives  
David W. Cobia, North Dakota State University  
Roger G. Ginder, Iowa State University  
Thomas W. Gray, Agricultural Cooperative Service, U.S. Department of Agriculture  
David E. Hahn, Ohio State University  
Charles V. Moore, Center for Cooperatives, University of California, Davis  
Claudia Parliament, University of Minnesota  
Jeffrey S. Royer, University of Nebraska

The *Journal of Agricultural Cooperation* is a refereed journal published by the National Council of Farmer Cooperatives. Its purpose is to encourage research on issues of importance to U.S. farmer cooperatives and provide a forum for the review and exchange of research results among individuals in universities, cooperatives, and government.

The three articles in this issue were selected from ten manuscripts reviewed for publication. The Editorial Board wishes to offer their sincere thanks to the following individuals who reviewed manuscripts considered for this issue.

Dale Adams  
Jay Akridge  
Bruce Anderson  
C. B. Baker  
Emerson Babb  
Alan Barkema  
David Barton  
Michael Belongia  
Ralph Christy  
David Cobia

Dennis Conley  
John Connor  
Michael Cook  
Stephen Cooke  
Kenneth Duft  
Richard Fenwick  
Roger Ginder  
Tom Gray  
David Hahn

William Heffernan  
Nicholas Kalaitzandonakes  
Paul Lasley  
Charles Moore  
Claudia Parliament  
Jeffrey Royer  
Richard Sexton  
James Shaffer  
James Staiert

The *Journal* invites manuscripts of practical interest to U.S. farmer cooperatives for its tenth annual issue. Papers should report results of applied or basic research on economic, legal, or sociological aspects of farmer cooperation. Format of submission is found on the inside back cover of any recent issue.

Four copies of manuscripts should be submitted before October 15, 1994, to Lee F. Schrader, Editor, *Journal of Agricultural Cooperation*, Department of Agricultural Economics, Purdue University, 1145 Krannert Building, West Lafayette, Indiana 47907-1145. Phone: 317/494-4302. E-mail: Schrader@agecon.purdue.edu. Early submission is encouraged to ensure consideration for the issue.

Reviews will be conducted anonymously by members of the respective professions. Articles will be selected on the basis of interest to cooperatives and researchers, originality, and effectiveness of presentation. Articles published will be subject to a page charge of \$40 per printed page. Authors without financial support from an employer may petition for an exemption.

## A Message from the Publisher

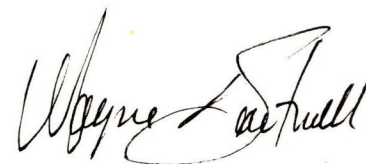
Research is essential to progress for agricultural cooperation. It allows us to widen our perspectives and to find alternative solutions to problems. The *Journal of Agricultural Cooperation* offers readers this kind of opportunity. Through this publication, the National Council of Farmer Cooperatives encourages dialog and research exchange between industry, government, and higher education.

This ninth volume contains an article on cooperatives and market performance, a financial appraisal of the Banks for Cooperatives, and a theoretical discussion of membership structure and member control. It also contains a reprint of Richard Phillips' classic, "Economic Nature of the Cooperative Association," one of the most thought-provoking papers published on agricultural cooperation in the 1950s. This is followed by two commentaries. This edition also contains an invited paper by Michael L. Cook on management behavior's role in agricultural cooperatives, accompanied by two commentaries.

NCFC is truly grateful to Dr. V. James Rhodes, from the University of Missouri, for steering this work to publication. As its editor, he has volunteered his time, talents, and great knowledge of research and publishing to ensure a work of the highest quality.

I would like to thank the authors who contributed their time and research to this issue. NCFC is also indebted to the *Journal's* nine-member editorial board and twenty-eight cooperative researchers who reviewed work for this publication.

Truly a cooperative effort, the *Journal* represents a wealth of information for its readers. NCFC looks forward to continuing its work to expand the research available to agricultural cooperators in all sectors.



Wayne A. Boutwell  
President

National Council of Farmer Cooperatives



# Journal of Agricultural Cooperation

Volume 9

1994

## Articles

- Agricultural Cooperatives and Market Performance in Food  
Manufacturing  
*Richard T. Rogers and Lisa M. Petraglia* ..... 1
- Financial Appraisal of the Banks for Cooperatives  
*Richard N. Weldon, Endah Srinarni, Charles B. Moss, and  
John J. Van Sickle* ..... 13
- Toward an Organizational Theory of Membership Structural  
Design  
*Thomas W. Gray and Gillian Butler* ..... 27

## Invited Paper

- The Role of Management Behavior in Agricultural Cooperatives  
*Michael L. Cook* ..... 42
- The Role of Management Behavior in Agricultural Cooperatives:  
Discussion  
*Bruce L. Anderson* ..... 59
- The Role of Management Behavior in Agricultural Cooperatives:  
Discussion  
*Mahlon Lang* ..... 61

## Classic Review

- Economic Nature of the Cooperative Association  
*Richard Phillips* ..... 67
- A Comment on Phillips' "Economic Nature of the Cooperative  
Association"  
*John M. Staatz* ..... 80
- Economic Nature of the Cooperative Association: A Retrospective  
Appraisal  
*Jeffrey S. Royer* ..... 86