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REPORT

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MEMBER-SOCIETY RELATIONS IN AGRICULTURAL CO-OPERATION

G.R. Foxall and M.M. McConnell-Wood

UNIVERSITY OF NEWCASTLE UPON TYNE

Department of Agricultural Marketing

Report No. 22

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A C K N O W L E D G E M E N T S

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INTRODUCTION

There are over 400 agricultural co-operative societies in the United Kingdom. Between them they have an annual turnover well in excess of £500 millions and profits of over £15 millions. They employ about 15,000 people.

Although there has been considerable interest in smaller societies and groups, relatively little research has been conducted into the larger societies. This report is concerned with a project supported by the Central Council for Agricultural and Horticultural Co-operation into the views and feelings of farmers about these larger societies. While the societies chosen had a variety of activities, their major concern was the supply of farmers' requirements.

The Report is divided into two parts. Part I is an analysis of the results of a personal visit survey carried out in Northumberland among both members and non-members of co-operative societies. It deals with their opinions of co-operation, their participation in the activities of societies, and their ideas for the improvement of member-society relations.

Part II is based on a postal survey of boards of directors of ten large societies located throughout England. It is concerned with directors' views of co-operation, their opinions on members' participation and the ways in which they believe the societies could be made more attractive to existing and potential members.

SUMMARY AND CONCLUSIONS

Part I Farmers and Co-operation

Eighty percent of responding farmers belong to one or more co-operative societies and, of these, nearly a third joined because of a belief in the principle of co-operation rather than for obviously economic motives. Although there is a general feeling of dissatisfaction with their societies, 68 percent of farmers still buy between 50 and 100 percent of their farm requirements from the societies, mainly because of economic advantages as well as the convenience factor.

Farmers appear not to be interested in involving themselves in the policy- and decision-making activities of their societies but they appear to desire some personal contact with their societies, to know that they are regarded as more than a number in the record books kept at head office. There would appear to be something lacking in communications between the societies and their members.

One of the most interesting results is that Northumbrian farmers seem not to differentiate greatly between 'cooperation' and a 'co-operative society'. These words and the ideas behind them seem to be regarded as interchangeable. Possibly more important, the respondents seem to feel that large co-operative societies are more effective and efficient than the small privately-organised groups. The reason for the latter's success might well lie in one of the criticisms made by some respondents of the larger societies that they are run by head office without adequate consultation with members.

Economic factors play an important part in the basic approaches of Northumbrian farmers towards co-operation. It is likely that the economic issue will continue to be the main factor to emerge from other similar studies. Farming is a major industry and farmers are first and foremost businessmen. They view co-operative societies as large businesses, which are mainly profit-orientated. Perhaps what the farmers are really complaining about is not so much the business performance of their societies so much as their tendency to be impersonal organisations.

Part II Directors and Co-operation

Directors in general showed similar orientations to co-operation and co-operative societies as the farmers interviewed in the first survey. They too understand co-operation in mainly economic terms and feel that the primary objective of their societies is the provision of quality goods at the lowest possible cost.

While many farmers tend to feel alienated from their societies, directors state that they themselves play an active and important role in the running of the organisations. While the management team was concerned with and responsible for the administration of the society on a day-to-day basis, the board members were largely responsible for the overall policy-formation and decision-making.

Directors recognised, however, that the success of their societies depends very largely on the qualities of their general managers. Apart from business acumen and administrative ability, as qualifications for general management, the directors stressed the importance of personality factors such as drive, vitality and enthusiasm.

As regards member-society relations, directors agree with farmers generally that there is room for improvement, especially in the area of communications and public relations. Directors did not express the opinion that membership involvement was really essential for the efficient running of the societies, but they seemed to agree that members were able to exert as much influence as they wanted to.

Membership loyalty and involvement seem to be the major problems facing co-operative societies. How these can be solved cannot be stated in a single sentence. However, understanding the orientations of members, non-members and directors towards co-operation and the societies is an essential first step in planning the future of co-operation in Britain.

PART I FARMERS AND CO-OPERATION

The purpose of the research project reported here was to investigate the feelings and attitudes of farmers towards agricultural co-operation and co-operative societies in the North East of England.

In particular, this part of the Report is concerned with a personal visit survey of 206 Northumbrian farmers which was intended to collect information about farmers' use of co-operative societies and their approaches to co-operation. One of the major concerns of the survey was to uncover reasons why some farmers join societies while others do not.

This information is useful to bodies such as the Central Council for Agricultural and Horticultural Co-operation which seek to promote and encourage co-operation among farmers.

Objectives

The project was undertaken because of the need for more detailed information about member-society relations in agricultural co-operation. It complements research in progress in some other parts of England and Wales but it is wider in scope in that it deals with the experiences and feelings of both members of co-operative societies and non-members.

In addition to examining the reasons given by farmers for joining or failing to join societies, the survey was intended to investigate farmers' beliefs and attitudes towards members' participation in society affairs, their views on the running of societies, using their own definitions of co-operation as a yardstick, and their general ideas about co-operation and co-operative societies.

Sampling

The sample consisted of 206 farmers in Northumberland who were selected systematically. Their names and addresses were selected from the Yellow Pages of the local telephone directory. Although some 5 percent of farmers are not listed in Yellow Pages, it was not thought that this would affect unduly the usefulness of the sampling frame.

This method of sampling allowed virtually every part of Northumberland to be covered, from rich valley farms to hill farms, from small-holdings to farms covering thousands of acres, from arable and dairy farms to those dealing mainly in livestock. Thus the Yellow Pages appear to have been as satisfactory a list of potential respondents as one obtained from other sources.

The sample of 206 farmers was divided into two groups: 165 members of co-operative societies and 41 non-members. Each group represented a wide range of farm and farmer characteristics including type of farming activity, farm size and the age of the respondents.

QUESTIONNAIRE DESIGN

Two major constraints affected the design of the questionnaire. Firstly, there was the question of time. Since farmers are busy at most times, it was felt that the questionnaire should not take longer than 30 minutes to complete. This was confirmed during the pilot study which indicated that the promise of brevity usually resulted in an interview.

The second constraint was the question of how the results were to be interpreted. A structured questionnaire which suggested responses might well result in farmers' employing our categories rather than supplying their own answers. On the other hand, a completely unstructured interview, while it might be interesting, would probably have produced results which were not comparable with those obtained by other researchers. (Le Vay, 1975; Gasson, 1975).

In fact, a range of both open-ended and rather more structured questions was incorporated into the questionnaire schedule. The open questions allowed the farmer the opportunity to express himself rather than choose from the interviewer's selection of responses, while the structured questions ensured that important topics were covered and that the interview was completed within the prescribed time limit.

Even the structured questions were posed in such a way that respondents were free to provide their own answers before being presented with a list of possible replies.

The initial questionnaire was tested in a pilot study involving a dozen farmers. This brief survey showed that the style of questionnaire was acceptable to respondents and validated the inclusion of both types of question.

THE RESULTS

Respondents' Backgrounds

Information was obtained on the backgrounds of the farmers who responded and about their farms in order to determine whether there were any significant relationships between such items as farm-type/size, farmers' education and age, and their orientations towards co-operation.

The distribution of farms according to size was as follows:

Farm Size (acres)	Number of farms
< 100 - 149	38
150 - 199	26
200 - 299	53
300 - 399	49
400 - 499	15
500+	25
	206

As expected, most of the farms had a variety of activities, but some had only livestock or dairy interests. Small farms were specialised as were hill farms. When the farms were classified according to their main activity in terms of sales income, they were distributed as follows:

Main activity	Number of farms
arable	26
livestock	143
dairy	37
	206

Again, as expected, the farms in the survey tended to be family businesses and additional labour was usually limited to one hired full-time worker. There were very few incidences of part-time workers and many farmers indicated a preference to employ contract labour at peak periods.

The farmers themselves were predominantly of farming backgrounds: 99.9 percent said that their fathers had been farmers. Only 31 of the interviewees had received any formal agricultural training, such as a course at a farm institute, and most of them said that they had left school between the ages of 14 and 16. Most of them had immediately commenced working on their family farm.

Apart from two or three instances, which are commented on in the text, cross-tabulation of results with farmers' background information did not yield any significant relationships.

Membership of Societies

One of the major concerns of the project was to identify the factors which had led farmers to join a co-operative society. Once it had been established that a farmer was a member of a society, he was asked to indicate the reason or reasons which had led to his decision to join. The reasons supplied are shown in the following table:

Reasons for joining	%
Higher profits	12
Belief in co-operative principles	31
Security	1
Belief that co-operation is a trend of the future	0
Tradition (e.g. father belonged)	17
Convenience	78
No alternative	11

Although economic factors were not ignored by the respondents, the expectation of higher profits does not appear to be a particularly strong motive. As society membership showed a tendency to be clustered in some geographical areas and almost entirely absent from others, it is not surprising that so many farmers mentioned convenience as a factor in their society.

membership. Convenience generally referred to the proximity of a co-operative society's depot and the absence of alternative outlets and suppliers. Of course, this factor cannot be separated from a general economic orientation towards co-operation.

Seventeen percent of respondents indicated that they had merely carried on the family tradition by remaining members of a society to which their fathers had belonged. This result suggests that sheer inertia cannot be overlooked as a reason for co-operative membership and it indicates a passive membership. This was borne out when farmers were asked whether they would be willing to join another society if its benefits would be greater: 80 percent said that they would not.

Another reason given for joining a society was the feeling that there was no alternative course of action available. Eleven percent mentioned this reason. Probing established that those farmers who gave this answer had belonged to a smaller society which had merged with a larger one, or they had been obliged to join their society in order to obtain particular supplies. Needless to point out, such members were not staunch supporters of the co-operative movement.

Analysis of the responses by age groups of respondents provides few important differences. Those farmers who gave convenience as a reason for their membership were fairly evenly distributed among the age groups but the heaviest concentration was in the 45-54 group (56 percent); the lowest concentration was found in the 65 and over group (37 percent). This might indicate that the older farmers were more set in their ways and were wary of breaking off long-term associations.

As might be expected, the largest group giving 'traditional' reasons for their membership was the 25-34 age group (52 percent). Most of those who believed strongly in co-operative principles were in the 55-64 age range (48 percent).

The non-joiners

Presenting the stated reasons of members for joining an agricultural co-operative society provides only one side of the picture. Any action which is designed to encourage more farmers to join societies must be based on known reasons for their rejection of the opportunity to do so in the past.

Accordingly, particular attention was given to the responses of the 41 farmers who were not members of any society. These are shown in the following table.

Reasons for not joining	% *
membership reduces independence	58
profits are swallowed up in overheads	27
do not believe in co-operation	41
believe in individual effort	71

* multiple responses

Nearly half the respondents were at pains to add emphasis to one or other of these reasons or to provide less important justifications for their deciding not to join. Some believed fiercely in competition; others said that they could obtain better prices from private merchants. Some farmers had not joined simply because they had not been invited to do so - another indication of passivity regarding membership, or perhaps a sign that some societies are themselves passively awaiting the arrival of new members.

Another reason given by a small percentage of non-joiners was farm size, although this was cited for two different purposes. Some respondents felt that their farms were sufficiently large not to need the benefits of belonging to a society, while others believed that their enterprises were too small to gain from membership.

Asked what they believed were the main advantages of trading privately, the non-joiners tended to concentrate their replies on flexibility (88 percent mentioned this) and independence (56 percent). Better prices were a third reason and 49 percent mentioned them in this context. In fact, all three responses were found, on further discussion, to be related to economic factors. The notion that by becoming members, they would be restricting themselves to trading solely with the society clearly dissuaded many respondents. All but a handful of the 41 non-members interviewed stressed that most farmers enjoy their independence. They obviously expected this to be significantly reduced through membership of a co-operative society.

Participation in Societies

The second theme of the research was the nature and extent of members' participation in their societies. Some writers on co-operation have suggested that many members desire a greater say in the decision-making processes of their societies. Despite the problems inherent in evaluating and measuring participation, this factor clearly could not be ignored in a study of member-society relations. However, it was obvious from societies' annual reports and from the discussions we had with the general managers of several societies, that very few members bothered to attend meetings or participate in elections for board membership. Indeed, even local meetings seemed to elicit little member response.

Therefore, interview time was not wasted by the inclusion of questions which probed members' involvement in organisational activities such as these. Rather, a question which required simply a 'yes' or 'no' answer was employed: "Do you think that membership involves you in any obligations or responsibilities?" It was expected that further probing would establish the feelings of farmer-members towards participation in a more precise manner.

In fact, 83 percent of the respondents replied in the negative to this question. The remainder thought that their main responsibility to their society was to compare its prices with those of merchants before buying or selling. This introduces another aspect of participation, trading with the society. Because it is important, this aspect will be dealt with before that of decision-making.

(a) Trading with societies

The collective buying and selling of farm requirements and produce form the basic purpose of agricultural co-operation. The use which members make of their societies for these purposes is, therefore, indicative of their feelings towards co-operation and societies. In order to measure this aspect of participation, farmers were asked to provide an estimate of the proportion of their requirements obtained through the society to which they belonged. In spite of the numerous complaints farmers expressed about their societies in terms of prices, service, availability, and efficiency, they tended to buy quite a lot of their requirements from them.

Percentage of requirements bought from society	number of respondents	%
< 24%	31	19
25-49%	21	13
50-74%	51	30
75-100%	62	38
	165	100

These figures exclude oil requirements but include mainly such items as feedstuffs, fertilisers, seeds, and veterinary products. Only a handful of respondents mentioned that they obtained their machinery from their societies.

The sales of produce through societies gives a different picture of participation. Sixty-seven percent sold less than a quarter of their produce through their societies, while only 15 percent sold over three-quarters of their marketable produce in this way. The alternative outlets were local private merchants and auction marts. A possible reason for this pattern might be found in the nature of farming activity in the area. Few farmers in Northumberland have large amounts of arable land. The majority place considerable emphasis on livestock production and the major local co-operative societies do not handle livestock marketing.

The foregoing may not fully explain the fluctuations in the buying and selling behaviour of society members, however. In addition to this information, it is necessary to know when the farmers chose to use their societies and when they decide to buy or sell through one of the alternative sources or outlets.

In response to the question, "Why do you deal with your society?" 38 percent of the farmer-members revealed that they were prepared to use their society only when it offered them a better financial return than the alternatives. A further 55 percent stated that they used their society "when there is no better alternative". These responses were interpreted as meaning the same thing: farmers deal with their societies only when the cash terms suit them.

These replies were in line with the overall impression given by farmers about their participation in the trading activities of societies. Whatever they may believe about the principles of co-operation, farmers are first and foremost businessmen whose behaviour is governed above all by economic considerations. Such a conclusion may appear obvious. It deserves emphasis, however, because there is a tendency in some of the literature on co-operation to stress the non-economic motives which may be present.

Not everything is explained by economic factors, of course. For example, 46 percent of the member sample mentioned convenience as one of the non-financial reasons for their use of the society for trading purposes. Additionally, a few farmers mentioned one or other of the following factors which influenced them in this: good service, loyalty, and efficient representatives. Even these can be construed as having economic undertones, but they at least provide a broader view of the reasons for farmers' desires to co-operate and participate in their societies.

(b) Involvement in decision-making

Participation naturally involves more than collective buying and selling. It is also concerned with the membership's involvement in the decision-making processes of the co-operative societies. For the purposes of the study, 'decision-making' was not understood to include the day-to-day running of the organisation which in most contexts are delegated to a full-time staff. Rather, the scope of the study was confined to the types of decision-making which affect the planning and direction of the societies. We were particularly concerned to discover how far farmers might wish to become more involved in influencing this type of decision.

Members were first asked whether they thought that the involvement of ordinary members (i.e. those who were not board members) was necessary for the efficient running of the society. Their responses are as follows:

Members' involvement is	% agreeing	number
essential	17	28
desirable but not essential	27	45
inessential	56	92
	100	165

However, when asked whether they thought that ordinary members exerted sufficient influence on the running of societies at present, only 16 percent said 'yes'.

This apparent dichotomy in farmers' attitudes may be interpreted to mean that while in an ideal situation they do not feel the need to be actively involved, in practice they feel that there should be more involvement on their part. The general feeling that emerged in conversations discussing these questions in greater detail was one of dissatisfaction with and alienation from the societies, a feeling of 'them' and 'us'. It is doubtful whether the types of actively now available for membership participation would resolve the general feeling of disgruntlement expressed by respondents. Nearly every interviewee indicated a strong belief that members' grievances would go unheeded by the societies.

Farmers were also asked who they thought should be responsible for making important decisions of the sort specified above. In view of their previous responses, it was expected that a large majority would think that ordinary members should be consulted on such issues. However, 92 percent said that the Board should make these decisions, 21 percent said that the General Manager should do so, and only 4 percent said that the membership as a whole should. This indicates a very high degree of confidence in the abilities of the societies' boards of directors.

The responses of the non-members were generally in line with those of the members on this issue. They were asked under what circumstances they would be likely to join a society and none said "If we had the assurance that members would have a greater say in decision-making" even though this was put to them as a possible answer. Rather, they indicated that their only motives were strictly financial: they would join if the economic inducements were sufficiently attractive. As with the members, they were asked whether they thought that individual members were in a position to exert influence on the policy and decision-making functions of their societies. Perhaps it is not surprising that 2 percent said 'yes' while 83 percent said 'no'. (The rest did not know). Eighty percent indicated that this inability to influence decision-making which they believed to exist had not influenced their decision not to join a society, however.

Thus it is necessary to reconcile the feeling that farmers should somehow be more involved in the policy- and decision-making functions of their societies (a feeling they themselves expressed) with the fact that the overwhelming majority of members were, in practice, willing to leave such matters in the hands of the boards. A feeling of alienation and dissatisfaction exists among members but it is not clear that farmers expected this to be resolved simply by their playing a more active role in the affairs of their societies.

Both members and non-members were asked what improvements they would like to see in societies in order to make them more attractive to existing and potential members. Many mentioned such factors as better prices, greater efficiency and improved marketing, but a large proportion also mentioned less economically-based factors like better personal relations, better publicity and more effective communications. This would again seem to support the idea that farmers are not alienated from their societies because of their exclusion from decision-making. Rather, it points to a failure in the public relations function of some societies. There are, of course, no easy solutions to the problem as each society will have its own peculiar problems and economic restrictions on the measures it is able to take.

Defining Co-operation and Co-operative Societies

The third theme of the research project concerned the disentanglement of farmers' attitudes towards and beliefs about (a) co-operation, and (b) co-operative societies. Co-operation in the North-East is dominated by two large societies. Most farmers are acquainted with them and the majority of farmers who co-operate are members of one or other of them, and occasionally of both. As a result, it is somewhat difficult to discern whether farmers are answering questions in terms of co-operation in general or societies in particular. In some ways, this does not matter since the two concepts are clearly related. But in order to assess the potential scope for interesting more farmers in co-operation, it is necessary to determine whether farmers tend to distinguish between the two ideas.

There are numerous and contradictory definitions of co-operation, ranging from unqualified altruism to joint profit maximisation. It was thought desirable to identify the terms in which farmers thought of co-operation. They were asked simply "What is your idea of co-operation?" and their replies were surprisingly forthcoming and clear. As a result, it is possible to classify each farmer's response under a single heading as follows:

Idea of Co-operation (members)	%
Bulk buying and selling at low cost	45
Working for mutual benefit	30
Good service at best prices	3
Monopoly/dictatorship	13
Small private groups	5
Don't know	4
	100

The replies were divided, by and large, into the economic advantages of co-operation and the more altruistic-sounding "working for mutual benefit" although this might also be construed in an economic light. The 13 percent who thought co-operation meant a monopoly or dictatorship were generally expressing dissatisfaction with their own society which, they believed, expected an undue amount of loyalty.

Non-members' replies to the same question were not so very different, except perhaps in their implication of some hostility to the very idea of co-operation.

Idea of Co-operation (non-members)	%
Bulk buying and selling at low cost	34
Working for mutual benefit	20
Dictatorship/monopoly	36
Don't know	10
	100

Members were also asked whether they thought that most societies conformed to their idea of co-operation. Sixty-eight percent said 'no' and 4 percent that they did not know. There is another aspect of co-operation, of course - the small privately formed groups which did not fall within the frame of reference

of the study described here. However, it is worth noting that 13 percent of the respondents belonged to such groups and that 90 percent of them felt that the large societies were more effective than groups.

Finally, both members and non-members were asked how they saw the large co-operative societies. Again, as in earlier questions, as little prompting as possible was given. The overwhelming response was that farmers saw the societies in terms of size and profit. Over 90 percent said that the main image of societies which they held was one of "big business", and about 60 percent of both members and non-members thought that societies were essentially profit-minded organisations. Small percentages of both groups of farmers thought of societies as democratic organisations, "brotherhoods of progressive farmers", marketing-orientated organisations, or as security blankets. It may be significant that none of the non-members saw the societies as supply-orientated although 11 percent of members mentioned this.

PART II DIRECTORS AND CO-OPERATION

This part of the Report is concerned with the results of a postal survey carried out among the boards of directors of ten of the largest, multi-activity co-operative societies in England. Societies from the North, Midlands and South of the country were chosen so that the survey would be sufficiently large to allow general conclusions to be drawn and in order to make geographical comparisons possible.

The questionnaire used in this aspect of the research project dealt with director's attitudes and beliefs about co-operation. Directors play an important role in the progress of co-operation in this country and any account of member-society relations would not be complete without considering their views.

Objectives

An earlier investigation of the role of board members in the running of co-operative societies was concerned mainly with the mechanics of society administration (Brown and Scase, 1973). The present study was undertaken in order to find out how directors view their societies, how they perceive their role within the organisation, how strongly involved they feel members should be in the management of societies, and, most importantly, whether they had any ideas for making co-operation a greater success, especially in terms of member-society relations.

Sampling

Ten agricultural co-operative societies were selected so that the Northern, Midland and Southern regions of England were represented. Societies with large memberships and diversified interests fell within the specified frame of reference. Size, in terms of numbers of members, ranged from 1,600 to nearly 22,000, but the majority of the societies were within the 6,000 - 9,000 range. Their activities were varied, including the marketing of meat and livestock, grain fruit and vegetables, and poultry but they were all perhaps stronger in supplying farming requisites. In spite of the decreases in membership apparent in some societies, turnovers ranging from £4m to over £75m were recorded and most had shown consistent growth over the previous five years.

Each director of a chosen society was sent a questionnaire with a letter of introduction explaining the purposes of the research. The rate of response was indicative of the amount of involvement and support the directors felt towards co-operation: from the 137 questionnaires sent out, 86 completed ones were

returned, a response rate of about 63 percent. Some societies' directors responded with a 100 percent rate of return, while in some cases, fewer than one third of the questionnaires sent to a society were returned. No regional patterns emerged in response rates.

Questionnaire Design

Postal questionnaires pose rather different problems from personal interview questionnaires. The most obvious is that of approach. In asking about people's behaviour and views, the personal interview clearly has some advantages since the interviewer can more effectively control the response of the other person. A postal questionnaire must be brief and to the point. It must maintain the respondent's interest, while ensuring that the information provided is as accurate as possible.

Thus the questionnaire used in this part of the study contained simply-answered multiple choice questions and some open-ended questions which gave the directors an opportunity to develop some of their replies at length. It should be noted that not every respondent answered every question and that some questions invited multiple responses.

THE RESULTS

Respondents' Backgrounds

The directors were asked how long they had been farming and for how many years they had been members of the board of directors of an agricultural society. Either of these factors might be related to their approaches to co-operation. As the following table shows, the vast number of farmers in the sample had farmed for over 20 years.

Years spent farming	Number of respondents
<10	0
10-19	7
20-29	24
30-39	19
40-49	24
50+	9
	83

Many of them had also spent more than ten years as members of the board of a society.

Years as board member	Number of respondents
<10	26
10-19	27
20-29	19
30-39	8
40-49	3
50+	0
	83

It has also been suggested that the educational backgrounds of directors might vary with their opinions of co-operation. Therefore, the questionnaire requested information about the education of respondents. The results indicated that farmer-directors tend to have received a higher standard of education than the average farmer, but no other significant relationships emerged.

Type of school last attended	Number of respondents
Independent secondary	32
Grammar	37
Other secondary	4
Other (village, council, church, etc.)	9
Total	82

Advanced education received	Number
University	12
Agricultural college	18
Other college	1
Other (day release, military academy, etc)	3
Total	34

Views of Co-operation

An important aim of the survey was to discover whether directors viewed co-operation in an economic sense or whether they thought of it in more philosophical or altruistic terms. Did they see co-operation as an opportunity for farmers to share their strengths or simply as a means of obtaining cheap supplies? In order to find out, the directors were asked "How would you describe your basic idea of co-operation?"

The responses were quite clear: of the 80 replies to this question, 74 indicated that the respondents saw co-operation in purely economic terms; six thought of co-operation as a system of both economic and non-economic factors. From the additional comments provided by many respondents, it became clear that many directors regard themselves as part of a business operation competing for the farmers' business along with private firms. Some of the directors who replied to this question stated that it was the purpose of a co-operative society to further the interests of its farmer members; but, again, the farmers' interests were described in terms of prices, quality and service.

Directors were next asked whether they thought that their own society conformed to their idea of what co-operation was all about. The response was overwhelmingly affirmative: 78 said that they thought it did, 4 that it did not. Many respondents went on to elaborate on what they considered to be the responsibility of their society. From their comments, a pattern emerged in that directors tended to think of this responsibility mainly in terms of selling quality goods to farmers as cheaply as possible in order to maximise their market share.

The economic motivations which directors felt guided their societies emerged again in response to the question "What are the overall objectives of your society and who is responsible for setting them?" As can be seen from this table, the largest number of responses fell into the category "to provide quality goods at low cost", followed by "to provide good, efficient service".

Overall objectives of Society	Number
to provide quality goods at low cost	51
to provide good, efficient service	19
to provide a marketing service	11
to promote members' interests	5
to provide a safeguard against big business	4
to enable profit sharing	2

In selecting the person or persons responsible for the setting of objectives, most directors stated that the board itself had the basic task of doing this. Some respondents clarified their answers by saying that while the board was responsible for policy, management was responsible for its implementation particularly on a day-to-day basis.

This view does not take into account the possibility that the policies and objectives considered by the board may have been put forward by the management team in the first place. Certainly, the impression was given by some general managers, when they were interviewed, that boards sometimes merely rubber-stamped decisions made by management.

Director-Society Relations

Directors' views of their own position in the organisation of their society were also of importance to the survey. (C.C.A.H.C. 1975). Did they feel that they were an integral part of the team or that they were just there for the sake of appearance? Hence the question, "As a board member do you feel that you have sufficient say in the decision-making process in your society?"

There were 85 responses to this question. Seventy-nine directors said that they did have sufficient say; only six that they did not. These six respondents were directors in societies in the Midlands and South and so there is a possibility that directors in the North may generally play a more active and satisfying role in their organisations. The number of such responses is too small for this to be other than speculation but it suggests that further research efforts might be directed at comparing the management styles of co-operative personnel in different geographical areas.

A closer examination of these results suggests that there are variations from director to director in their commitment to their societies. Since the question simply asked about the feelings of directors, it is not possible to draw an objective conclusion about their actual levels of involvement.

Another aspect of director-society relations involves the question of whom directors thought should be responsible for making important decisions, e.g. whether or not to sell part of the society's operations or to merge with another group. The personal visit survey of farmers' orientations towards co-operation suggested that many farmers believed they should be able to vote for or against such issues as these but that, if offered such an opportunity, the majority of them would not take advantage of their right to vote. Rather, they would leave the decision to their board members. The possibility of discovering directors' own views was, therefore, especially interesting. The results are shown in this table.

When it comes to making important decisions in a society, who should be responsible? (Directors' responses)

all members	4	general manager	39
board members	70	a combination	7
board chairman	17	other	0

These results seem to reflect the poor attendance of most members at meetings.

Because of the key role played by the general managers in co-operative societies, the directors were asked, "What main qualifications or background do you think a general manager should have?" As farmers themselves, the board members might expect their general managers to have farming backgrounds or display evidence of formal training in agriculture. Farmers in the earlier survey indicated that they expected the general manager to be able to communicate effectively with them, to "talk our language". They also expected their general managers to be effective businessmen.

Although the question, as put to the directors, was an open one, the responses were capable of being classified as follows:

Ideal qualifications of General Manager

(Directors' views)	Number
Business acumen	49
Administrative ability	38
Knowledge of trade	24
Personality	17
Knowledge of/background in agriculture	10
Accountancy training/ability	6
Belief in co-operation	3

These results indicate that directors of societies tend to see their societies as professional business concerns whose managers must be willing and able to compete in the business world. Much of the credit for the societies' success is readily granted to the general managers and emphasis is placed on the personal qualities of the manager as well as his training. It is significant that only three directors mentioned belief in co-operation as a qualification.

Directors' Views of Member-Society Relations

The emergence of the fact that many members feel alienated from their societies prompted the issue of how directors approached the roles of members in their societies. We were also interested in discovering how directors thought member-society relations might be improved.

The directors were asked how essential they thought it was that members be allowed to participate in the making of important decisions. Their responses were as follows:

essential	10 directors
Desirable but not essential	47 directors
inessential	27 directors

Many directors elaborated on this by saying that although membership involvement was a good idea in theory, in practice there were many obstacles, not the least of which was membership indifference expressed in lack of attendance at meetings, even

the local ones held for the sole purpose of keeping members informed and to obtain an idea of their views.

A regional analysis of these responses does not indicate any glaring differences, perhaps because despite some variations in size between societies they are all very similar organisations. The table below gives some support to the impression that the southern societies tend to be more moderate while those in the North are perhaps run more autocratically but the differences are not great by any means.

Members' involvement	South	Midlands	North	Total
essential	5 24%	3 10%	2 5%	10 12%
desirable	9 43%	18 62%	20 60%	47 56%
inessential	7 33%	8 28%	12 35%	27 32%
totals	21 100%	29 100%	34 100%	84 100%
number of societies	2	3	5	10

Directors were requested to indicate whether they believed that ordinary members exerted sufficient influence on the running of their societies. The responses were nearly evenly divided: 43 directors said 'yes' and 38 said 'no'. This further points out the ambivalence of the situation and makes interpretation difficult. Farmers say that they want more influence but do not actively participate, while half the directors think members do have sufficient influence and the rest that they do not.

Directors from the Midlands area were about evenly divided in answering this question, but those representing the northern and southern societies showed markedly different responses.

<u>Do you think that ordinary members exert a sufficient amount of influence on the running of your society?</u>					
	South	Midlands	North	Total	
Yes	7 37%	14 52%	22 63%	43 53%	
No	12 63%	13 48%	13 37%	38 47%	
Totals	19 100%	27 100%	35 100%	81 100%	
No. of societies	2	3	5	10	

As the survey of farmer-members and non-members was carried out in the North-East, it is interesting to note that while farmers there expressed dissatisfaction with their role in their societies, northern directors felt that ordinary members played an adequate role in the running of the societies.

Directors generally seemed to realise that there was room for improvement in member-society relations and when they were asked for suggestions about this they placed the responsibility for improving relations on the societies rather than expecting members always to take the initiative. The most important factor which emerged was that of communications. Some societies have excellent house journals, others have newsheets and circulars, but in spite of these, most directors thought that communications in both directions could be improved. This would have the effect of letting members know that they were in close touch with the management of their society.

As is apparent from the table below, open days and local discussion meetings were also popular ideas for the improvement of member-society relations. The respondents who suggested these, also stressed the importance of allowing members opportunities to talk with directors and managers.

Directors' Suggestions for Improving Member-Society Relations

better communications/public relations	39
open days	10
local discussion meetings	10
lower prices (for requirements)	5
better service	5
better local managers	4
better financial performance	3
more emphasis on marketing and processing	1

Directors' General Comments

Finally, directors were asked two general questions in order to cover any other points. They were invited to suggest changes or improvements which would make societies more attractive to both existing and potential members. In response they stressed again the importance of improving communications if co-operation was to be more effective. Like the farmers whose responses to this question were reported in Part I of this report, directors generally felt that there should be greater economic advantages in trading with co-operative societies.

Some directors mentioned that improvements in relations had to come from the membership through greater member loyalty and involvement. They did not suggest ways in which these might be promoted. A further consideration was that the quality of staff and board members should be improved and that this could be done by making these positions more attractive.

Only a small number of the respondents answered the final question which invited them to say whatever they liked about co-operation or the administration of societies. An interesting point did emerge, however. Some directors expressed the view that there ought to be greater co-operation between the societies, perhaps a centralised system in which one large society served the whole country. Only in this way, it was suggested, could co-operative societies compete effectively with big businesses in trading with the farming industry. Again, the maintenance of good relations with members was mentioned along with the predictable items such as cutting costs and increasing profits. The necessity of paying top salaries in order to attract and retain high calibre executives was also mentioned. A large number of those who answered this question mentioned that they would like to see a greater membership commitment in the capital base but again, as with the question of members' loyalty, no one suggested ways of achieving this objective.

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APPENDIX A ADDITIONAL TABLES

Some of the data which were discussed in the text are presented more fully below.

Table 1 Do you belong to more than one society? (Members)

Yes	54
No	111
	<hr/>
	165

Table 2 Would you join another society offering greater or different benefits? (Members)

Yes	14
No	130
Possibly	21
	<hr/>
	165

Table 3 Why did you join a co-operative society?

Reason	Number of members
higher profits	20
belief in co-operation	51
convenience/availability	78
no alternative	19
lower costs	7
liked representative	4
greater security	1
trend of the future	0
father belonged/tradition	28

Table 4 Reasons for joining, by estimated age of farmer (%)

Reason	Age				
	25-34	35-44	45-54	55-64	65+
convenience	38	41	56	48	37
tradition	52	20	12	3	0
belief in co-operation	5	25	35	48	25
economic benefits	24	16	23	23	25

Table 5 Do you think that ordinary members exert a sufficient
amount of influence in the running of the organisation?
(Members)

	%	number
Yes	16	26
No	84	139
	100	165

Table 6 When it comes to making decisions about important
Issues who should be responsible? (Members)

	number
all members	7
board members	151
general manager	35
board chairman	1
combination of these	0
other	0

Table 7 What qualifications or background do you think the General Manager should have? (Members)

	number
Agricultural background or qualifications (in order to understand farmers)	39
Business background (to be able to run a large business)	41
A combination of these (to bring balance to the organisation)	84
Don't know	1
	<hr/> 165

Table 8(a) Do you belong to a buying group or other small syndicate?

	Members	Non-members
Yes	22	3
No	143	38
	<hr/> 165	<hr/> 41

Table 8(b) Which do you think is more important, the co-operative society or the private group? (Members)

	number
Co-operative society	149
Private group	16
	<hr/> 165

Table 9 What percentage of your marketable goods do you sell through your society?

	number
<24%	113
25-49%	13
50-74%	14
75-100%	25
	<hr/> 165

Table 10 Why do you deal with your society?

	number
best deal	62
feel obliged to do so	7
no better alternative	91
convenience	77
like brand	5
good service	5
dividends	2
almost never deal with society although a member	8

Table 11 Would you suggest any changes or improvements to
co-operative societies to make them more attractive
to both existing and potential members?

	Members	Non-members
more competitive prices	88	12
better service	49	4
better personal relations	60	5
greater efficiency	44	5
more aggressive marketing	16	2
better publicity/ communications	6	1
less monopolistic	6	0
don't know	33	25

Table 12 Do you think most societies confirm to your idea of
co-operation? (Members)

	number	%
Yes	46	28
no	113	68
Don't know	6	4
	<u>165</u>	<u>100</u>

Table 13 How do you see the co-operative societies?

	Members	Non-members
social clubs	0	0
big business	155	37
supply-orientated	18	0
security blanket	7	0
democratic	2	0
profit-minded	94	27
brotherhood of progressive farmers	8	1
marketing-orientated	2	1
other (monopoly, union, future trend)	3	3

Table 14 Why don't you belong to a co-operative society? (Non-members)

	number
membership reduce independence	24
profits swallowed up in overheads	13
do not believe in co-operation	17
believe in individual effort	29
other (never asked, believe in competition, etc)	20

Table 15 Under what circumstances would you join? (Non-members)

	number
for a better deal	14
voice in decision-making	0
lack of alternative	10
if necessary for survival	17
other (if asked, for better prices, for better service)	11

Table 16 What do you think are the advantages of trading independently? (Non-members)

	number
greater bargaining power	17
better prices	20
greater flexibility	36
other (independence)	21

Table 17 Would you suggest any changes or improvements in societies to make them more attractive to both existing and potential members? (Directors)

	number
better consideration of members' interests	3
manufacturing own feeds	2
advisory/ancillary services	2
recruiting and training better staff	3
better quality directors	3
better communications	5
better dividends and more efficient use of capital	3
more loyalty and membership involvement	5
more commercial-orientation	3
less centralisation	1
consolidation	1
number of responses	31

Table 18 Do you wish to add anything about co-operation or the administration of co-operative societies?

	number
good contact with members	1
less rapid expansion	1
more co-operation between societies	14
more profit emphasis	1
cut representatives' costs	1
pay top wages for top-class executives	2
higher membership commitment in the capital base	6
number of responses	<hr/> <u>26</u>

APPENDIX B QUESTIONNAIRES

1. Farmers and Co-operation

1. Are you a member of an agricultural co-operative society?
Which one?

(If yes, go to question 2. If no, go to question 1 Part II)

PART I MEMBERS

2. a) Do you belong to more than one society? Please list.

b) Would you join another society offering greater or different benefits?

3. Why did you join a co-operative society (or societies)? e.g.

Higher profits Greater security
 Belief in co-operative principles Trend of the future
 Other (Specify) Father belonged

4. Are you currently an ACS Board member or have you been a board member in the past? Which one?

(If no go to question 6)

5. As a board member, do you feel that you have sufficient say in the decision-making process?

6. Do you feel that membership involvement in policy-formation and decision-making is

essential desirable but not essential
 inessential

to the efficient operation of the society?

7. Do you think that ordinary members exert a sufficient amount of influence in the running of the organisation?

8. When it comes to making decisions about important issues who should be responsible? e.g.

all members general manager
 board members combination
 board chairman other (specify)

9. What qualifications or background do you think the General Manager should have? Why?

10. As a co-operative member, do you feel that you have any obligation or responsibilities towards the society?

What are they?

11. Do you belong to a buying group or other small syndicate?

12. Which do you think is more important, the co-operative society or the private co-operative group? Why?

13. What percentage of your requirements does your co-operative supply? (List by product groups)

14. What percentage of your marketable goods do you sell through your co-operative society? (List products)

15. What are your alternative outlets and sources of supply?

16. Why do you deal with your society?

you get the best deal no better alternative
 feel obliged to do so other (specify)

17. How would you evaluate your society? (e.g. quality of goods and service)

18. Would you suggest any changes or improvements to co-operative societies to make them more attractive to both existing and potential members?

19. What is your idea of co-operation?
20. Do you think most societies conform to this idea?
21. How do you see the co-operative societies? e.g. as
 - social clubs democratic society
 - big business profit-minded
 - supply-orientated brotherhood of progressive
 - security blanket farmers
 - other (specify) marketing orientated

PART III: NON-MEMBERS

1. Why don't you belong to a co-operative society? e.g.
 - takes away independence
 - profits swallowed up in overhead costs
 - don't believe in co-operation
 - believe best results come from individual effort
 - other (specify)
2. Under what circumstances would you join a co-operative society? e.g.
 - if convinced of much better deal through co-operation
 - assurance of voice in decision-making
 - lack of adequate alternatives
 - if co-operation became necessary for survival
 - other (specify)
3. How do you believe co-operative societies are run? e.g.
 - democratically, by members by general manager
 - by board combination
 - by board chairman other (specify)
4. Do you think the individual member can exert any meaningful influence on the policy and decision-making functions of the society?
 - a) Has this in any way influenced your decision not to join?

5. What is your idea of co-operation?
6. Do you belong to a buying group or production group?
If yes, what are your reasons for joining?
What are the advantages?
If no, would you consider joining such a group?
Why or why not?
7. What are your main sources of supply and what are your main outlets?
8. What do you think are the advantages of trading independently? e.g.
 greater bargaining power greater flexibility
 better prices other (specify)
9. Would you suggest any changes or improvements that could be made to co-operative societies to make them more attractive to potential members?
10. How do you see the co-operative societies? e.g. as
 social clubs democratic society
 big business profit-minded
 supply orientated marketing-orientated
 security blanket brotherhood of progressive farmers
 other (specify)

PART III: CLASSIFICATION

Name: _____ Age: _____ (approx) _____

Address:

Type of business: sole trader/partnership/business

Status of farmer: owner-occupier/tenant/manager

Do you come from a farming background?

Types of farming activity and order of importance Arable

Size: _____ acres

Livestock _____

Dairy _____

Labour force: Full-time ____ Part-time ____

Have you had any agricultural training?

If not, what was your last formal course?

2. Directors and Co-operation

1. How many years have you been farming? years
- And how long have you been a board member? years
2. (a) Would you please indicate the type of school you last attended?
Independent secondary _____
Grammar _____
Other Secondary _____
Other (please specify) _____) _____
- (b) Would you please indicate any advanced education you have received?
University _____
Agricultural College _____
Other college _____
Other (please specify) _____) _____
3. (a) How would you describe your basic idea of co-operation?
(e.g. do you see co-operation in mainly economic or non-economic terms?)

(b) Do you think that your society conforms to this idea?
If so, to what extent?
Yes _____
No _____
4. What are the overall objectives of your society and who is responsible for setting them?
5. As a board member do you feel that you have sufficient say in the decision-making process in your society?
Yes _____
No _____

6. When it comes to making important decisions in a society, who should be responsible?

<input type="checkbox"/> all members	general manager	<input type="checkbox"/>
<input type="checkbox"/> board members	combination	<input type="checkbox"/>
<input type="checkbox"/> board chairman	other (who?)	<input type="checkbox"/>

7. What main qualification or background do you think a general manager should have?

8. Do you think that members' involvement in policy-making and decision making is

<input type="checkbox"/> essential	<input type="checkbox"/> desirable but not essential
<input type="checkbox"/> inessential	

to the efficient running of a society?

9. Do you think that ordinary members exert a sufficient amount of influence on the running of your society?

<input type="checkbox"/> Yes
<input type="checkbox"/> No

10. In what ways do you think member/society relations might be improved?

11. Would you suggest any changes or improvements in societies to make them more attractive to both existing and potential members?

12. Finally, do you wish to add anything about co-operation or the administration of societies?

THANK YOU, YOUR HELP IS GREATLY APPRECIATED.

