



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

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.

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

166.3
M
#43, COP. 2
15662
FARM CREDIT ADMINISTRATION
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

SELLING AND BUYING COOPERATIVELY BY FARMERS

Agricultural Census Data for
1919, 1924, 1929, and 1939

By

R. H. ELSWORTH

COOPERATIVE RESEARCH AND SERVICE DIVISION

FARM CREDIT ADMINISTRATION

A. G. Black - Governor

COOPERATIVE RESEARCH AND SERVICE DIVISION

T. G. Stitts - Chief

W. W. Fetrow - Associate Chief

SELLING AND BUYING COOPERATIVELY BY FARMERS

AGRICULTURAL CENSUS DATA FOR 1919, 1924, 1929, AND 1939

By

R. H. ELSWORTH

Agricultural Economist

CONTENTS

	<i>Page</i>
Nature of data	1
Intellectuals urge cooperation	3
Half a million farmers sell cooperatively	3
Farmers given a new technique	4
A period of backsliding	6
Government urges cooperation	7
Cooperative selling increases in the thirties	7
Percentages go up, down, up	8
Cooperative buying by farmers	9
More and more farmers buy cooperatively	10
Selling and, or, buying	12
Buying services cooperatively	13
One-fifth of all farmers are cooperators	13
Summary	15

Statistical data from two Federal sources are available for telling the story of farmer cooperation in the United States. One set of figures has been compiled in a project originally set up in the Office of Markets and Rural Organization of the United States Department of Agriculture in 1913, which with various administrative changes has functioned continuously since that date.¹ The other set of data is from the Bureau of the Census of the United States Department of Commerce, whose enumerators interviewed farmers concerning certain aspects of their cooperative activities for the years 1919, 1924, 1929, and 1939.² The compilations of these two agencies are not comparable. Each, however, supplements the other and both tell the same story, but with variations as to details.

NATURE OF THE DATA

There is more human interest and more of the dramatic in the data collected by the Department of Agriculture group than in the figures compiled by the census. This is because the objectives and the methods of collecting information are different. The cooperative purchasing and marketing project of 1913 (now continued in the Cooperative Research and Service Division of the Farm Credit Administration) approaches farmer cooperation from the standpoint of the association. It undertakes to determine the number of active associations, when they were organized; how many members they have; whether the associations are engaged in purchasing, in marketing, or in both; the dollar value of the supplies and

NOTE: Acknowledgment is due Miss Grace Wanstell for assistance in the preparation of the statistical material and the text.

¹ Elsworth, R. H., "The Story of Farmers' Cooperatives." F. C. A. Cir. E-23, 26 pp., 1939. (See pp. 14 and 15.)

² U. S. Bureau of the Census, Fifteenth Census of the United States, 1930, "Agriculture, Selected Farm Expenditures, Cooperative Marketing and Purchasing, and Farm Facilities," 43 pp. 1933. See pp. 26-28 (Data for 1919, 1924, and 1929); Sixteenth Census of the United States, 1940 Series, Agr. U.S.-2 No. 8.

farm products handled; and if not active, under what circumstances and when their discontinuance occurred. Attention has been given also to the degree of cooperation in the associations claiming to be farmer enterprises.

During the latter part of the twenties and through the thirties, data were collected as to the quantities of farm products handled by the cooperatives, that is, number of bales of cotton, boxes of citrus fruit, pounds of butter and cheese, bushels of grain, head of livestock, cases of eggs, pounds of tobacco, pounds of wool, and other items. From these data it was possible to determine the percentages of the various crops that were marketed cooperatively.

The results of the surveys of which the one for the 1940-41 marketing season is the seventeenth, have been published as miscellaneous reports, circulars, or bulletins.³ These have reported the number of active associations and have given estimates as to membership and dollar business for the various marketing seasons.

Collection by the Bureau of the Census of information concerning farmer cooperation has been but a small part of its quinquennial inquiries pertaining to agriculture. In connection with the census of 1919, questions concerning farmer cooperation were included in the agricultural schedule for the first time. These were "Value of products of this farm sold to or through a farmers' marketing organization in 1919," and "Value of all farm supplies purchased for this farm from or through a farmers' organization in 1919." Similar wording was used in 1924, but the wording for 1929 was

changed by the insertion of the word "cooperative."

The tabulations for the censuses of 1919, 1924, 1929, provide comparable data for six items; (1) the number of farms,⁴ the number selling cooperatively, (2) the number buying cooperatively, (3) the number selling and, or, buying cooperatively, (4) the value of the products sold cooperatively, (5) value of supplies purchased, and (6) value of sales and purchases.

The census for 1939 collected data as to the number of farmers selling and buying, but not as to the dollar value of the sales and, or, purchases. It did, however, include a third question which was as follows: "Did you in 1939 transact any business with or through a cooperative service organization?" The change in questions means that the only comparable data available for the four censuses is the number of farmers selling and, or, buying cooperatively. These data form the basis of this study of trends.

There is one comment to be made regarding the census data, namely, that the figures given are undoubtedly under the facts. This is pointed out in a Department of Agriculture report issued in 1928⁵ as follows:

It is not improbable that in the case of some farmers, they have been delivering their products to local associations for so long a time and so regularly that they failed to remember, when answering the questions of the census enumerators, that these were cooperative transactions.

The total number of farmers participating in cooperative selling, buying, and in either one, or both, for the four

³Copies of those still in print may be had on request from the Farm Credit Administration.

⁴Farms and farmers are synonymous in these statistics.

⁵Elsworth, R. H., "Cooperative Selling and Purchasing as shown by the Agricultural Censuses for 1919 and 1924," U. S. Dept. Agr. mimeographed, 8pp. 1928. See p.1.

census years are given in the table below:⁶

Year	Selling	Buying	Selling and, or, buying
	Number	Number	Number
1919	511,383	329,449	624,527
1924	884,207	362,745	987,376
1929	691,895	410,914	824,537
1939	827,285	743,638	1,043,261

The figures for the selling and buying group indicate a net increase of 67 percent in number of farmers participating for the 20-year period.

It is not unlikely that the report of the Country Life Commission and the words of President Theodore Roosevelt⁷ in sending the report to the Congress greatly stimulated the growing interest in the farmer and his welfare. A few years after the report was given to the country, commissions were sent to Europe for the study of agricultural cooperation; annual conferences on marketing and farm credit were instituted; the agricultural extension service was established; and the State agricultural colleges increased their efforts in behalf of the farmer by adding men to their staffs who gave much time to the subject of cooperative marketing.

INTELLECTUALS URGED COOPERATION

During the 18 years preceding 1919, there were incidents and events that seemed to focus attention upon the farmer and his economic status. Among these was the success attained by several of the struggling cooperative marketing groups in evolving through trial and error operating techniques for both good and bad times. This was particularly true for the farmer creameries and cheese factories, for the California citrus and other fruit cooperatives, for the farmers' elevators, the west coast egg associations, and some others.

During the period, "success" stories based on adventures in selling and promoting were appearing in current publications. The economic problems arising in connection with the first World War suggested that perhaps the most direct road to continuous prosperity was the one bearing the legend "Salesmanship."

Considering the conditioning which the farmers received it is not surprising that, when the enumerators for the census of 1919 asked about cooperation, farmers immediately thought of their selling activities.

609

HALF A MILLION FARMERS SELL COOPERATIVELY

The census report for 1919 shows that more than half a million farmers were selling to or through cooperatives. Three-fourths of these farmers were in the 12 North Central States, reaching from Ohio to North Dakota and Kansas. They were principally producers of dairy products, grain, livestock, potatoes,

and fruits. The number of cooperating farmers along the Atlantic seaboard, from Maine to Florida, and the number in the 11 Western States were approximately the same, between 47,000 and 48,000. Less than 6 percent of the farmers in the 8 Southern States reported selling through cooperative channels. The number

⁶See Appendix, p. 17, for data by States and census years.

⁷"From all that has been done and learned three great general and immediate needs of country life stand out: First, effective cooperation among farmers to put them on a level with the organized interests with which they do business."

and percentage reporting for 1919 in each region is as follows:

Region	Farmers 1919	
	Number	Percent
North Central	387,627	75.8
Western	47,985	9.4
Atlantic Coast	47,431	9.3
South Central	28,340	5.5
United States	511,383	100.0

Among the individual States, Minnesota, Iowa, and Wisconsin led in the number of farmers reporting as marketing cooperators. The figures are:

Minnesota, 78,314; Iowa, 43,350; Wisconsin, 42,848. The 9 States following these in the order of their relative importance were: Michigan, Kansas, Nebraska, California, Illinois, New York, South Dakota, Ohio, and Missouri. In these 12 States — one-fourth of all the States — were located 79 percent of the farmers who told the census enumerators that they sold cooperatively in 1919 (Appendix p. 17).

FARMERS GIVEN A NEW TECHNIQUE

Cooperative marketing received an unexpected boost in the year following

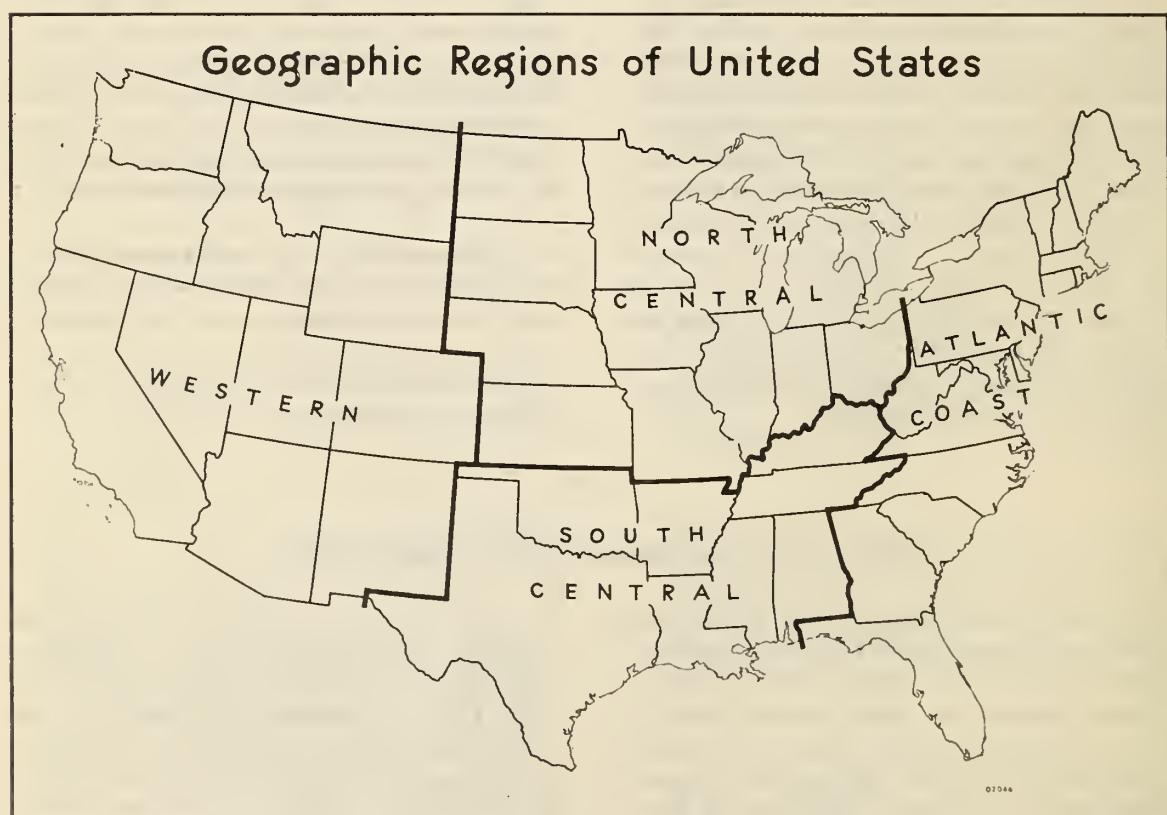


FIGURE 1.—The Atlantic Coast region includes 17 States, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida; the North Central region, 12 States, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas; the South Central region, 8 States, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas; and the Western region, 11 States, Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, and California.

that for which the census was taken. An evangelist for cooperative marketing appeared with a message for all farmers. He urged that large-scale centralized associations be formed for handling the big crops, such as cotton, wheat, tobacco, rice, and potatoes; that these associations sign up enough of the farmers to permit the organizations to effectively participate in the price making mechanisms for the different crops.

Farmers began to join marketing cooperatives by tens of thousands. So many embraced the new program for economic prosperity that when the enumerators for the census of 1924 made their rounds, they found that the number of farmers engaged in cooperative selling had increased by nearly 73 percent. The year 1924 marks the high point in cooperative marketing in the United States, at least so far as census data are concerned.⁸ The number of cooperating farmers for the four regions and the percentage increases over 1919 are given in the table below:

Region	Farmers 1924	Increase over 1919
	Number	Percent
North Central	508,599	31.2
South Central	158,788	460.3
Atlantic Coast	141,019	197.3
Western	75,801	58.0
United States	884,207	72.9

The rate of increase varied greatly in different sections of the country. In terms of percentages the regional gains were South Central, 460.3 percent; Atlantic Coast, 197.3 percent; Western, 58.0 percent; North Central, 31.2 percent. The big increase in the Southern States is accounted for by the setting up of large-scale centralized associations in the years 1920 to 1923 for handling the cotton and tobacco crops. The

largest of these enterprises, formed to serve the burley tobacco growers, is credited with having 109,000 members under contract to deliver their crops of tobacco to the association for 5 years. It was the tobacco and cotton farmers in Virginia, the Carolinas, and Georgia that caused the greater part of the 93,588 increase in number of cooperators for the Atlantic Coast States.

Nearly a score of State-wide wheat pools and regional sales agencies formed in the years 1920 to 1923 brought perhaps 50,000 farmers into the cooperative marketing movement.

There were other newly formed centralized associations which helped to swell the total number of cooperators. Among these were potato associations in Maine, Minnesota, and Colorado; peanut associations in Virginia and Georgia; rice associations in Louisiana, Arkansas, and California; a broomcorn association in Oklahoma; and sweet potato associations in Arkansas and Georgia.

In all but 7 of the 48 States cooperative marketing gained in farmer support during the period, in more than a score of the States the number of cooperating farmers doubled, and in a few States the increase was more than ten-fold. The chief reason for the big percentage increases was that in many States there had been but little done in the way of organizing marketing cooperatives prior to 1920. In the 5 years from 1919 to 1924 the number of Georgia farmers affiliated with selling cooperatives increased from 210 to 13,376. South Carolina had almost as spectacular a growth, the increase being from 203 to 10,601; while the North Carolina increase was from 850 to 22,167; Kentucky from 3,498 to 53,704; Tennessee from 1,255 to 15,303; Texas from 2,486 to 29,691.

⁸ Number of participants is but one of several measures for determining the relative strength of farmer cooperation. Other measures are the dollar value of the products handled and the percentage of the different crops that are sold through cooperative channels.

But not all of the picture radiates sunshine. The seven States of New Jersey, Michigan, North Dakota, South Dakota, Nebraska, Kansas, and Delaware not only failed to show increases for the five years but had about 19,000 fewer farmers interested in cooperative selling in 1924 than in 1919. The more significant of these decreases were North Dakota, 25.9 percent; Nebraska, 13.5; South Dakota, 12.2; and Kansas, 7.9. As the cooperative activities of the farmers in these States were largely centered about the marketing of grain and livestock it is likely that the changes which were taking place in the marketing techniques for these farm products explain the decline in number of cooperatively minded farmers. The local cooperative elevator had begun to give way to selling associations operating in the larger grain markets. Furthermore, as the mileage of hard surfaced roads increased, and as cooperative sales agencies were established in the terminal markets to deal with farmers direct, there was less need than formerly for the local live-stock shipping association.

A PERIOD OF BACKSLIDING

The years of rapid growth were followed by years in which "cooperative marketing" ceased to be an expression with which to conjure. Between 1924 and 1929, the number of farmers selling cooperatively decreased by more than 190,000, 21.7 percent. The South Central region lost 61 percent of its marketing cooperators; the Atlantic Coast region, 44.1; and the North Central region, 9.3. A gain of 18.5 percent was made in the Western States in the number of cooperative sellers.

These figures indicate that not all the gains of the boom period were lost.

Region	Farmers 1929	Percentage change from 1924	
		Increase	Decrease
	Number	Percent	Percent
North Central	461,191	-	9.3
Western	89,842	18.5	-
Atlantic Coast	78,900	-	44.1
South Central	61,962	-	61.0
United States	691,895	-	21.7

This becomes more apparent when the gains and losses of the individual States are examined. In 18 of the States more farmers reported cooperative selling in 1929 than in 1924. The 18 includes 2 States in New England, New York and New Jersey of the Middle Atlantic group, 4 of the North Central States, all but Colorado and New Mexico of the western States, and Oklahoma of the southern States. In the other 30 States, the number of cooperating farmers engaged in selling their products decreased. The larger decreases were in the cotton-tobacco States along the south Atlantic Coast, in the States south of the Ohio River, and those south of Missouri (Appendix p. 17).

The pattern of farmer cooperative marketing for the twenties is much the same whether we study the census statistics pertaining to farmer participation or the Farm Credit Administration data for the number of associations organized, discontinued, and active by years. The census figures indicate that the number of farmers uniting to sell cooperatively increased until about the middle of the decade and then declined, but not to the 1919 level. The statistics compiled by the Farm Credit Administration show that the number of active farmer marketing cooperatives increased each year until 1923, when there were 12,499 functioning associations, and then started to decrease.⁹ This trend still continues.

⁹ Elsworth, R. H., and Wanstell, Grace, "Farmers' Marketing and Purchasing Cooperatives, 1863-1939." Farm Credit Administration, Misc. Rpt. 40, pp. 36, 1941. (Processed) See Appendix, table 14.

GOVERNMENT URGES COOPERATION

Farmer distress during the twenties caused the Government to attempt to solve this difficult problem. The hypothesis that cooperative marketing was the solution was still in favor. The Federal Farm Board was set up with a generous appropriation for operating expenses, and a half billion dollars to loan to worthy cooperatives. The board was formally constituted on July 15, 1929, and immediately began to function in an energetic manner. Several of the members of the Board had been keymen in the big centralized cotton and tobacco associations organized at the beginning of the decade. Other members were, or had been, presidents of successful marketing cooperatives. Both groups believed that much could be accomplished through cooperatives operating in a large way. With the assistance of the board's specialists in cooperation, eight federations¹⁰ were formed with the hope that each would become the dominant sales agency for the crop it was to handle. In addition to these marketing enterprises two stabilization corporations, one for wheat and one for cotton, were "recognized." These were to assist the National and regional cooperatives in their marketing operations.

There are reasons for believing that the marketing program of the board caused an increase in the number of farmers selling through cooperative channels, but whether or not these farmers were still marketing cooperators in the census year of 1939 is unknown. It is probable that many were not.

The creation of the Farm Credit Administration and 13 banks for cooperatives in 1933 also favored an increase

in cooperative selling. The banks undertook to aid with substantial loans those enterprises that had charted sane courses and the Research and Service Division of the Administration prepared to make available to all farmers interested in cooperation the technical information that had been collected over a period of years. These two services surely reduced the hazards of cooperative marketing to a point where the farmer had little excuse for not participating in joint selling. It is reasonable to conclude that part of the increase in number of farmers selling cooperatively as recorded by the census of 1939 can be credited to the services rendered by the Farm Credit Administration.

COOPERATIVE SELLING INCREASES IN THE THIRTIES

The trend for the country as a whole was upward for cooperative selling during the thirties. The number of farmers reporting marketing cooperatively in 1939 represented an increase of 135,390 over 1929, a gain of 19.6 percent. The figures by regions for 1939 are:

Region	Farmers 1939	Increase over 1929
	Number	Percent
North Central	505,764	9.7
Atlantic	115,368	46.2
Western	115,278	28.3
South Central	90,875	46.7
United States	827,285	19.6

More farmers reported cooperative selling in 37 of the States in 1939 than in 1929; in 11 States, however, fewer farmers indicated an interest in such activity. These States were Illinois, Missouri, and South Dakota, in the North

¹⁰Farmers' National Grain Corporation, incorporated October 29, 1929; National Wool Marketing Corporation, December 24, 1929; American Cotton Cooperative Association, January 13, 1930; National Bean Marketing Association, February 24, 1930; National Livestock Marketing Association, May 10, 1930; National Pecan Marketing Association, July 3, 1930; National Beet Growers' Association, August 2, 1930; National Fruit and Vegetable Exchange, May 21, 1931.

Central group; South Carolina, Georgia, and Florida in the Atlantic Coast group; Alabama, Louisiana, and Oklahoma in the South Central group; New Mexico and Nevada in the Western group (Appendix p. 17). Several of these States had suffered badly from the droughts of the thirties.

Outstanding decreases from the high point of 1924 in the number of farmers selling cooperatively occurred as follows: South Carolina, 79.5 percent; North Carolina, 74.7; Georgia, 72.6; Kentucky, 71.4; Tennessee, 52.5; Virginia, 51.2; Missouri, 39.8; Texas, 37.0; Illinois, 22.0; Iowa, 12.9; Michigan, 12.8; Nebraska, 6.3; Kansas, 5.5.

PERCENTAGES GO UP, DOWN, UP

Supplementing the numerical counts of farmers concerned with cooperative marketing are the percentages those farmers were of the total number of farmers included in each census. Such a measure has a value over a straight count in that it gives weight to the changes in the total number of farmers in the different States for the different census years.

These percentages show that at the time of the census for 1919 approximately 8 percent of all the farmers reporting were selling cooperatively. By 1924, the percentage had increased to 13.9;

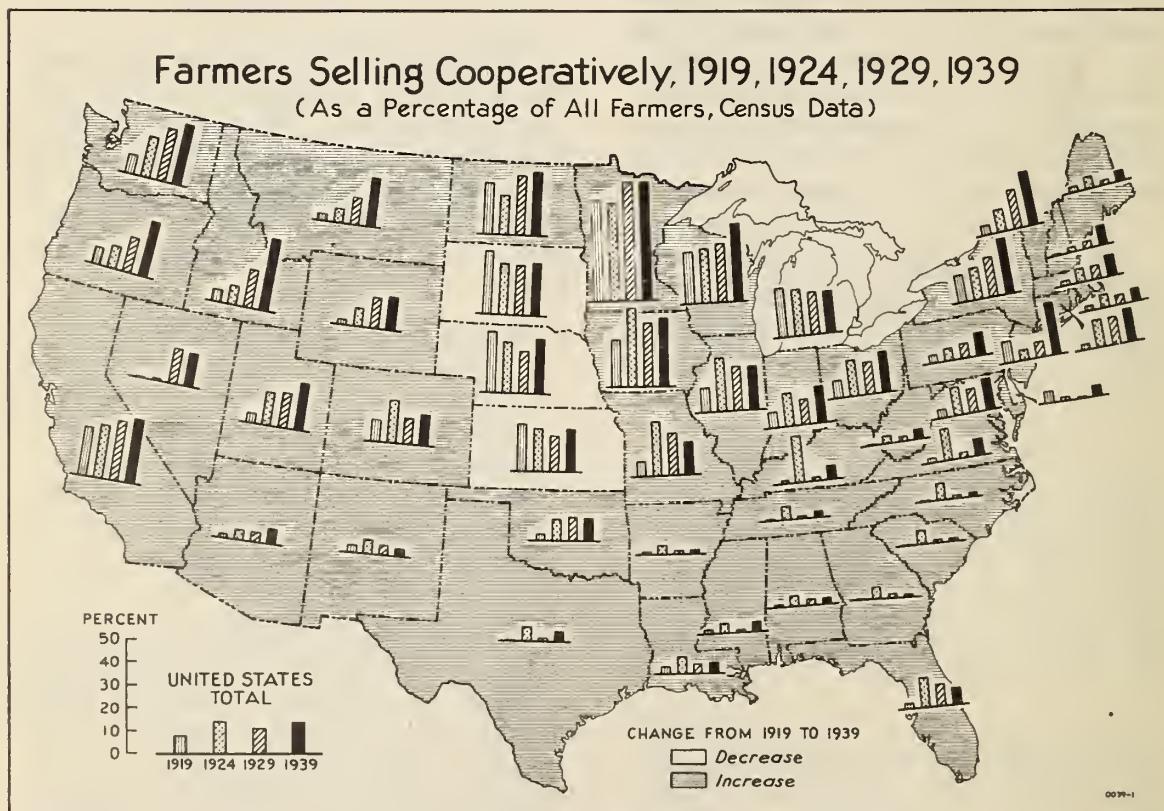


FIGURE 2.--In all the States but four a larger percentage of the farmers were selling to, or through, cooperative associations in 1939 than in 1919. In some of the States the increase in cooperative activity during the 20-year period was significant. This is true for the seven Western States of Montana, Wyoming, Utah, Idaho, Nevada, Washington, and Oregon. In 12 of the 48 States the percentage of farmers marketing cooperatively increased with each census.

in 1929 it was down to 11 percent; and in 1939 it was 13.6 percent, which was slightly below the level for 1924, the peak year for cooperative selling (Fig. 2).

State ¹	1919	1924	1929	1939
	Per-cent	Per-cent	Per-cent	Per-cent
United States	7.9	13.9	11.0	13.6
Minnesota	43.9	42.4	51.6	51.1
Wisconsin ¹	22.6	23.6	25.5	33.6
Idaho ¹	5.5	8.1	16.9	31.6
Iowa	20.3	34.0	27.4	29.7
California ¹	21.9	23.8	26.6	28.3
North Dakota	22.4	17.0	26.1	27.8
Washington ¹	8.4	18.0	23.6	27.0
Oregon ¹	7.7	10.0	15.7	24.6
New York ¹	12.2	14.1	17.5	24.4
Vermont	4.3	9.9	17.3	23.7
Nebraska	26.2	22.0	18.1	23.6
South Dakota	27.1	22.3	21.8	23.0

¹The percentage increased at each succeeding census. Other States in which the percentage similarly increased are New Hampshire, Vermont, Pennsylvania, Montana, Utah, and Wyoming (Appendix p. 17).

The percentages for some of the strongly cooperative States for the four census years are shown in the table opposite.

In summarizing cooperative selling during the period covered by the four census surveys, it should be kept in mind that the technological changes taking place made necessary many revisions in methods of marketing; that during the first 5 years cooperative selling was given a boost by a campaign in behalf of large-scale centralized associations; that at the beginning of the third 5-year period the Federal Farm Board used the thousands of dollars at its disposal to create, revive, and stimulate cooperatives; that the droughts in the Middle West greatly reduced the crops which ordinarily would have sustained active marketing associations; and lastly that far too little attention was given to educational work concerning what could be accomplished through cooperation and what could not.

CO

COOPERATIVE BUYING BY FARMERS

Cooperative buying does not grip the imagination of the farmer as does cooperative marketing. It is a less spectacular activity than selling; it is less of a game of chance and hence less exciting. The farmer with abundant crops does not often get high prices, but when he does, it is an event to be talked about for years. Purchasing is such a continuous matter in the life of the farmer that it does not bring forth latent forces to the same degree as selling. It may be that in our subconscious thinking a buyer is only a customer, but a seller is a businessman, a potential captain of industry. However that may be, purchasing is an important activity in successful farming, and particularly so since the virgin resources of much of the land have been exhausted and farming has become something more than the harvesting of successive crops.

Replies were received from 329,449 farmers when the enumerators for the census of 1919 asked at each farm about cooperative purchases. These farmers were distributed as indicated in the table below:

Region	Farmers 1919	
	Number	Percent
North Central	249,602	75.8
Atlantic Coast	37,693	11.4
Western	27,537	8.4
South Central	14,617	4.4
United States	329,449	100.0

More than one-half of the total number of purchasing farmers were located in 6 States as follows: Iowa, 32,530; Kansas, 32,321; Minnesota, 29,611; Nebraska, 27,335; Wisconsin, 21,792; and Ohio, 21,250. Six other States, all in the North Central Region, were each

credited with more than 10,000 farmers who had reported buying through cooperatives (Appendix p. 17).

The big boom in cooperation from 1919 to 1924 stressed marketing to a greater degree than purchasing. Not only that, but farmer activity in the organizing of purchasing cooperatives decreased. Despite this fact purchasing cooperatives gained 10 percent in number of adherents during the period. The distribution of the cooperators in 1924 and the percentage gains and losses for the 5 years beginning with 1919 were:

Region	Farmers 1924	Percentage change from 1919	
		Increase	Decrease
		Number	Percent
North Central	243,787	-	2.3
Atlantic Coast	56,333	49.5	-
South Central	39,013	166.9	-
Western	23,612	-	14.3
United States	362,745	10.1	-

In 33 of the States more farmers purchased through cooperatives in 1924 than in 1919 and in 15 States fewer farmers. Four of the States in which there was a decrease in the number of farmers purchasing cooperatively were in the plains country of the Middle West. Eight of the States with decreases in purchasing activity had substantial increases in cooperative marketing, suggesting that perhaps the farmers in those States ceased to be interested in buying because of expectations connected with the recently formed large-scale centralized associations that were to specialize in the matter of higher prices.

As the prices that were actually realized by the new big cooperatives were not up to expectations, many farmers returned to cooperative purchasing in the second half of the twenties.

The status of cooperative buying as revealed by the census for 1929 was as follows:

Region	Farmers 1929	Percentage change from 1924	
		Increase	Decrease
	Number	Percent	Percent
North Central	275,356	12.9	-
Atlantic Coast	57,619	2.3	-
Western	43,570	84.5	-
South Central	34,369	-	11.9
United States	410,914	13.3	-

In but one of the regions — that in which big tobacco and cotton associations were the most important of the cooperative enterprises — did the number of farmers buying cooperatively slip backward. The decline of 4,644 in the South Central region for the 5 years was a decrease of approximately 12 percent. The net increase for the entire country was over 13 percent. Among the States which made substantial gains during the last half of the third decade were Minnesota, California, New York, North Dakota, and Washington (Appendix p. 17).

MORE AND MORE FARMERS BUY COOPERATIVELY

Whereas in the depression of the early twenties hard-pressed farmers turned to cooperative marketing in the expectation of being saved from economic disaster, 10 years later they looked to their Government and at the same time speeded up the formation of purchasing associations.¹¹ The Federal Farm Board, and later the Farm Credit Administration were provided to assist the farmers. At the same time, the farmers materially increased their purchases from their own

¹¹Elsworth, R. H. and Wanstell, Grace, "Farmers' Marketing and Purchasing Cooperatives, 1863-1939." Farm Credit Administration, Misc. Rpt. 40, pp. 36, 1941. (Processed) See Appendix, table 7.

cooperative enterprises. The figures by regions, with the percentage gains for the 10 years 1929 to 1939, are:

Region	Farmers 1939	Increase over 1929
	Number	Percent
North Central	477,873	73.5
Atlantic Coast	110,964	92.6
Western	92,166	111.5
South Central	62,635	82.2
United States	743,638	81.0

Substantial gains over 1929 for farmer cooperative buying were made in

every section of the country. In all of the States but one, more farmers were purchasing cooperatively at the end of the 10-year period than at the beginning.

The gains for the several periods for the entire country were: From 1919 to 1924, 10 percent; 1924 to 1929, 13; and 1929 to 1939, 81. In the Atlantic Coast States, the gain from 1929 to 1939 was more than 92 percent. A goodly part of the Atlantic coast business was handled by large integrated systems of purchasing cooperatives in New England, New York, Pennsylvania, Virginia, and North Carolina.

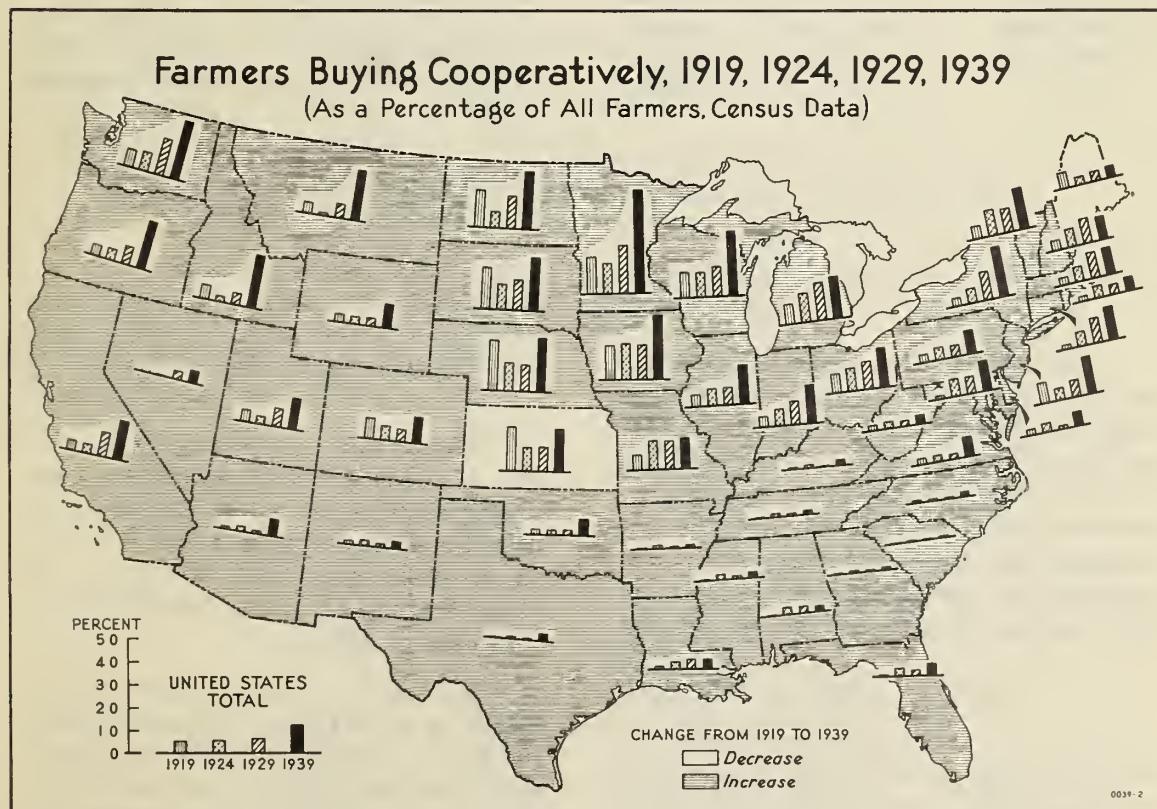


FIGURE 3.—From 1919 to 1939 the percentage of farmers in the 48 States buying from, or through, cooperative associations increased from 5.1 percent to 12.2 percent. In all of the States but two increases were reported. Outstanding gains were made in Minnesota, Wisconsin, Iowa, New York, and several of the States in the Northwest. In 11 States the percentage of farmers buying cooperatively increased with each census.

The percentage which the cooperative purchasing farmers were of all farmers in the United States increased from 5.1 percent in 1919 to 12.2 percent in 1939. In some of the States, the increases were large, as for instance, in New York, from 3.7 percent in 1919 to 22.4 per-

Geographic Unit	1919	1924	1929	1939
	Per-cent	Per-cent	Per-cent	Per-cent
United States	5.1	5.7	6.5	12.2
Massachusetts	3.2	6.8	11.3	12.0
Connecticut	2.0	6.5	11.1	14.9
New York	3.7	6.6	12.5	22.4
Ohio	8.3	10.1	12.2	17.8
Indiana	4.9	7.4	10.3	17.0
Illinois	5.2	7.7	7.9	17.0
Michigan	9.2	13.1	17.0	18.9
Louisiana	1.2	3.3	4.3	4.4
Washington	8.1	8.9	16.8	26.5
Oregon	5.0	5.1	8.2	21.9

cent in 1939; Illinois, 5.2 to 17.0; Wisconsin, 11.5 to 28.9; Minnesota, 16.6 to 45.5; Oregon, 5.0 to 21.9; and Washington, 8.1 to 26.5 (Fig. 3). In 10 States — 2 in New England, 1 in the Middle Atlantic group, 4 in the North Central region east of the Mississippi River, 1 in the deep south, and 2 in the far northwest — the percentage of purchasing farmers became larger at each census.

Data collected in the annual surveys made by the Cooperative Research and Service Division indicate that there has been a tapering off in the formation of new farmers' purchasing associations in the last few years, but an increase in the activities of the firmly established enterprises. The available data seem to point toward a continuation of the upward trend in the number of farmers interested in cooperative purchasing.

CO

SELLING AND, OR, BUYING

The census data for marketing and purchasing combined includes the farmers that sold cooperatively and those that purchased cooperatively, but with no farmer being counted more than once. The most significant of the data in this category are the percentages which the cooperative farmers were of all farmers. In all four regions these percentages

for 1939 were substantially above those for 1919 as will be noted from the table.

Among the States with high percentages for 1939 are: Minnesota, 60.8 percent; Wisconsin, 40.9; Idaho, 38.0; Iowa, 36.6; New York, 33.7; North Dakota, 33.6; Washington, 33.5; California, 31.5; Oregon, 31.2; and Nebraska, 30.8 (Appendix p. 17).

Most of the figures for the United States as a unit show an upward trend in the number of farmers transacting business with cooperatives, which trend is likely to continue. The figures also indicate that the greater part of the loss from the high point of 1924 has been recovered.

Region	1919	1924	1929	1939
	Per-cent	Per-cent	Per-cent	Per-cent
North Central	21.0	26.1	25.9	29.8
Atlantic Coast	4.3	10.1	7.2	11.1
Western	12.2	16.3	19.4	27.3
South Central	1.7	8.4	3.6	5.7
United States	9.7	15.5	13.1	17.1

CO

BUYING SERVICES COOPERATIVELY

Data as to the number of farmers purchasing services, rather than commodities, on a cooperative basis were collected for the first time by the census of 1939, when farmers to the number of 712,651 reported business through such organizations as "mutual fire insurance companies, mutual telephone companies, cooperative truck routes, spray rings, rural electrification associations, and other similar cooperatives." These cooperators were 11.7 percent of all farmers. The number and percentage of farmers in each of the four regions were:

Region	Farmers 1939	
	Number	Percent
North Central	427,184	59.9
Atlantic Coast	111,100	15.6
South Central	110,802	15.6
Western	63,565	8.9
United States	712,651	100.0

The 10 States with more than 25,000 farmers reporting business with service cooperatives and the percentages which these farmers were of all farmers in the specified States are given below:

State ¹	Cooperating farmers	
	Number	Percent ²
Minnesota	62,079	31.5
Iowa	56,363	26.4
Illinois	50,641	23.7
Wisconsin	44,250	23.7
Ohio	41,449	17.7
Indiana	37,039	20.1
Missouri	34,217	13.4
Texas	33,725	8.1
Michigan	36,291	19.3
New York	26,052	17.0

¹Data for other States given in Appendix p. 17.

²Percentage of all farmers.

ONE-FIFTH OF ALL FARMERS ARE COOPERATORS

More than one-fifth (22.4 percent) of the farmers included in the census of 1939 reported business transactions with cooperatives. The exact number was 1,364,402. This figure includes every farmer who sold cooperatively, purchased cooperatively, or used the service associations operating on a mutual basis. But no farmer, regardless of how many associations he might be a member of, was counted more than once. According to the census data more than one-fourth of the farmers in 20 of the States reported transacting business with one or more cooperatives in 1939. The figure for the number of cooperating farmers is undoubtedly conservative (Fig. 4).

The census data for the regions are presented in the table below:

Region	Farmers 1939	
	Number	Percent
North Central	780,187	57.2
Atlantic Coast	229,516	16.8
South Central	191,921	14.1
Western	162,778	11.9
United States	1,364,402	100.0

More than 57 percent of the cooperating farmers were in the 12 North Central States and but 42.8 percent in the other 36 States.

The percentages which the cooperating farmers were of all farmers in the 4 regions were: North Central, 37.2 percent; Western, 31.9; Atlantic Coast, 15.3; and South Central, 9.7.

The States, 9 in number, with more than 50,000 cooperating farmers, were:

Minnesota, 130,261 cooperators; Iowa, 96,639; Wisconsin, 90,261; Ohio, 71,519; Illinois, 70,296; Michigan, 61,199; New York, 61,088; Indiana, 58,184; Missouri, 58,170. In each of these States there are strong forces urging the cooperative method for transacting business.

The States in which more than a third of all the farmers were supporting cooperative enterprises, with the per-

centage for each, are: Minnesota, 66.0 percent; Wisconsin, 48.3; Iowa, 45.3; Idaho, 43.3; New York, 39.9; North Dakota, 39.8; Washington, 38.4; Nebraska, 37.1; Vermont, 37.0; Oregon, 36.2; California, 36.1; South Dakota, 34.0; Montana, 33.6 (Appendix p. 17). Had all farmers remembered their cooperative affiliations when answering the census enumerators in 1939 the honor roll would contain at least five additional States.

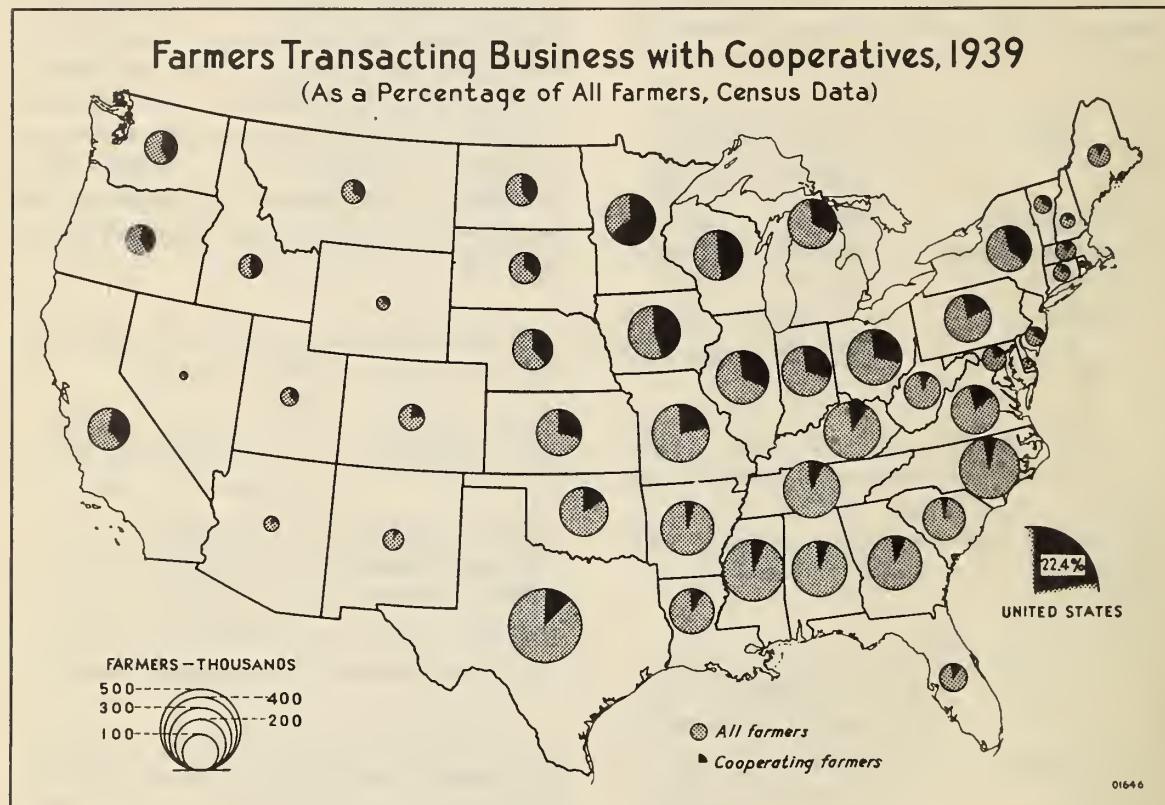


FIGURE 4.--A million and a third farmers transacted business with cooperatives in 1939. More than one-half of these farmers were in the 10 States stretching from New York to Missouri and Minnesota. If Texas and California are added to the 10 States then three-fifths of the cooperating farmers are accounted for.

SUMMARY

Farmer cooperation began to receive special attention in the first decade of the current century. During the years 1910 to 1919 many cooperatives were set up. Most of these were for assembling, processing, and forwarding to market farm products. So great was the interest in this farmer activity that when plans were made for the census of 1919 questions dealing with cooperative selling and buying were included in the schedule for agriculture.

The tabulated returns from the census show that more than half a million farmers were selling cooperatively and 329,449 farmers were purchasing supplies through their own associations. Approximately three-fourths of these farmers were in the 12 North Central States and only about 5 percent were in the South Central States.

Early in 1920 a campaign in behalf of large-scale, centralized, single-commodity cooperatives was started. Associations to operate over entire States, or producing regions, were formed for marketing cotton, tobacco, wheat, potatoes, and other crops.

Upwards of 400,000 farmers became cooperators during the 5 years from 1919 to 1924. Most of these were in the cotton and tobacco producing areas.

Many of the new converts to cooperation began slipping during the second half of the twenties. The loss to the marketing group was more than 192,000 farmers. Because of an increase in the number buying cooperatively the net loss to the movement was but 16.5 percent for the 5 years, closing with 1929. Most of this decrease was in the States where the big gains had been made during the preceding 5 years.

Both cooperative selling and cooperative buying showed increases in the number of participants during the 10 years from 1929 to 1939. The percentage gain for selling was 20 percent and for buying 81 percent.

The net gains in the number of cooperating farmers from the census of 1919 to the census of 1939, 20 years, were 62 percent for selling and 126 for buying.

Information pertaining to the number of farmers purchasing cooperatively such services as mutual insurance, electric current, telephone services, transportation, was collected for the first time as part of the census of 1939. The returns show that 712,651 farmers, nearly 12 percent of all farmers, reported such cooperative activity.

The total number of farmers reporting the transaction of business of any kind with cooperatives in 1939 was 1,364,402 which was more than 22 percent of all farmers.

In reviewing the increases and decreases in cooperative marketing and purchasing for the years from 1919 to 1939 inclusive, and in noting the more than 700,000 additional farmers obtaining services on a cooperative basis it is well to give consideration to the limitations of cooperative activity as a business technique as well as to its social implications. Cooperation is not a business practice that can be accepted or rejected as changing circumstances may suggest. It is primarily a state of mind and determines the attitude of the individual toward his neighbor, fellow worker, and the social group of which he is a member, whether he would be or not. Its aim is the mutual benefit of the individual, the neighbor, and the group. It is the antithesis of competition,

which frequently makes survival dependent on a ruthless pushing ahead regardless of consequences to neighbor, fellow worker, and social group.

Sound cooperation is more often the result of slow growth than of emotional conversion. Those areas in which farmer cooperation is found at its best are the communities and States in which the people have been practicing this form of business enterprise for many years. It is no accident that a higher percentage of the farmers of Minnesota, Iowa, and

Wisconsin are cooperators than for most of the other States. Their parents and grandparents before them were cooperators. The cooperative attitude has been developing among these people for many decades.

Unless the trends revealed by the census data are false, farmer cooperation is destined to continue its upward climb not only in the fields of selling and buying, but also as regards the farmer's efforts to supply himself with essential services.

*** *** ***

Number of farmers, and percentage of all farmers, selling to, or through, cooperative associations; number using cooperative services; and total number transacting any business with, or through, cooperative organizations by Geographic divisions and States, 1919, 1924, 1929, and 1939.

Geographic Division and State	SELLING										BUYING										SELLING AND, OR, BUYING										SERVICES WITH COOPERATIVES						
	1919		1924		1929		1939		1919		1924		1929		1939		1919		1924		1929		1939		Farmers		Farmers		Farmers		Farmers		Farmers		1939		
UNITED STATES	511,383	7.9	884,207	13.9	691,895	11.0	827,285	13.6	329,449	5.1	362,745	5.7	410,914	6.5	743,638	12.2	624,527	9.7	987,376	15.5	824,537	13.1	1,043,261	17.1	712,651	11.7	1,364,402	22.4									
New England:	4,060	2.6	10,845	6.8	9,170	7.3	14,920	11.0	7,579	4.8	10,787	4.3	10,897	8.7	15,250	11.3	10,229	6.5	18,458	11.6	16,989	13.6	23,105	17.1	9,638	7.1	27,823	20.6									
Maine	1,264	2.6	2,555	5.1	755	1.9	1,795	4.6	1,448	8.7	1,896	3.8	1,674	4.3	2,083	5.3	4,062	8.4	3,885	7.8	2,083	5.4	3,260	8.4	1,922	4.4	4,827	12.4									
New Hampshire	1,222	6.6	4,228	2.0	461	3.1	1,448	8.7	946	4.6	1,701	8.1	1,647	11.0	1,688	10.2	1,027	5.0	1,933	9.2	1,912	12.8	1,251	15.4	1,121	6.8	3,209	11.4									
Vermont	1,239	4.3	2,745	2.3	2,091	6.9	4,304	17.3	5,580	23.7	1,077	5.8	2,186	11.5	2,632	10.6	1,547	8.6	4,386	17.6	7,199	23.4	3,467	14.7	8,714	37.0											
Massachusetts	747	2.3	2,791	6.3	1,438	5.7	2,902	9.1	1,009	3.2	2,186	6.8	2,891	11.3	3,838	12.0	1,547	8.6	3,053	10.9	6,768	14.4	5,120	16.1	1,602	5.0	5,610	12.0									
Rhode Island	95	2.6	235	6.0	140	4.2	169	5.6	86	2.1	2,133	5.4	148	4.5	145	3.6	3,48	8.9	241	7.3	2,182	9.3	1,177	3.9	350	11.6											
Connecticut	593	2.6	2,791	12.0	2,052	12.0	3,026	14.3	459	2.0	1,513	6.5	1,905	11.1	3,154	14.9	935	4.1	3,753	11.1	3,239	18.8	4,694	22.2	1,135	5.4	5,113	24.2									
Middle Atlantic:	33,854	8.0	39,295	9.4	41,068	11.5	60,304	17.3	17,884	4.2	24,716	5.9	30,856	8.6	56,575	16.3	45,079	10.6	52,710	12.6	57,788	16.2	85,702	24.6	45,512	13.1	105,256	30.2									
New York	23,494	12.2	26,586	14.1	28,015	17.5	37,368	24.4	7,106	3.7	12,509	6.6	19,933	12.5	34,284	22.4	27,233	14.1	31,957	16.9	38,239	23.9	51,600	33.7	26,052	17.0	61,088	39.9									
New Jersey	2,575	9.3	1,401	4.7	1,750	11.1	3,103	6.6	17,023	10.1	7,980	3.9	1,601	5.3	9,021	5.2	18,014	10.7	13,544	9.2	16,374	6.7	28,810	29.0	8,491	32.9											
Pennsylvania	7,602	8.8	11,308	5.6	11,795	10.0	17,200	12.0	8,190	7.7	17,884	5.2	18,011	5.3	9,021	5.2	18,278	9.2	16,374	9.7	26,161	25.7	16,974	10.0	35,677	21.1											
East North Central:	144,339	13.3	205,409	19.5	170,992	17.7	210,016	20.9	83,518	7.7	103,199	9.8	115,368	11.9	198,585	19.7	173,672	10.0	236,552	22.1	216,260	22.4	264,957	26.3	209,670	20.8	351,539	34.9									
Ohio	19,952	7.8	39,995	16.3	31,067	14.2	42,577	18.2	21,250	8.3	24,711	10.1	26,736	12.2	41,571	17.8	30,621	11.9	48,127	19.7	41,894	19.1	54,366	23.3	41,491	17.7	71,599	30.6									
Indiana	14,638	7.1	28,550	14.6	20,451	11.3	29,945	16.2	10,019	4.9	14,588	7.4	18,742	10.3	31,339	17.0	16,212	9.4	33,905	17.3	30,057	16.6	40,166	21.8	37,039	20.1	58,184	31.5									
Illinois	24,797	5.5	52,606	23.3	41,857	29.9	41,924	19.2	12,303	5.2	17,471	7.7	26,628	12.1	5,518	25.1	46,749	21.8	42,601	23.5	50,084	23.5	36,211	23.7	70,296	32.9											
Michigan	42,104	21.4	38,730	20.1	31,331	18.5	33,765	22.0	18,154	9.2	25,124	13.1	28,727	17.0	35,496	18.9	47,190	23.7	47,446	24.7	44,206	23.5	36,211	23.7	61,199	19.3											
Wisconsin	42,848	22.6	45,528	23.6	46,276	25.5	62,703	33.6	21,355	11.0	24,308	13.4	53,913	28.9	48,190	25.5	50,556	26.2	53,354	29.4	76,292	40.9	44,250	23.7	90,261	48.3											
West North Central:	243,288	22.2	303,190	27.3	290,199	26.1	295,748	27.1	166,084	15.1	140,588	12.7	159,988	14.7	279,288	25.6	284,123	25.9	327,510	29.5	322,528	29.0	359,337	32.9	217,514	19.9	428,648	39.3									
Minnesota	78,314	4.3	79,781	4.4	95,639	5.1	96,531	6.0	100,758	5.1	70,511	6.6	26,056	13.8	39,511	21.4	89,561	4.5	81,455	4.5	82,119	43.8	98,981	53.4	119,903	60.8	67,037	31.5	130,261	65.0							
Iowa	43,350	20.9	72,639	34.0	54,433	29.7	63,270	33.6	23,000	15.2	60,336	28.3	51,630	28.3	51,630	31.0	78,187	31.1	76,511	31.0	78,160	36.6	56,373	26.4	96,639	45.3											
Missouri	17,748	6.7	21,560	23.4	47,342	26.1	20,382	26.1	12,579	16.2	31,082	12.5	34,700	13.6	25,6	66,637	25.6	11,771	21.4	41,231	16.1	51,530	12.3	58,170	22.7												
North Dakota	17,438	22.4	12,913	17.0	20,382	26.1	20,541	23.0	11,085	12.3	31,111	12.5	24,020	19.2	19,019	25.5	13,479	17.7	22,739	29.2	24,888	33.6	13,463	18.2	29,412	39.8											
South Dakota	20,241	27.1	27,769	22.3	18,141	21.8	16,643	23.0	13,754	18.4	8,835	11.1	11,176	13.4	22,571	30.2	19,967	25.2	21,541	29.7	9,377	12.9	24,624	34.0													
Nebraska	32,543	26.6	26,266	22.0	27,335	18.1	23,397	18.1	15,098	22.0	15,461	21.0	15,098	22.0	15,098	22.0	28,692	23.7	31,331	24.5	27,304	30.8	20,493	16.9	44,338	37.1											
Kansas	33,654	20.4	30,979	18.7	26,236	15.4	29,286	18.7	12,322	19.6	32,321	19.6	17,903	10.8	29,657	19.0	43,188	26.1	35,885	18.6	36,310	23.2	21,552	13.8	44,504	28.7											
South Atlantic:	9,517	8.8	90,879	8.2	28,662	2.7	40,144	3.9	12,230	1.1	20,830	1.9	15,866	1.5	21,285	2.5	15,488	2.5	15,488	1.5	99,139	3.8	18,770	1.6	99,899	9.0	36,606	3.5									
Delaware	548	5.4	193	1.9	64	1.5	448	5.0	5,836	10.5	5,836	13.9	637	1.3	3,817	7.8	3,383	7.8	5,561	13.2	2,177	4.5	8,283	16.9	6,139	14.2	7,690	18.3									
District of Columbia	1,865	3.9	6,121	12.5	4,533	10.5	5,836	13.9	1,954	1.5	3,442	1.5	3,442	1.5	1,954	1.5	3,442	1.5	3,442	1.5	3,442	1.5	3,442	1.5	3,442	1.5											
Virginia	3,849	2.1	27,550	17.6	4,394	2.6	13,442	7.5	5,161	2.5	5,768	3.0	3,947	2.3	15,777	9.0	7,537	4.7	30,377	15.7	6,939	4.1	21,537	8.9	29,725	17.0											
West Virginia	625	2.1	7,310	3.4	1,652	2.5	4,391	4.7	2,203	2.0	2,203	2.7	4,202	2.7	4,120	2.7	4,120	2.7	6,565	5.6	3,307	4.0	6,530	6.6	3,858	3.9											
North Carolina	850	3.7	22,167	7.8	4,606	1.6	5,606	2.0	2,976	1.1	2,976	1.5	2,158	1.8	3,524	1.3	3,524	1.3	3,524	1.3	16,533	4.2	17,862	6.4	17,862	6.4											
Georgia	203	1.1	10,601	6.1	2,171	6.0	3,669	2.2	1,819	1.1	2,171	1.6	1,555	1.6	8,386	1.8	8,386	1.8	8,386	1.8	12,581	2.1	13,334	2.4	15,381	3.9											
Florida	1,367	2.5	7,755	13.1	5,802	9.8	4,586	7.4	381	7.7	2,003	3.5	1,645	2.6	3,442	5.5	1,433	2.7	1,433	2.7	4,675	2.2	18,201	8.4	18,201	8.4											
East South Central:	12,705	1.2	5,773	9.1	19,670	1.9	42,140	4.1	5,285	5.5	21,398	2.1	15,948	1.5	25,757	2.5	15,488	1.5	9,777	1.7	22,810	5.1	8,225	9.8	89,766	18.8											
Kentucky	3,448	1.3	53,704	20.8	4,793	1.9	15,344	6.1	2,344	9	3,018	1.3	1,266	5.5	6,331	1.6	5,343	1.7	5,343	1.7	17,433	6.9	14,053	5.6	28,074	8.9											
Tennessee	2,255	1.5	15,303	6.1	3,552	1.4	7,276	2.9	1,747	5.5	4,490	1.8	2,872	1.2	5,006	2.0	2,121	6.5	3,398	6.5	5,251	2.1	9,669	4.0	22,084	8.9											
Alabama	2,678	1.0	11,114	7.6	7,270	2.8	1,747	6.6	6,687	2.9	2,174	3.0	1,747	2.8	2,825	3.0	1,747	2.8	7,909	3.8	16,720	7.0	16,720	7.0	23,384	8.0											
Louisiana	5,980	3.1	19,049	9.7	21,715	10.7	17,791	9.9	9,400	2.6	4,878	2.5	6,523	2.6	13,515	7.5	7,748	2.0	20,753	10.5	21,283	11.1	17,944	1.1													
Texas	2,486	6.6	29,691	6.4	8,459	1.7	18,705	4.5	1,769	4	4,539	1.0	3,760	7																							

