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Reprint

# COOPERATIVE FRUIT AND VEGETABLE PROCESSORS IN THE UNITED STATES

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Farmer Cooperative Service strengthens the economic position of farmers and other rural people by improving organization, development, management, and operation of their cooperatives. It works directly with cooperative leaders and Federal and State agencies on cooperative problems. It publishes research results and educational materials and issues the News for Farmer Cooperatives.

The Service helps (1) farmers and other rural residents get better prices for products they sell and obtain supplies and services at lower cost; (2) rural residents use cooperatives to develop and make effective use of their resources; (3) cooperatives improve their services and operate more efficiently; (4) members, directors, employees, and the public to better understand how cooperatives work and benefit their members and their communities; and (5) encourage international cooperative programs.

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## HIGHLIGHTS

Cooperative fruit and vegetable processors are increasingly interested in coordinated marketing programs. Basic information in this report will aid them in appraising opportunities for joint warehousing and distribution programs, exploring possibilities for merger or consolidation, and determining locations and size of new plants.

Data for the report came from replies by 47 cooperative fruit and vegetable processors.

Important features of these cooperatives are:

- \* The 47 cooperatives handled approximately one-fifth of all fruit, vegetables, and juice processed in the United States during 1969. The proportion of the U.S. total these cooperatives packed in 1969, by major category, was:
  - Dried fruit, 39 percent;
  - Canned deciduous fruit and juice, 33 percent;
  - Citrus fruits utilized in processing, 24 percent;
  - Frozen deciduous fruit, berry, and juice pack, 18 percent;
  - Canned vegetable and juice pack, 13 percent;
  - Frozen vegetables, 8 percent.
- \* Approximately two-thirds of the total fruit and vegetables packed by the 47 processing cooperatives were canned; 14 percent bottled; 13 percent frozen; and 6 percent dried.
- \* Thirty-nine of the 47 processing cooperatives had canning operations--17 canning only, and 22 canning and doing other types of processing. Fourteen of the 47 did canning and freezing and six had canning, freezing, and drying operations. Twenty-three of the 47 were engaged in more than one type of processing.
- \* Forty-five of the cooperatives provided sufficient data for a classification by dollar volume. Sixteen had a volume between \$1.0 and \$9.9 million: Ten had \$30 million and over; nine had between \$10 and \$19.9 million; seven had less than \$1 million; and three had between \$20 and \$29.9 million.
- \* Cooperatives in the Western States had 51 percent of the owned processing facilities and 48 percent of the owned storage facilities. Cooperatives in the Eastern States had 34 percent and 47 percent respectively. Those in the Western States had 50 percent of the leased storage facilities, while the Central States had 33 percent, and the Eastern States 17 percent.

Several cooperatives leased storage facilities at many points throughout the United States.

- \* In the last 5 years, 14 of the 47 cooperative processors had expanded--11 added 13 units through purchase and 6 added 11 units through merger. Three cooperatives used both methods to expand.
- \* The 44 cooperatives with direct grower membership had an average membership of 669. The Western States cooperatives averaged 1,044 members a cooperative while the Eastern States ones averaged 356 members.

About one-third of the 44 cooperatives had less than 100 members; another one-third had between 100 and 500 members; and the remaining one-third's membership exceeded 500 members.

- \* Forty-three of the 47 cooperative fruit and vegetable processors had marketing contracts with their members. Eighteen of these 43 marketing contracts required that members market their total production through the cooperative.
- \* The majority of the 47 fruit and vegetable processing cooperatives were not associated by contract or membership with other organizations. Only 15 of the cooperatives were associated with other organizations for sales purposes; 6 for purposes of processing; and 7 for purchasing supplies. Approximately 30 percent of total sales of the 47 processing cooperatives went through associated organizations.
- \* Ten of the 47 fruit and vegetable processing cooperatives sold through cooperative sales agencies. Six out of the ten were required to deliver the total quantity of their product to the cooperatives sales agency; three indicated the quantity delivered was optional to their own organization; and one indicated the quantity delivered was fixed but less than 100 percent.
- \* Chains purchased 42 percent of the total sales; wholesalers 26 percent; other processors 11 percent; and institutions 5 percent.

The 47 fruit and vegetable processors made about one-third of their chain store sales direct and two-thirds through brokers. Direct sales to chains were 48 percent for the Western States; 34 percent for the Central States; and 23 percent for the Eastern States. Broker sales to chains were 77 percent for the Eastern States; 66 percent for the Central States; and 52 percent for the Western States.



- \* Brand sales were: 55 percent under the cooperatives' own labels; 24 percent under chain store labels; 14 percent under other buyers' labels; 4 percent under other processors' labels; and 3 percent unlabeled.

Forty-two of the 47 fruit and vegetable processing cooperatives had a major brand. Twenty-nine had a second brand; 22 a third brand; and 3 cooperatives listed more than three brands.

- \* The pooling method of payment was used by 41 of the 47 fruit and vegetable processing cooperatives. Twenty used the single pool method where all commodities are treated as a single lot and returns to patrons prorated on the basis of the total market value of all commodities marketed during the yearly accounting period. Twenty-one used the individual commodity pool, sometimes called the multiple pooling method. Each commodity handled by the cooperative is pooled separately and grower returns are based on the average prices received for similar commodities. Only six of the cooperatives sold for growers individual accounts.
- \* In addition to providing processing facilities for members, the fruit and vegetable processing cooperatives also provided production supplies and services.

Twenty of the 47 fruit and vegetable processing cooperatives sold seed; 12 sold fertilizer; and 12 supplied sprays and dusts to members.

Twenty-two of the 47 fruit and vegetable processing cooperatives had fieldmen; ten provided financing; six fertilizer services; six harvesting services; six transportation services; and two pruning services for members.

COOPERATIVE FRUIT AND VEGETABLE PROCESSORS  
IN THE UNITED STATES

By Gilbert W. Biggs and  
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Farmer Cooperative Service<sup>1/</sup>

The study reported on in this publication was made at the request of members of the Cooperative Processors Association, who meet each year at the National Canners Association Convention.

The report covers the major activities of cooperative processors in 1969, location of their facilities, expansion in the last five years, volume handled, organizational characteristics, operations, and services provided.

We made the study to provide basic data on cooperative processing that could be used to discuss and develop plans for improved marketing programs. Although primarily descriptive in nature, it responds to the deep interest in information on the contribution of cooperative enterprise in this important area.

All known farmer cooperatives processing fruits and vegetables received a mail questionnaire. Data supplied by 47 respondents to these questionnaires became the basis for this report (Figure 1). The respondents were located in 16 States. These in turn were divided into regional groupings of Eastern, Central, and Western.

#### Major Activity

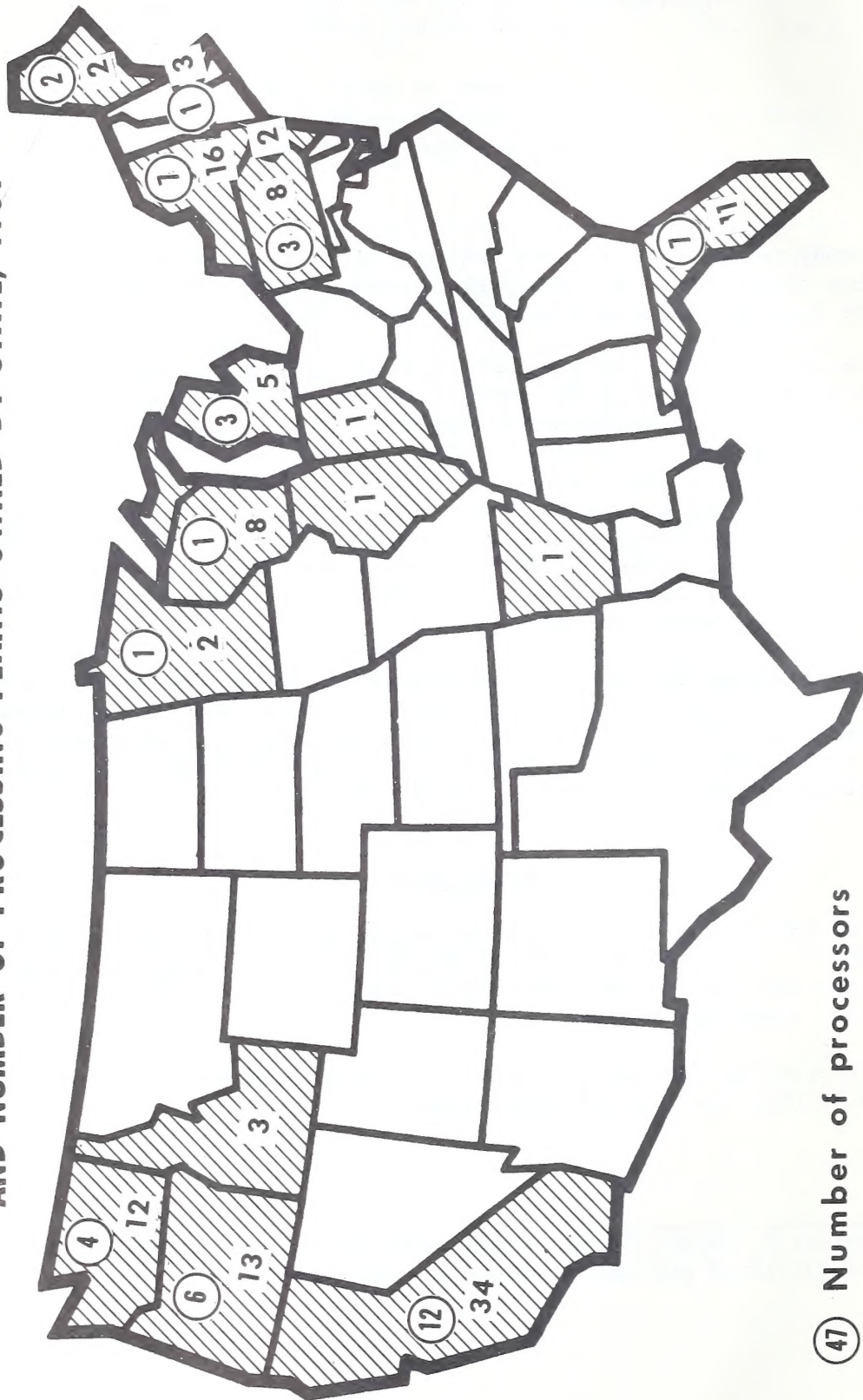
Thirty-nine of the 47 cooperatives canned fruits and vegetables (Table 1). Of the 39, 17 canned only, while 22 also did other types of processing. Fourteen had canning and freezing operations. Six cooperatives did canning, freezing, and drying.

One interesting feature is that 23 of the 47 cooperative processors did more than one type of processing.

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<sup>1/</sup> Charles H. Meyer, Farmer Cooperative Service, prepared the schedules and initiated the survey of processing cooperatives.

**FIG. 1.--NUMBER OF FRUIT AND VEGETABLE PROCESSING COOPERATIVES SURVEYED  
AND NUMBER OF PROCESSING PLANTS OWNED BY STATE, 1969**



④7 Number of processors  
122 Number of plants

Table 1.--Major activity of 47 fruit and vegetable processing cooperatives, 1968-69

Type of activity	Processing cooperatives	
	Number	Percent
Canning	17	36
Canning and freezing	14	30
Canning, freezing and drying	6	13
Drying	4	9
Freezing	3	6
Canning and drying	2	4
Freezing and drying	<u>1</u>	<u>2</u>
Total	47	100

Thirty-one of the cooperatives processed deciduous fruits, berries, and juices (Table 2). Twenty-two processed vegetables and their juices. Eight processed citrus and their juices. Twelve of the deciduous fruit processors also processed vegetables.

Table 2.--Commodities processed by 47 fruit and vegetable cooperatives, 1968-69

Type of commodity	Number of cooperatives	Percent of cooperatives	Number of products
Deciduous fruits, berries, juices	31	66	16
Vegetables	<u>1</u> /22	47	23
Citrus fruits, juices	7	15	<u>2</u> /11
Dry or dried products	8	17	9

1/ Includes 10 vegetable processors and 12 fruit processors who also process vegetables.

2/ Includes byproducts such as dry flavor compounds, pectin, oils, syrup pharmaceuticals, dried pulp, and peels.

A detailed breakdown of individual items processed by the 47 cooperative fruit and vegetable processors in 1969 appears in Appendix table 1.

### Facilities

One purpose of the study was to indicate the location of cooperative processors. This can aid individual cooperatives in exploring the possibility for exchanging use of facilities.

The Western States had 51 percent of the owned processing facilities and 48 percent of the owned storage facilities (Table 3). The Eastern States had 34 percent of the owned processing facilities and 47 percent of the owned storage facilities. The Western States had 50 percent of the leased storage facilities, while the Central States had 33 percent and the Eastern States 17 percent.

Table 3.--Location of owned and leased facilities by geographic regions, 47 fruit and vegetable processing cooperatives, 1968-69

Geographic region	Owned facilities				Leased storage facilities	
	Processing <sup>1/</sup>		Storage <sup>2/</sup>			
	Number	Percent	Number	Percent	Number	Percent
Eastern States	42	34	9	47	4	17
Central States	18	15	1	5	8	33
Western States	<u>62</u>	<u>51</u>	<u>9</u>	<u>48</u>	<u>12</u>	<u>50</u>
Totals	122	100	19	100	24	100

<sup>1/</sup> Processing facilities usually had storage facilities at the same location.

<sup>2/</sup> Storage facilities were listed when location was different from processing facilities.

The location of processing facilities owned by the 47 fruit and vegetable processors participating in the survey, by State, appears in Figure 1. Such facilities usually include storage facilities adjacent to the processing plant.

Almost one-third of the processing facilities were in California, 13 percent in New York, 11 percent in Oregon, and 10 percent in Washington.

California had 5 of the 19 storage facilities owned by the 47 cooperatives participating in the survey. These cooperatives owned the storage facilities located in places other than the processing plants. Maine had 4 out of the total of 19, and New York and Oregon had 3 each.

The cooperatives leased 24 storage facilities. However, several of them leased storage space at many points throughout the United States but failed to indicate specific locations.

#### EXPANSION IN LAST FIVE YEARS

Fourteen of the cooperative processors had expanded in the last 5 years through purchase or merger. Eleven cooperatives added 13 units through purchase while six added 11 units through merger. Three cooperatives used both methods to expand.

#### VOLUME HANDLED

Forty-five of the 47 cooperatives provided sufficient data for a classification by dollar volume. Sixteen had a volume of between \$1.0 and \$9.9 million (table 4). Ten had a volume of \$30 million and over. Nine had a business volume of between \$10.0 and \$19.9 million. Seven had a business volume of under \$1 million. Only three had a business volume of between \$20 and \$29.9 million.

Table 4.--Distribution of 45 cooperatives processing fruits and vegetables by dollar volume of business, 1968-69

Volume of business (\$1,000)	:	Number of cooperatives
Less than 1,000	:	7
1,000 - 9,999	:	16
10,000 - 19,999	:	9
20,000 - 29,999	:	3
30,000 and over	:	<u>10</u>
Total	:	45

## Importance of Processed Form

About two-thirds of the total fruit and vegetables packed by the 47 processing cooperatives was canned in 1969 (Table 5). This was about the same proportion as all fruit and vegetable processors in the United States canned.

Table 5.--Reported pack and processed form of fruits and vegetables handled by 47 cooperatives and total pack, United States, 1969

Class of product	Packed by cooperatives		Total U.S. pack	
	Million pounds <sup>1/</sup>	Percent	Million pounds <sup>2/</sup>	Percent
Canned	3,466	65	17,500	68
Bottled	726	13	1,200	5
Frozen	836	16	4,000	16
Dried	<u>315</u>	<u>6</u>	<u>2,900</u>	<u>11</u>
Total	5,343	100	25,600	100

<sup>1/</sup> Special survey of fruit and vegetable processing cooperatives, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

<sup>2/</sup> Compiled by Farmer Cooperative Service from the Canner Packer, September 25, 1970, page 68.

Approximately 13 percent of the total cooperative pack was bottled as compared to 5 percent for the United States as a whole. About 16 percent of the total cooperative pack was frozen as compared to 16 percent for the United States. Six percent of the cooperative pack was in dried form as compared to 11 percent for the United States.

### Deciduous Fruit Pack

The 47 cooperatives dried about 39 percent of the total dried fruit pack of the United States in 1969 (Table 6). They dried almost two-fifths of the apples, over one-half of the prunes, and about one-third of the raisins. They dried only 14 percent of the apricots and 5 percent of the peaches.

Table 6.--Itemized dried fruit pack reported by 47 processing cooperatives and the total pack, United States, 1969

Item	Dried fruit pack		:Percent of co-op pack to total U.S. pack
	: Handled by cooperatives <sup>1/</sup>	: Total U.S. <sup>2/</sup>	
	- - - 1,000 Pounds	- - -	Percent
Apples	13,312	<u>3/</u> 35,025	38
Apricots	1,831	12,800	14
Peaches	370	7,000	5
Prunes	143,654	260,000	55
Raisins	<u>156,274</u>	<u>504,000</u>	<u>31</u>
Total	315,441	818,825	39

<sup>1/</sup> Special survey of farmer cooperative processors, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

<sup>2/</sup> Compiled by Farmer Cooperative Service from the Canner Packer, September 25, 1970, page 86.

<sup>3/</sup> Compiled by Farmer Cooperative Service from the Fruit Situation, Economic Research Service, U.S. Department of Agriculture, TFS 76, September 1970, page 30.

These processing cooperatives canned approximately one-third of the deciduous fruit and juice pack in 1968-69 (Table 7). They packed about 40 percent of the cherries, 39 percent of the pears, 24 percent of the peaches, and 19 percent of the apples.

These cooperatives packed almost one-fifth of the frozen deciduous fruit, berry, and juice in 1969 (Table 8). They packed about 15 percent of the berries, 10 percent of the cherries, and 7 percent of the apples during the year.

#### Citrus Fruit Pack

Seven cooperatives processed about one-fourth of the total citrus fruits utilized for processing in the United States in 1969 (Table 9).



Table 7.--Canned deciduous fruit and juice pack reported by 47 cooperatives processing fruits and vegetables, and total U.S. pack, 1968-69

Item	:Canned deciduous fruit & juice pack:		Percent of : co-op pack to :total U.S. pack
	: Handled by : cooperatives <sup>1/</sup>	: Total : U.S. <sup>2/</sup>	
	- - - 1,000 Pounds	- - -	Percent
Apples (sauce & juice)	239,412	1,241,537	19
Cherries	42,983	106,662	40
Peaches	399,787	<sup>3/</sup> 1,650,173	24
Pears	179,980	460,665	39
All other	<u>1,310,907</u>	<u>3,116,362</u>	<u>42</u>
Total	2,173,069	6,575,399	33

<sup>1/</sup> Special survey of farmer cooperative processors, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

<sup>2/</sup> Compiled by Farmer Cooperative Service from the Canner Packer, September 25, 1970, pages 72 and 76.

<sup>3/</sup> Updated by supplementary data from the National Canners Association.

Table 8.--Frozen deciduous fruit, berry, and juice pack by 47 cooperatives and total U.S. pack, 1969

Item	:Frozen deciduous fruit & juice pack:		Percent of : co-op pack to :total U.S. pack
	: Handled by : cooperatives <sup>1/</sup>	: Total : U.S. <sup>2/</sup>	
	- - - 1,000 Pounds	- - -	Percent
Berries	45,233	<sup>3/</sup> 294,790	15
Cherries	14,611	143,000	10
Apples	8,965	122,300	7
All other	<u>72,753</u>	<sup>3/</sup> <u>211,600</u>	<u>34</u>
Total	141,562	771,690	18

<sup>1/</sup> Special survey of farmer cooperative processors, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

<sup>2/</sup> Compiled by Farmer Cooperative Service from the Canner Packer, September 25, 1970, page 82 and 84.

<sup>3/</sup> Updated by supplementary data from the National Association of Frozen Food Packers.

Table 9.--Citrus fruits utilized for processing by 7 cooperatives compared to total U.S. utilization for processing 1969

Item	:Citrus fruits utilized for processing:		Percent of : co-op pack to :total U.S. pack
	: Handled by : cooperatives <sup>1/</sup>	: Total : U.S. <sup>2/</sup>	
	- - - 1,000 Tons - - -	- - -	<u>Percent</u>
Citrus fruits	1,932	7,931	24

<sup>1/</sup> Special survey, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

<sup>2/</sup> Fruit Situation, Economic Research Service, U.S. Department of Agriculture, TFS 177, November 1970, page 10.

### Vegetable Pack

The 47 cooperatives processed about 13 percent of the total United States canned vegetable and juice pack in 1969 (Table 10). They packed about 15 percent of the green and wax beans, 6 percent of the corn, 21 percent of the tomatoes, and 3 percent of the peas during the year.

These fruit and vegetable processing cooperatives packed about 8 percent of the total United States frozen vegetable pack in 1969 (Table 11). They packed about one-third of the frozen corn pack and one-fifth of the green and wax bean pack. However, they packed only 7 percent of the total frozen pea pack and 3 percent of the total frozen white potato pack.

### MEMBERSHIP

Forty-four of the processing cooperatives in the study had a total membership of 29,443 growers in 1968-69 (Table 12). The other three were federated cooperatives which had local cooperatives as members.

Table 10.--Canned vegetable and juice pack reported by 47 cooperatives and the total U.S. pack, 1969

Item	:Canned vegetable and juice pack:		Percent of : co-op pack to :total U.S. pack
	: Handled by : cooperatives <sup>1/</sup>	: Total : U.S. <sup>2/</sup>	
	- - - 1,000 Pounds - - -	- - -	Percent
Green and wax beans	163,741	1,102,999	15
Corn	68,756	1,185,288	6
Peas	24,675	769,704	3
Tomatoes, juice and products	811,600	<sup>3/</sup> 3,924,438	21
White potatoes	14	146,640	<sup>4/</sup>
All other	<u>255,237</u>	<u>3,213,215</u>	<u>8</u>
Total	1,324,023	10,342,284	13

<sup>1/</sup> Special survey of cooperative processors, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

<sup>2/</sup> Compiled by Farmer Cooperative Service from the Vegetable Situation, Economic Research Service, U.S. Department of Agriculture, TVS 178, November 1970, page 22.

<sup>3/</sup> Estimate compiled by Farmer Cooperative Service.

<sup>4/</sup> Less than .05 percent.

Table 11.--Frozen vegetable pack reported by 47 cooperatives and the total U.S. pack, 1969

Item	: Frozen vegetable pack		Percent of : co-op pack to :total U.S. pack
	: Handled by : cooperatives <sup>1/</sup>	: Total : U.S. <sup>2/</sup>	
	- - - 1,000 Pounds - - -	- - -	Percent
Green and wax beans	37,943	185,200	20
Corn	112,031	363,200	31
Peas	26,960	367,300	7
White potatoes	64,701	2,048,400	3
All other	<u>87,569</u>	<u>951,100</u>	<u>9</u>
Total	329,204	3,915,200	8

<sup>1/</sup> Special survey of cooperative processors, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

<sup>2/</sup> Compiled by Farmer Cooperative Service from the Vegetable Situation, Economic Research Service, U.S. Department of Agriculture, TVS 178, November 1970, page 23.

Table 12.--Number of members in 47 cooperatives processing fruits and vegetables by geographic regions, 1968-69

Geographic region	: Number of cooperatives:	: Number of members	: Average number of members
Eastern States	17	6,056	356
Central States	5	419	84
Western States	<u>22</u>	<u>22,968</u>	<u>1,044</u>
Total/average	<u>1/44</u>	29,443	669

1/ Does not include three federated cooperatives that had other cooperatives as members.

The average number of members for the 44 cooperatives was 669. The average number of members for the 22 cooperatives in the Western States was 1,044 per cooperative. The average number of members for the 17 cooperatives in the Eastern States was 356. The 5 cooperatives in the Central States averaged only 84 members per cooperative.

About one-third of the 44 cooperatives with direct membership had less than 100 members (Table 13). Another one-third had a membership ranging between 100 and 500 members, and the remaining one-third had a membership exceeding 500 members.

Table 13.--Distribution of 47 cooperatives processing fruits and vegetables, by number of members, 1968-69

Number of memberships	: Number of cooperatives	: Percent of cooperatives
Less than 100	14	32
100 - 500	16	36
500 and over	<u>14</u>	<u>32</u>
Total	<u>1/44</u>	100

1/ Three federations did not give membership.

## MARKETING CONTRACTS

Forty-three of the 47 cooperative fruit and vegetable processors had marketing contracts with their members (Table 14). Eighteen of these 43 marketing contracts required members to market their total production through the cooperative.

Table 14.--Market contract situation for 47 cooperatives processing fruits and vegetables, 1968-69

Geographic region	Market contracts		Members required to market total production	
	with members		through cooperative	
	Yes	No	Yes	No
- - - <u>Number of cooperatives</u> - - -				
Eastern States	19	1	7	13
Central States	3	2	2	3
Western States	<u>21</u>	<u>1</u>	<u>9</u>	<u>13</u>
Total	43	4	18	29

In the Eastern States, 7 out of 19 cooperatives had marketing contracts requiring that members market their total production through the cooperative.

In the Central States, 2 out of 3 of the contracts required that members market their total production through the cooperative.

In the Western States 9 out of 21 cooperatives had marketing contracts requiring that members market their entire production through the cooperative.

## OPERATING METHODS

The majority of the 47 fruit and vegetable processing cooperatives were not associated by contract or membership with other organizations to sell, process, or buy supplies. Only 15 of the cooperatives were associated with other organizations for sales purposes (Table 15). Approximately 30 percent of total sales of the 47 processing cooperatives were made through associated organizations. Six of the cooperatives were associated with other organizations for purposes of processing and seven for the purposes of purchasing supplies.

Table 15.--Associations with contracts or memberships with other organizations for the purposes of sales, processing, or purchasing supplies, 47 cooperatives processing fruits and vegetables, 1968-69

Purpose of association with other organizations	Associated with other organizations	
	Yes	No
	- - - Number of cooperatives - - -	
Sales	15	30
Processing	6	38
Purchasing supplies	7	37

Ten of the 47 fruit and vegetable processing cooperatives sold through cooperative sales agencies (Table 16). Six out of the ten were required to deliver the total quantity of their product to the cooperative sales agency. Three of the 10 organizations indicated the quantity delivered to the agency was optional to their own organization. One out of the ten indicated the quantity of its product delivered to the cooperative sales agency was fixed but less than 100 percent.

Table 16.--Market arrangements applying to cooperatives using a cooperative sales agency, 47<sup>1/</sup> cooperatives processing fruits and vegetables, 1968-69

Marketing arrangement	Number of cooperatives	Percent of cooperatives
Total quantity of product(s) delivered required	6	13
Quantity of products delivered optional	3	6
Quantity of product(s) delivered is fixed, but less than 100%	<u>1</u>	<u>2</u>
Total	10	21

<sup>1/</sup> Ten of the 47 processing cooperatives sold through cooperative sales agencies.

### Sales to Different Types of Purchasers

Chain stores purchased 42 percent of the total sales by the 47 fruit and vegetable processing cooperatives (Table 17). Wholesalers were the next most important purchasers with 26 percent of total sales. Other processors purchased 11 percent of total sales. Institutional purchasers took 5 percent of total sales.

Table 17.--Distribution of independent sales by types of purchaser, 47 cooperatives processing fruits and vegetables, 1968-69

Kind of purchaser	: Total : dollar : sales	: Percent of : total dollar : sales
	<u>1,000 Dollars</u>	<u>Percent</u>
Chain stores	357,032	42
Wholesalers	225,170	26
Other processors	96,349	11
Institutions (hotel, restaurants, etc.)	39,447	5
Other	80,687	10
Purchasers not specified	<u>55,156</u>	<u>6</u>
Total	853,841	100

### Sales to Chain Stores

The 47 fruit and vegetable processors made about one-third of their sales direct to chain stores and about two-thirds through brokers (Table 18). In the Western States, they made almost one-half the chain store sales direct. One-third of their sales to chain stores in the Central States were direct. Over three-fourths of the sales to chain stores in the Eastern States were broker sales.

Table 18.--Sales to chain stores by 47 cooperatives processing fruits and vegetables, 1968-69

Geographic region	Sales to chains		
	Direct	Brokers	Total
	- - - <u>Percent</u> - - -		
Eastern States	23	77	100
Central States	34	66	100
Western States	<u>48</u>	<u>52</u>	<u>100</u>
Total	34	63	<u>1/</u> 100

1/ Method of sale not indicated in 3 percent of sales volume to chains.

#### Brand Policies

Forty-two of the 47 fruit and vegetable processing cooperatives had a major brand (Table 19). Twenty-nine had a second brand. Twenty-two listed a third brand. Three cooperatives listed more than three brands.

Table 19.--Number of cooperatives with one or more brands, 47 cooperatives processing fruits and vegetables, 1968-69

Type of brand	Number of cooperatives	Percent of cooperatives
Major brand	42	89
Second brand	29	62
Third brand	22	47
More than three brands	3	6
No response	2	4

These cooperatives made approximately 55 percent of sales under their own labels (Table 20). They made another 24 percent under chain store labels. They sold about 14 percent under other buyers' labels, 4 percent under other processors' labels, and 3 percent unlabeled.



Table 20.--Sales under various types of labels by 44 cooperatives, processing fruits and vegetables, 1968-69

Geographic region	Types of labels				
	Coop-eratives	Chain store	Other buyers	Other processors	Sold unlabeled
	- - - Percent - - -				
Eastern States	64	26	9	<u>1/</u>	1
Central States	25	51	7	8	9
Western States	<u>49</u>	<u>21</u>	<u>19</u>	<u>7</u>	<u>4</u>
Total	55	24	14	4	3

1/ Under 1 percent.

In the Eastern States almost two-thirds of sales were under the processing cooperatives' own labels compared to about one-half for the Western States and one-quarter for the Central States.

Over one-half of the sales in the Central States were made under chain store labels compared to 26 percent for the Eastern States and 21 percent for the Western States.

#### Payments to Member Growers

The pooling method of payment was used by 41 of the 47 fruit and vegetable processing cooperatives (Table 21). Twenty used the single pool method while 21 used the individual commodity pool.

Table 21.--Grower payment methods used by 47 cooperatives processing fruits and vegetables, 1968-69

Geographic region	Method of payment to growers		
	Pool		Indi-vidual
	Single	Individual commodity	accounts
- - - Number - - -			
Eastern States	8	10	2
Central States	2	0	2
Western States	<u>10</u>	<u>11</u>	<u>2</u>
Total	20	21	6

In the single pool method all commodities are treated as a single lot and returns to patrons are prorated on the basis of the total market value of all commodities marketed during the yearly accounting period.

In the individual commodity pool, sometimes called the multiple pooling method, each commodity handled by the cooperative is pooled separately and grower returns are based on the average prices received for similar commodities. Only six of the cooperatives sold for growers individual accounts.

#### ADDITIONAL SERVICES PROVIDED

The fruit and vegetable processing cooperatives, in addition to providing processing facilities for members, also provided production supplies and services. They often provided such production essentials as seed, fertilizer and insecticides and services such as fieldmen to consult with growers in the production of processing crops.

#### Supplies

Twenty of the 47 fruit and vegetable processing cooperatives sold seed to members (Table 22). Twelve sold fertilizer to members and 12 also supplied sprays and dusts to members.

Table 22.--Production supplies sold to members by 47 cooperatives processing fruits and vegetables, 1968-69

Production supplies sold to members	: Number of : cooperatives	: Percent of : cooperatives
Seed	20	43
Fertilizer, anhydrous ammonia, lime, and the like	12	25
Sprays, dusts (insecticides, defoilants, and the like)	12	25
Containers, packaging supplies	5	11
Farm machinery (other farm equipment)	4	9
Petroleum (gas, oil, grease, and the like)	3	6
Other (hardware, twine, coal, tires, and the like)	7	15

Services

Twenty-two of the 47 fruit and vegetable processing cooperatives furnished fieldmen to work with members in 1968-69 (Table 23). Ten provided financing; six provided fertilizer services; six harvesting services; and six transportation services for members. Only two provided pruning services for members.

Table 23.--Production services furnished members by 47 cooperatives processing fruits and vegetables, 1968-69

Production services furnished members	:	Number of cooperatives	:	Percent of cooperatives
Fieldman		22		47
Financing		10		21
Fertilizing		6		13
Harvesting		6		13
Transportation		6		13
Spraying and/or dusting		5		11
Pruning		2		4

APPENDIX

Appendix table 1.--Products handled by 47 cooperatives processing fruits and vegetables, 1968-69

Product	: Number of: : processors:	Product	: Number of :processors
<u>Vegetables</u>		<u>Citrus fruits, juices</u>	
Green beans	11	Grapefruit	5
Corn	9	Oranges	5
Carrots	7	Tangerines	2
Wax beans	7	Lemons	1
Beets	6		
Tomatoes	6	<u>Deciduous fruits, berries, juices</u>	
Asparagus	5	Cherries	13
Green peas	5	Apples	12
Spinach	4	Peaches	8
Broccoli	3	Strawberries	8
Lima beans	3	Pears	7
Cauliflower	2	Plums	6
Dry beans	2	Raspberries	6
Potatoes	2	Grapes	5
Pumpkin	2	Apricots	4
Rhubarb	2	Blackberries	4
Sauerkraut	2	Olives	3
Squash	2	Blueberries	2
Brussel sprouts	1	Boysenberries	2
Bell peppers	1	Cranberries	2
Cucumbers	1	Berries	1
Onions	1	Dates	1
Mushrooms	1	Figs	1
Succotash	1	Prunes	1
		Raisins	1

Appendix table 2.--Total fruit and vegetable pack of cooperative processors compared to the total United States pack of fruits and vegetables, 1969

Products	: Total coop- : erative pack <u>Million pounds</u>
<u>Citrus fruit</u>	
Juice	650
Concentrate	365
Fruit products (canned, and the like)	<u>45</u>
Total citrus	1,060
<u>Deciduous fruit</u>	
Fruit products (canned, and the like)	2,393
Juice	176
Concentrate	<u>61</u>
Total deciduous	2,630
<u>Vegetables</u>	
Vegetables and vegetable juice	<u>1,653</u>
Grand total (all cooperative processors)	<u>1/5,543</u>
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Total United States pack	<u>2/25,600</u>
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Percent of U.S. total packed by co-ops	21

1/ Special survey of farmer cooperative processors, Farmer Cooperative Service, U.S. Department of Agriculture, 1970.

2/ Canner Packer, September 25, 1970, page 68.



