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# Journal of Cooperatives

Volume 13

1998

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*Randall E. Torgerson, Bruce J. Reynolds, and Thomas W. Gray*
- Principal-Agent Relationships in Agricultural Cooperatives:  
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- Managerial Compensation in Midwestern Cooperatives:  
Results from a Follow-up Study ..... 35  
*Robert P. King, David D. Trechter, and David Cobia*

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## INVITED PAPER

- The Impact of LLCs on Cooperatives:  
Bane, Boon, or Non-Event? ..... 44  
*Donald A. Frederick*

**National Council of Farmer Cooperatives**

# Journal of Cooperatives

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

The Editorial Board offers its sincere thanks to the following individuals who reviewed manuscripts considered for this issue.

Sanjib Bhuyan

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Ronald W. Cotterill

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

Four copies of manuscripts should be submitted before October 15, 1998, to John R. Dunn, Editor, *Journal of Cooperatives*, Rural Business-Cooperative Service, U.S. Department of Agriculture, Stop 3253, Washington, D.C. 20250-3253. Phone: 202/690-1374. E-mail: john.dunn@usda.gov. Early submission is encouraged to ensure consideration for the issue.

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

# A Message from the Publisher

The National Council of Farmer Cooperatives publishes here the 1998 edition of the *Journal of Cooperatives*, a collection of research and study on cooperative issues relevant to government, academia, and cooperative businesses. NCFC recognizes the importance of sharing timely information stimulating cross dialog between these various sectors. This dialog and the continual search for best methods is essential to advance cooperative efforts to better meet the agricultural needs of our world in the coming twenty-first century.

Journal Editor John Dunn has brought together a collaboration of works authored by both government and academic researchers. Randall E. Torgerson, Bruce J. Reynolds, and Thomas W. Gray explore the evolution of agricultural cooperative thought, theory, and purpose in the United States and ways cooperatives might provide some of the security and benefits that might be lost with gradual phasing out of federal government farm support programs. Timothy J. Richards, K. K. Klein, and A. Walburger compare Alberta, Canada, cooperative members' objectives with those they believe to be held by their cooperatives' managers. Their analysis offers ways cooperative boards can design managerial incentive programs that better align their goals with those of the cooperative membership.

Robert P. King, David D. Trechter, and David Cobia present results from a follow-up survey of managerial compensation practices in local farm supply and marketing cooperatives in Minnesota, North Dakota, and Wisconsin. Donald A. Frederick, in an invited paper, looks at limited liability companies (LLCs), discussing their characteristics, providing background on their evolution, and comparing them to other ways of structuring business. He examines the challenges and opportunities they offer rural residents and their cooperatives.

Our thanks go out to the *Journal's* editorial board and to its many reviewers. These volunteers worked hard to ensure the high quality of papers presented here. We are grateful to John Dunn for his excellent work in bringing this thirteenth edition to publication.

A handwritten signature in black ink that reads "David Graves". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Graves".

David Graves  
President

National Council of Farmer Cooperatives



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