

Farm Operators' Attitudes Toward Cooperatives

Randall E. Torgerson, Stephen C. Plank, and William D. Heffernan

Farmer's Attitudes



Preface

Cooperative business organizations are characterized by two unique features: (1) they are owner-user organizations, and (2) membership in them is voluntary. The nature of these voluntary, owner-user, business organizations requires specialized member relations to assure success.

Cooperatives depend on member participation for sales volume, capital needs, and guidance. Translated into day to day business operations, this means that cooperatives engage in a continual process of member solicitation through field work and educational programs.

Member solicitation is often difficult. Farm operators may resist joining or patronizing an or-

ganization on the basis of preconceived attitudes and beliefs. In addition, the transfer of farms from father to son creates a new dimension to membership problems. Benefits of cooperative operations may not be as evident to young farmers as they were to their fathers who first organized the associations.

Little is known about the attitudes of Missouri farmers toward cooperative business organizations, farmer knowledge of cooperatives, or other related variables. This study is designed to provide organization leaders with information which will be of assistance in reshaping their organizations to better serve Missouri farmers.

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Farm Operators'

Attitudes Toward

Cooperatives

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This study is designed to provide information cooperative leaders can use immediately and to serve as a pilot study for a larger state-wide survey of farm operators. To satisfy this dual-purpose, a trade area representative of the whole state was chosen and a method used which provided information related to both purposes.

Objectives

The ultimate goal of this study is to reveal farm operators' views of

cooperatives and to present findings related to these three objectives:

- (1) Identify factors that influence farm operators' views toward cooperatives.*
- (2) Identify factors that influence farm operators in choosing a supplier or market outlet.*
- (3) Identify factors related to active support of cooperatives.*

Findings

In general, farm operators felt that cooperatives had been successful in helping farmers. They further indicated that they felt cooperatives competing with alternate business forms resulted in a better bargaining position for the farmer and generally lower prices.

The majority of farm operators rated cooperatives as good as or better than alternate business forms. However, most of them thought cooperatives could pay more or return more through patronage refunds than they do.

Farm operators viewed cooperatives as leaders in introducing new technology, merchandising farm products, and innovating supplies and services. In contrast, farmers felt that cooperatives were not leaders in basic supply acquisition through integration of their affiliates to

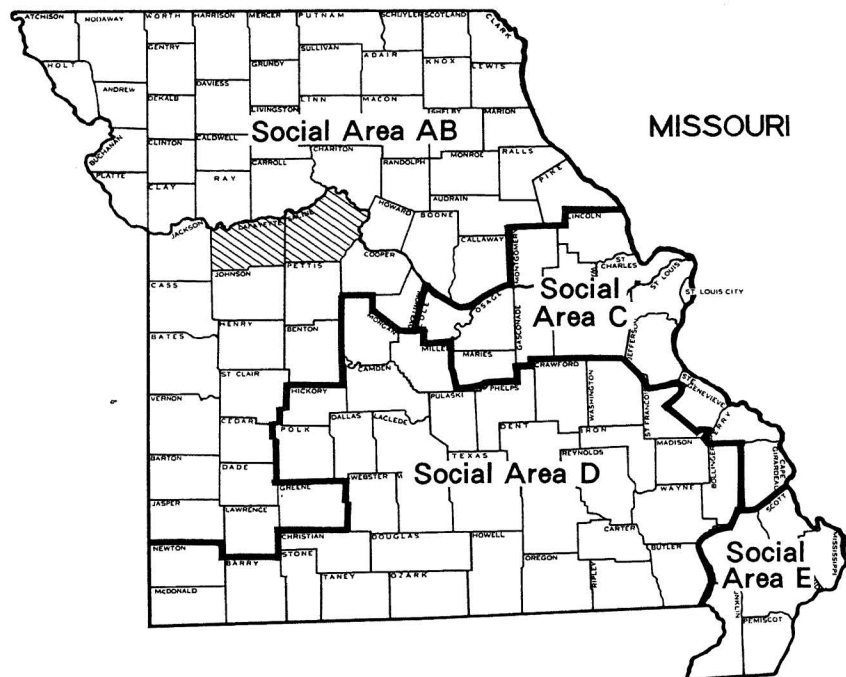
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STUDY AREA

The area chosen for this study consists of Saline and Lafayette counties. In general the area is highly agricultural with level to rolling topography, fertile soil, and a geographical location especially suited to production of soybeans, corn, wheat, and other grains. Livestock production consists mostly of cattle and hogs and is generally mixed with a grain operation.

Cooperative activity is prevalent in the area with about twenty supply and marketing associations as well as credit, electric, and telephone cooperatives. As a whole, these cooperatives have been successful in that they have good volume and generally show a profit. These associations are well distributed throughout the area and are representative of most cooperatives in the state as to size and ownership characteristics.

In *Rural Social Areas in Missouri*, Cecil L. Gregory divides Missouri into four major areas according to social characteristics. Saline and Lafayette counties are associated with the largest of these areas which consists of most counties north of the Missouri River and along the western border to Jasper and Law-



From "Rural Social Areas in Mo."-RB 665
April, 1958, Cecil L. Gregory.

rence counties.

To summarize, the area is highly agricultural with mixed grain and livestock production, there is a

great deal of cooperative activity, and social characteristics are representative of a large portion of northern and western Missouri.

ownership of oil wells, refineries, mines, etc.

Farm operators generally felt that the local supply cooperatives were not dependent on their support for success. They further indicated that the local should be more dependent on the individuals' support.

At each level of participation, from members to the board of directors, farmers felt that they had an influence on the policies and activities of the local organization. However, they also thought that each level should be more involved in those policies and activities.

When judging alternatives for the future, farm operators felt that they should build membership at

the local level and invest more equity capital in their business. Farmers did not think that the locals should merge into a regional or that locals should sell more products provided by regional cooperatives rather than non-cooperative firms.

Fifty-seven percent of the farmers interviewed said that their fathers had belonged to a farmer cooperative, 41 percent indicated that their fathers did not.

Use of cooperatives as a primary market for farm products was most widespread in milk, soybeans, corn, oats and wheat as shown in Table 1. In contrast, more than 94 percent of the respondents reported membership in a supply cooperative. Twenty-five percent of the farmers reported

belonging to the Production Credit Association, while 22 percent said they were members of a Federal Land Bank Association.

Membership in general interest farm organizations revealed 9 percent were members of the National Farmers Organization, 19 percent members of Farm Bureau, 84 percent members of Midcontinent Farmers Association, and a little under one percent members of the Grange. Slightly over 4 percent of the respondents were members of the Missouri Young Farmers Association.

More detailed reporting of responses to the specific questions follows.

Respondents in the 200 random sample survey farmed an average of

TABLE 1

For following crops or livestock, was your primary market a cooperative? (of those reporting sales)

Commodity	Number Responding	Percent	
		yes	no
feeder pigs	25	12	88
fat hogs	120	16	84
milk	16	69	31
dairy cattle	12	0	100
beef cattle (breeding)	56	5	95
feeder calves	105	6	94
fat cattle	66	5	95
turkeys	1	0	100
broilers	0	--	---
eggs	16	6	94
soybeans	147	73	27
corn	83	70	30
oats	9	44	56
wheat	72	71	29
timber	9	0	100
other	27	15	85



411 acres.¹ Thirty-one percent were under 45 years of age, 52 percent were in the 46-65 age bracket and 14 percent were over 66 years.

While about 7 percent of the respondents had completed 16 or more years of education, another 7 percent had attended school beyond high school. Forty-nine percent attended or completed high school and 30 percent had eight years or less of formal education.

How the Study Was Conducted

SAMPLE

A random sample of 100 farm operators was drawn in each of two counties, Saline and Lafayette. The criteria for inclusion were simply to own and operate eighty acres or more. In the case of dual-ownership, one of the owners was included in the sample.

INTERVIEW PROCEDURE

The survey was implemented by personal interview with each of the farm operators. Interviews took approximately an hour and were conducted in the spring of 1971 through the facilities of the Field Research Unit of the University of Missouri. When an interview could not be scheduled with a farm operator an alternate was selected.

ANALYSIS*

In analyzing data, the 200 cases essentially were treated as a single

sample. While this method does not meet the technical requirements of a random sample, it better serves the purposes of this study. Furthermore, since the population of farm operators in the two counties is similar, the difference between treating the two cases as two samples or grouping them would likely be minimal.

*The statistical test used in the analysis was Kendall's Tau. Kendall's Tau, as used here, measures the degree of association between variables. Values may vary from .0000 to 1.0000 with the larger values representing a higher degree of association. Values of .250 or greater with a statistical significance of .001 were required before a variable was discussed in the analysis. Exact numbers are reported only when they are an integral part of the study since the general level of values reported as showing an association was consistently between .250 and .350.

¹The standard deviation was 395 acres.

Factors Related to Farm Operators' Views Toward Cooperatives

Statistical analysis of the data identified five factors which influence farm operators' views toward cooperatives:

- I. Sources of information about the operation of supply and marketing cooperatives.
- II. Knowledge of cooperative organizations.
- III. Loyalty to cooperatives.
- IV. Participation in cooperatives.
- V. Other factors.

These factors are examined separately and as they relate to farm operators' views. The views are categorized into the several *attitude groups* listed below with their associated views. The viewpoints are numbered as they appear in the Appendix for easy reference.² Only variables which showed a strong relationship are listed here.

Attitude Groups

A. Attitudes Dealing with Benefits Received from Cooperative Organizations.

4. Do you feel that cooperatives have been successful in helping the farmer?
5. Do you feel that supply cooperatives in your area strengthen your position as a purchaser?
6. Do you feel that marketing cooperatives in your area strengthen your position as a seller?
7. Do you think competition from supply cooperatives results in lower prices at other suppliers?

B. Attitudes Dealing with Cooperatives in Comparison to Alternate Business Forms.

9. Do you think supply cooperatives are better, worse, or the same as other supply sources?

10. Do you think marketing cooperatives are better, worse, or the same as other market outlets?

11. Would you rate cooperatives better, worse, or the same as other sources in regard to credit policies?

12. Would you rate cooperatives as better, worse, or the same as other sources in regard to discount policies?

C. Attitudes Dealing with Cooperatives as Leaders in Various Business Aspects.

Do you think cooperatives are leaders in:

13. Introducing new technology?
14. Merchandising farm products?
15. Innovating supplies and services?
16. Getting basic resource components (mines, oil wells, etc.) in supply acquisition?

D. Attitudes Dealing With the Degree of Support or Influence at Different Participation Levels.

17. How many of your friends and relatives feel that farmers should actively support cooperatives?
18. To what extent do you think the success of the local cooperative depends on your support?
19. To what extent do you think the success of the local should depend on your support?
20. To what extent do you feel members have any influence on the policies and activities of cooperatives?
24. To what extent do you feel that the board of directors has any influence on the policies and activities of cooperatives?

E. Attitudes Dealing with Cooperative Alternatives for the Future.

In your opinion, which of these must cooperatives do in the future?

27. Build membership locally.
28. Merge with other local cooperatives.
29. Merge into a statewide regional.
30. Get farmers to invest more equity capital.
31. Sell more products provided by a regional cooperative.

Information Sources

In an extensive list of possible sources of information on cooperatives, eight sources were strongly associated with farm operators' views toward cooperatives: (1) cooperative board members, (2) cooperative manager, (3) cooperative field representative, (4) trucker for cooperative, (5) other cooperative employees, (6) other cooperative members, (7) cooperative periodicals, and (8) annual cooperative reports.

The cooperative manager was by far most consistently and strongly related to the attitude groups A through E and was the only information source associated with all of these groups.³ In addition, the manager was specifically related to most of the factors within each group.

Another source which seemed to follow a pattern similar to that of the manager was the cooperative board member. The board member was associated with several of the groups, but not as strongly nor to as many of the specific variables as was the cooperative manager.

As a whole, information sources were most strongly associated with

²Approximate wording of variables is used here for simplification. See Appendix for exact wording.

³See Table 2.

(B) *those attitudes dealing with cooperatives in comparison to alternative business forms.* This attitude group was related to six of the eight major information sources and all of the specific attitudes were associated with one or more of these sources.

Table 2 can be used as a guide in planning information programs. If improvement is desired in one of the attitudes, you can look up which information source influences farmers most on that attitude and plan an information program around that source.

For example, if improvement is desired in attitude on how helpful co-ops are to farmers, you can refer to that attitude variable (number 4) in the table and find that co-op managers have the greatest influence on this attitude. This means an information program giving the manager and his views more exposure to clients, personally and through mass media, would be most likely to influence their opinions on this point.

Knowledge of Cooperatives

A scale of knowledge about cooperative organizations was constructed from questions on ownership, patronage refunds, cooperative benefits, etc. This scale was then tested against the various attitude factors and revealed the following associations.

Knowledge of cooperative organizations was most strongly related to group B questions, farm operators' views of cooperatives in comparing cooperatives to alternate business forms. As knowledge of cooperatives increased, cooperatives were rated better than competing business forms in both supply and marketing.

Other associations indicated that as knowledge of cooperatives increased cooperatives were more often rated as successful in helping the farmer. In addition, as knowledge increased so did the inclination to expand the cooperative function to a regional level.

TABLE 2

SUMMARY: RELATIONSHIP OF INFORMATION SOURCES TO ATTITUDE VARIABLES
(Numbers Correspond with Numbered List of Questions Asked, Page 21)

-
- A. Attitudes dealing with benefits received from cooperative organizations:
 - 4. Co-ops have helped farmers. (Use of co-op manager as an information source was related to this response.)
 - 7. Co-ops result in lower prices. (Use of co-op manager, co-op members, and/or other co-op employees as information source was related to this response.)
 - B. Attitudes dealing with cooperatives in comparison to alternate business forms:
 - 9. Use co-op as a supply source. (Information sources related to this response: Other co-op employees, co-op manager, other co-op members.)
 - 10. Use co-op as a market outlet. (Information sources related to this response: Other co-op employees, co-op manager, other co-op members, annual co-op reports, co-op periodicals, and co-op board member.)
 - 11. Favorable to co-op credit policies. (Information sources related to this response: Other co-op employees, co-op manager, and annual reports.)
 - 12. Favor co-op discount policies. (Information source related to this response: Other co-op employees.)
 - C. Attitudes dealing with cooperatives as leaders in various business aspects:
 - 13. Co-ops are leaders in introducing new technology. (Information source associated with response: Co-op manager.)
 - 14. Co-ops are leaders in merchandising farm products. (Information source associated with response: Co-op manager.)
 - 15. Co-ops are leaders in innovating supplies and services. (Information source associated with response: Co-op manager.)
 - 16. Co-ops are leaders in basic supply acquisition. (Information source associated with response: Co-op periodicals.)
 - D. Attitudes dealing with the degree of support or influence at different participation levels:
 - 18. Extent co-op depends on you. (Information sources related to response: Co-op manager, co-op board member, and other co-op members.)
 - 19. Extent co-op should depend on you. (Information source influencing response: Co-op manager.)
 - 20. Member influence: (Information sources related to response: Co-op manager and co-op board member.)
 - E. Attitudes dealing with cooperative alternatives for the future:
 - 30. Must invest more capital. (Information sources related to response: Co-op manager, board member, fieldmen.)
 - 31. Must use regional co-ops. (Information sources related to response: Co-op manager, board member, fieldmen, and trucker for co-op.)

TABLE 3

SUMMARY: RELATIONSHIP OF LOYALTY TO ATTITUDE VARIABLES (Numbers Correspond with Numbered List of Questions Asked, Page 24)

- A. Attitudes dealing with benefits received from cooperative organizations:
- (None of these attitude variables were associated with loyalty variables.)
- B. Attitudes dealing with cooperatives in comparison to alternate business forms:
9. Use co-op as source of supply. (Associated loyalty factors were: Loyalty in buying, feel obligation to co-op, and prefer co-op.)
 10. Use co-op as a market outlet. (Associated loyalty factors: Loyalty in buying, feel obligation to co-op, prefer co-op.)
 11. Favorable to co-op credit policies. (Associated loyalty factors: Loyalty in buying and prefer co-op.)
 12. Favor co-op discount policies. (Associated loyalty factors: Loyalty in buying and prefer co-op.)
- C. Attitudes dealing with cooperatives as leaders in various business aspects:
15. Co-ops are leaders in innovating supplies and services. (Associated loyalty factor: Loyalty in buying.)
 16. Co-ops are leaders in basic supply acquisition. (Associated loyalty factor: Loyalty in buying.)
- D. Attitudes dealing with the degree of support or influence at different participation levels:
17. Friends and relatives feel farmers should support cooperatives. (Associated loyalty factors: Loyalty in buying and feel obligation to co-op.)
 18. Extent co-op depends on you. (Associated loyalty factors: Prefer co-op.)
 19. Extent co-op should depend on you. (Associated loyalty factors: Prefer co-op.)
 20. Member influence. (Loyalty factors related to opinion on how much influence members have: Loyalty in buying and prefer co-op.)
- E. Attitudes dealing with cooperative alternatives for the future:
18. Must merge with other locals. (Associated loyalty factors: Feel obligation to co-op.)
 29. Must merge into regional co-op. (Associated loyalty factors: Feel obligation to co-op.)
 31. Must use regional co-ops. (Associated loyalty factors: Loyalty in buying and feel obligation to co-op.)

Loyalty to Cooperatives

Loyalty was measured by three variables. Each measured a different type of loyalty and each relates to farm operators' views in a somewhat different manner. The three loyalty variables are:⁴

1. *Is cooperative loyalty important in where you buy?*
2. *Do you patronize a cooperative because you feel an obligation to do so?*
3. *Does the fact that a business is a cooperative have a positive or negative effect on your decision of where to buy?*

Farm operators' views toward cooperatives are again placed in the attitude groups for analysis (Table 3). All relationships are positive in that a positive response on any loyalty factor is associated with positive attitude responses.

Loyalty as a whole was most strongly related to (B) attitudes dealing with cooperatives in comparison to alternate business forms.⁵ The only other attitude group to which all loyalty variables were related was (D) attitudes dealing with the degree of support or influence at different participation levels.

There were no loyalty factors related to attitudes dealing with benefits received from cooperative organizations. Associations with the remaining attitude groups were weak and inconsistent.

Table 3 can be used by managers to determine what attitudes are linked to the different loyalty factors and what results might be expected from programs to increase different kinds of loyalty.

Participation in Cooperatives

Eight participation factors showed a strong relationship to various attitude groups and associated

⁴Approximate wording is used here for simplification and clarity. See Appendix for exact wording.

⁵See Table 3.

attitude variables. These participation factors were:⁶

1. *Do you sell some of your products through a cooperative?*
2. *Do you sell all of your products through a cooperative?*
3. *Do you buy some of your supplies from a cooperative?*
4. *Do you buy all of your supplies from a cooperative?*
5. *Do you attend the cooperative annual meeting?*
6. *Do you vote in the election of the cooperative board of directors?*
7. *Do you read the cooperative newspaper?*
8. *Do you encourage friends and neighbors to support cooperatives?*

The eight participation factors are divided into two sets and related to the previous attitude groups. The first set deals with participation as related to *buying and selling*⁷ and the second with facets *other* than buying and selling.⁸

Participation variables related to *buying and selling* were most strongly and consistently associated with attitudes dealing with (B) co-operatives in comparison to alternate business forms, and (C) cooperatives as leaders in various business aspects. All participation factors were associated with these two attitude groups. Further, each participation measure was related to several of the specific farm operators' views within attitude groups B and C and some to all of those views.

Tables 4 and 5 can be used by managers to determine attitudes that affect farmers' use of cooperatives in buying and selling products. Programs can then be designed to help change attitudes involved in undesirable client actions.

⁶Approximate wording is used here for simplification and clarity. See Appendix for exact wording.

⁷See Table 4.

⁸See Table 5.

TABLE 4

SUMMARY: RELATIONSHIP OF PARTICIPATION IN BUYING AND SELLING THROUGH COOPERATIVE TO ATTITUDE VARIABLES (Numbers Correspond with Numbered List of Questions Asked, Page 23)

-
- A. Attitudes dealing with benefits received from cooperative organizations:
4. Co-ops have helped farmers. (Buying and selling variables associated with this response: Sell some, buy some, buy all, through cooperative.)
 5. Co-ops help in buying. (Associated variables: Sell some, buy some, buy some through co-ops.)
 6. Co-ops help in marketing. (Associated participation variables: Sell some, buy some through co-ops.)
 7. Co-ops result in lower prices. (Associated participation variable: Buy some through co-ops.)
- B. Attitudes dealing with cooperatives in comparison to alternate business forms:
9. Use co-op as a supply source. (Associated participation variables: Sell some, buy some, buy all through cooperatives.)
 10. Use co-op as a market outlet. (Associated participation variables: Sell some, sell all, buy some, buy all through co-ops.)
 11. Favorable to co-op credit policies. (Associated participation variables: Sell some, sell all, buy some, buy all through co-ops.)
 12. Favor co-op discount policies. (Associated participation variables: Sell some, sell all, buy some, buy all through co-ops.)
- C. Attitudes dealing with cooperatives as leaders in various business aspects:
13. Co-ops are leaders in introducing new technology. (Associated participation variables: Sell some, buy some, buy all through co-ops.)
 14. Co-ops are leaders in merchandising farm products. (Associated participation variables: Sell some, sell all, buy some, buy all through co-ops.)
 15. Co-ops are leaders in innovating supplies and services. (Associated participation variables: Sell some, sell all, buy some, buy all through co-ops.)
 16. Co-ops are leaders in basic supply acquisition. (Associated participation variables: Sell some, sell all, buy all through co-ops.)
- D. Attitudes dealing with the degree of support or influence at different participation levels:
17. Friends and relatives feel farmers should support co-ops. (Associated participation variables: Sell all, buy all through co-ops.)
 19. Extent co-op should depend on you. (Associated participation variable: Buy some.)
- E. Attitudes dealing with cooperative alternatives for the future:
29. Must merge into regional co-op. (Associated participation variable: Buy all.)
 31. Must use regional co-ops. (Associated participation variable: Buy all.)

TABLE 5

SUMMARY: RELATIONSHIP OF PARTICIPATION IN ORGANIZATION
ACTIVITIES TO ATTITUDE VARIABLES (Numbers in Parentheses
 Correspond with Numbered List of Questions Asked, Page)

Another interesting differentiation may be observed by examining the *difference between supply and marketing* in their relation to attitudes. The two buying factors (1 and 2) are more strongly related to the attitude groups than are the two selling factors (3 and 4).

In the other category of participation variables comprised of all facets *other* than buying and selling, all but *reading the cooperative newspaper* were related to all attitude groups. *Reading the cooperative newspaper* was associated with (D) the degree of support or influence at different participation levels, and (E) cooperative alternatives for the future. However, reading the cooperative newspaper was related to only one of the views within each of these two attitude groups.

As a set, these participation factors that were *not* related to buying and selling were most strongly associated with attitude group D, degree of support or influence at different participation levels. All participation variables in this set were related to this group and most to several of the associated views within the group.

Encouraging support of cooperatives was the participation factor most strongly and consistently related to the attitude groups. Encouraging support was related to all of the groups and associated with 18 of the 26 specific attitudes.

- A. Attitudes dealing with benefits received from cooperative organizations:
 4. Co-ops have helped farmers. (Organizational activities related to this response: Attend annual meeting, vote in election of board, encourage support of co-op.)
 5. Co-ops help in buying. (Organizational activities related to this response: Encourage support of co-op.)
 6. Co-ops help in marketing. (Organizational activity related to this response: Encourage support of co-op.)
- B. Attitudes dealing with cooperatives in comparison to alternate business forms.
 9. Use co-op as a supply source. (Organizational activities related to response: Attend annual meeting, vote in election of board, encourage support of co-op.)
 10. Use co-op as a market outlet. (Organizational activities related to response: Attend annual meeting, vote in election of board, encourage support of co-op.)
 11. Favorable to co-op credit policies. (Organizational activities related to response: Attend annual meeting, encourage support of co-op.)
 12. Favor co-op discount policies. (Organizational activities related to response: Encourage support of co-op.)
- C. Attitudes dealing with cooperatives as leaders in various business aspects.
 13. Co-ops are leaders in introducing new technology. (Organizational activities related to response: Encourage support of co-op.)
 14. Co-ops are leaders in merchandising farm products. (Organizational activities related to response: Encourage support of co-op.)

Factors Related to the Choice of a Supplier or Market Outlet

In this section factors which influence farm operators in choosing a supplier or market outlet are identified and ranked in order of importance. In addition, reasons for changing dealers or brands are identified, ranked, and related to these factors.

In obtaining this information,

respondents were given a list of buying factors and asked to rate them as important or unimportant in deciding where to buy farm supplies. They then ranked these in order of importance. Respondents were then asked if they had changed dealers or brands of products within the last five years. If the response

was positive, they gave reasons why they had changed.

In other sections of the questionnaire general statements were proposed as to how various factors affected the choice of a supplier or market outlet. Finally, respondents were asked if they were satisfied

15. Co-ops are innovators in innovating supplies and services. (Organizational activities related to response: Attend annual meeting, encourage support of co-op.)
 16. Co-ops are leaders in basic supply acquisition. (Organizational activities related to response: Vote in election of board, encourage support of co-op.)
- D. Attitudes dealing with the degree of support or influence at different participation levels:
17. Friends and relatives feel farmers should support cooperatives. (Organizational activities related to response: Attend annual meeting, encourage support of co-op.)
 18. Extent co-op depends on you. (Organizational activities related to response: Attend annual meeting, vote in election of board, encourage support of co-op.)
 19. Extent co-op should depend on you. (Organizational activities related to response: Attend annual meeting, vote in election of board, read co-op newspaper, encourage support of co-op.)
 20. Member influence on policy. (Organizational activities related to response: Attend annual meeting, vote in election of board, encourage support of co-op.)
 24. Board of directors' influence. (Organizational activities related to response: Encourage support of co-op.)
- E. Attitudes dealing with cooperative alternatives for the future:
27. Co-ops must build membership locally. (Organizational activities related to response: Read co-op newspaper.)
 30. Must invest more equity capital. (Organizational activities related to response: Encourage support of co-op.)
 31. Must use regional co-ops more. (Organizational activities related to response: Attend annual meeting, vote in election of board, encourage support of co-op.)

with various aspects of their local cooperatives.

Buying Factors

Factors which respondents rated as important or unimportant in deciding where to buy are *service, brand, price, personal relations, location, credit, and cooperative loyalty*.

These factors were considered in relation to product groups. The product groups are *petroleum, fertilizer, feed, pesticides, and seed*. The results of ranking these factors by product and in descending order of importance are shown in Table 6. Table 7 is the summation of factors for all product groups in order of importance.

Other Factors

While age of the farm operator was related to only one of the attitude groups, the association was fairly strong. In group B, dealing with cooperatives in comparison to alternate business forms, age was related to three of the four associated attitudes. As age increased, farm operators tended to rate cooperatives better than alternate business forms in (1) supply, (2) credit policies, and (3) discount policies.

Form of organization was weakly related to some attitude groups. That is, in differentiating between centralized and federated ownership types, some weak associations appeared. However, these associations were not consistent and probably relate to attitudes only as a form of organization affects other variables.

General farm organization membership provided some indications, although the relationships were not statistically significant. In general, members of Midcontinent Farmers Association tended to react more positively than did members of other farm organizations. In contrast, members of the National Farmers Organization seemed to react more negatively toward cooperatives. There was little indication that membership in Farm Bureau or Missouri Young Farmers Association had any effect on farm operators' views toward cooperatives.

tance.

The most obvious result in Table 6 is that *cooperative loyalty* was ranked as least important in choosing a supplier for all products. This is the only buying factor which was rated the same for each product group. *Price* and *service* were consistently ranked most important for all products ex-

TABLE 6
RANK OF BUYING FACTORS BY PRODUCT

Rank	Petroleum	Fertilizer	Feed	Pesticides	Seed
1	Service	Service	Price	Price	Price
2	Price	Price	Service	Service	Brand
3	Personal Relations	Location	Brand	Brand	Service
4	Brand	Personal Relations	Location	Personal Relations	Personal Relations
5	Credit	Credit	Credit and Personal Relations	Credit	Location
6	Location	Brand	Credit and Personal Relations	Location	Credit
7	Cooperative Loyalty	Cooperative Loyalty	Cooperative Loyalty	Cooperative Loyalty	Cooperative Loyalty

TABLE 7
RANK OF BUYING FACTORS FOR
ALL PRODUCT GROUPS

1. Price
2. Service
3. Brand
4. Personal Relations
5. Credit
6. Location
7. Cooperative Loyalty

cept seed. Other factors varied somewhat by product group, but the variation was slight. As a result of this general consistency, the summation of buying factors for all products in Table 7 should be reliable.

Reasons for Changing Dealers or Brands

As a general rule, respondents tended to use as few dealers as possible and to stay with those dealers. There was very little inclination to "shop around" for better prices, service, or other reason once a dealer had been chosen. However, several of the respondents had changed dealers or brands within the last five years.

The reason most often given for making a change was that the previous dealer had either changed brands or gone out of business. Other reasons came under the gen-

TABLE 8
REASON FOR CHANGING DEALER OR BRAND

Reason for Changing	Number of Times Reason Given*
Personal Relations	24
Price	23
Service	22
Brand	18
Credit	7
Location	4
Cooperative Loyalty	3

*Respondents could list more than one reason for changing.

eral buying factors used above. These reasons are ranked in Table 8 with the one given most often first.

When buying factors for all products (Table 7) are compared to reasons for changing dealers or brands (Table 8) there is very little difference. In fact, with the exception of personal relations, reasons for changing to a different dealer or brand are ranked the same as the reasons for choosing one in the first place. However, *personal relations* is an important exception.

Reasons grouped under *personal relations* were of two general types. The respondent had either misjudged

the dealer in his original choice or some change had occurred which altered his decision. In the first case, the respondent generally felt that the dealer had not treated him fairly or had not fulfilled his obligations. In the second case, the reason most often given was that more favorable personal relations had developed elsewhere. That is, some relative or friend had become a dealer and the respondent changed to accommodate him.

Other Factors

Most farmer operators classified the managers or owners of local supply and marketing outlets they used

as their friends or close friends. Furthermore, the character and reputation of the manager or owner was rated as having a great deal to do with the choice of a supplier or market outlet. In contrast, most farm operators felt that where friends and neighbors traded had no influence on their choice.

Neat and modern appearance of facilities was given as a reason for patronizing a supplier by the majority of respondents. Also, providing information on the use of products or to assist in decision making was a strong positive factor. Provision of

a patronage refund was rated as a factor by only half of the farm operators.

Factors which most respondents *did not* rate as factors influencing their choice were: (1) I feel an obligation to patronize a cooperative, (2) One of the persons working in the organization is a friend or relative, and (3) I have money invested in the organization.

Satisfaction with Service

A final set of factors dealt with the farm operators' satisfaction with

various aspects of their local cooperatives. Respondents were asked if they were satisfied with prices, brands, service, the people who worked for the cooperative, and many other variables associated with their local cooperatives.

In all cases there was a high degree of satisfaction. In fact, respondents seemed to be closely tied to their suppliers by either satisfaction or force of habit. The majority of farm operators said that they had patronized their present organizations for several years and had not really considered switching.

Factors Related to Active Support of Cooperatives

Active support of cooperatives involves many facets of membership which may be generally classified as *participation factors*. This study revealed strong relationships between participation and (1) information sources, (2) knowledge of cooperatives, (3) loyalty to cooperatives, and (4) other factors.

Participation variables used were:⁹

1. Do you sell some of your products through a cooperative?
2. Do you sell all of your products through a cooperative?
3. Do you buy some of your products from a cooperative?
4. Do you buy all of your products from a cooperative?
5. Do you attend the cooperative annual meeting?
6. Do you vote in the election of the cooperative board of directors?
7. Do you read the cooperative newspaper?
8. Do you encourage friends and neighbors to support cooperatives?

Information Sources

Information sources found to be associated with the participation variables were the ones used previously: Cooperative board members, cooperative manager, cooperative field representative, trucker for cooperative, other cooperative employees, other cooperative members, cooperative periodicals, and annual cooperative reports.

In general, information sources are related to participation variables other than those connected with buying and selling at cooperatives. However, the *cooperative manager* was strongly related to selling some farm products through a cooperative (see Table 9).

The most obvious association was between voting in the election of the cooperative board of directors and information sources. All of the information source variables were related to voting, with *annual cooperative reports* having the strongest association.

Attending the annual meeting was strongly related to seven of the eight information source variables. Here, the *cooperative manager* had a much higher association than did

any of the other sources. *Trucker for cooperative* was the only information source not related to attending the annual meeting.

Other associations occurred as these sources were related to encouraging support of cooperatives and reading the cooperative newspaper. *Cooperative manager* and *cooperative periodicals* were the only two sources associated with reading the cooperative newspaper, while *other cooperative members* was the source most strongly related to encouraging support of cooperatives.

Of all information sources, the *cooperative manager* was the strongest and most consistent influence in relation to active support of cooperatives. The co-op manager had either the highest or second highest score in all associations and was the only source related to all of the participation factors.

Knowledge of Cooperatives

Knowledge of cooperatives was associated with four of the eight participation variables (see Table 10).

As knowledge increased, so did the tendency to attend annual meet-

⁹These are the same factors used in the previous section.

TABLE 9
RELATIONSHIP OF INFORMATION SOURCES TO
ACTIVE SUPPORT OF COOPERATIVES

Participation Variable	Information Sources Related to Variable	Kendall's Tau*
Vote in the election of the cooperative board of directors	Cooperative board member	.3290
	Cooperative manager	.3458
	Cooperative field representative	.3224
	Trucker for cooperative	.2554
	Other cooperative employees	.2783
	Other cooperative members	.2712
	Cooperative periodicals	.3352
Attend the annual meeting of the cooperative	Annual cooperative reports	.3787
	Cooperative board member	.2624
	Cooperative manager	.4024
	Cooperative field representative	.2695
	Other cooperative employees	.2534
	Other cooperative members	.2899
	Cooperative periodicals	.3167
Encourage support of cooperatives	Annual cooperative reports	.3072
	Cooperative board member	.2706
	Cooperative manager	.3180
	Cooperative field representative	.2680
	Other cooperative employees	.3059
Read the cooperative newspaper	Other cooperative members	.3601
	Cooperative manager	.2672
Sell some farm products through a cooperative	Cooperative periodicals	.2962
	Cooperative manager	.3493

*The higher the number, the closer the relationship. See footnote, page 5, for explanation of Kendall's Tau measurement.

TABLE 10
RELATIONSHIP OF KNOWLEDGE TO ACTIVE
SUPPORT OF COOPERATIVES

Participation Variables	Knowledge related to Participation (Kendall's Tau)*
Attend the annual meeting of the cooperative	.2519
Vote in the election of the board of directors	.3323
Read the cooperative newspaper	.2910
Encourage support of cooperatives	.3038

*See footnote, page 5, for description of Kendall's Tau statistical measurement. The higher the number, the closer the relationship.

ings, vote in board elections, encourage support of cooperatives, and read the cooperative newspaper.

Loyalty to Cooperatives

Loyalty to cooperatives was strongly related to active support of cooperatives in buying and selling, attending the annual meeting, voting in the election of directors, and encouraging support of cooperatives. And while there was little variation between loyalty factors, all three were most strongly associated with encouraging support of cooperatives. Table 11 demonstrates these associations.

Loyalty variables used in this study are:¹⁰

1. *Is cooperative loyalty important in deciding where to buy?*
2. *Do you feel an obligation to patronize a cooperative?*
3. *Does the fact that a business is a cooperative have a positive or negative effect on your decision of where to buy?*

Other Factors

Age and form of organization were *not* strongly related to active support of cooperatives. Neither federated nor centralized organizations showed any definite association with participation factors. However, as age increased there was a tendency for more active support in buying, selling, and other participation variables.

General farm organization membership was somewhat related to participation. That is, members of Mid-continent Farmers Association were associated with buying and selling variables. Other farm organizations had no discernible effects on active support of cooperatives.

¹⁰Approximate wording of variables is used here for simplification and clarity. See Appendix for exact wording.

TABLE 11
RELATIONSHIP OF LOYALTY TO ACTIVE SUPPORT
OF COOPERATIVES

Loyalty Variables	Participation Variables	Kendall's Tau*
Cooperative loyalty is important in where to buy	Sell some products through a cooperative	.2856
	Sell all products through a cooperative	.2914
	Buy some supplies from a cooperative	.2704
	Attend cooperative annual meeting	.2733
	Vote in the election of directors	.2662
	Encourage support of cooperatives	.3076
Feel obligation to patronize a cooperative	Sell all products through a cooperative	.3012
	Buy all products from a cooperative	.2645
	Attend cooperative annual meeting	.2614
	Vote in the election of directors	.2561
	Encourage support of cooperative	.3681
Prefer to deal with a cooperative	Sell all products through a cooperative	.2542
	Buy all products from a cooperative	.2567
	Attend cooperative annual meeting	.2944
	Vote in election of directors	.2555
	Encourage support of cooperatives	.3483

*See footnote, page 5, for description of Kendall's Tau satisfied measurement. The higher the number, the closer the relationship.

Summary of Findings

The study indicated that these factors have significant implications for cooperative organization leaders: people's *attitudes toward cooperatives*, *sources of cooperative information*, *knowledge of cooperatives*, *loyalty to cooperatives*, and *participation in cooperatives*.

Variables which *did not* reveal significant associations include form of organization, general community participation, farm organization memberships, age, and education.

Factors related to farm operators' views toward cooperatives are *information sources*, *knowledge*, *loyalty*, and *participation*. *Information sources*, *loyalty*, and *knowledge* were most strongly associated with the group of attitudes dealing with cooperatives in comparison to alternate busi-

ness forms. Participation factors were related to all of the attitude groups. Buying and selling participation variables were most closely associated with attitudes concerning cooperatives in comparison to alternate business forms and attitudes concerning cooperatives as leaders in various business aspects. Other participation factors were most strongly related to the attitudes revealed by the individuals' degree of support or in participation in cooperative activities.

Variables associated with the *choice of a supplier* or market outlet are *price*, *service*, *brand*, *personal relations*, *credit*, *location*, and *cooperative loyalty*. There was little inclination to change dealers or brands unless the present dealer went out of business or changed brands. When a

Other Relationships

Two other relationships are important to the interpretation of data: (1) The association between information sources and knowledge of cooperatives, and (2) the relationship of loyalty to information sources. Table 12 shows these associations.

Cooperative field representative is the only source common to both loyalty and knowledge. Loyalty is related to information sources which are associated with the management function while knowledge is aligned with more informal sources. Both loyalty and knowledge play important roles as they relate to information sources and other variables in the analysis.

TABLE 12
RELATIONSHIP OF LOYALTY AND
KNOWLEDGE TO INFORMATION
SOURCES

Information Source	Was Related (x) to:	
	Loyalty	Knowledge
Co-op board member	X	
Co-op Manager	X	
Co-op field representative	X	X
Trucker for cooperative		X
Other co-op employees		X
Other co-op members		X
Annual co-op reports	X	

change did occur the reasons given were similar to those given for choosing a supplier or market outlet in the first place.

Primary factors related to active support of cooperatives are sources of information, knowledge, and loyalty relative to cooperatives. In general, information and knowledge are most strongly associated with participation factors other than buying and selling. Loyalty is related to these factors as well as the others.

Loyalty and knowledge are related to information sources. Loyalty is associated with the management sources of information; knowledge is associated with more informal information sources. Both of these relationships are important in the interpretation of data.

Interpretation of Data

The purpose of this section is to explain the interrelationships of important factors and resulting implications. To accomplish this goal, factors are discussed as they relate to other variables and as they interact with the whole.

The findings and analysis presented here apply directly to the study area and, to a lesser degree, the associated social area depicted in the map, page 4. Great care should be taken in generalizing the findings to any other geographical region.

The following analysis is in two sections. In the first, economic and other factors which customers use in selecting a supplier or market outlet are examined. The second section describes the interaction of factors which influence farm operators' views of cooperatives and factors which relate to active support of cooperatives. Although there is some common ground, the two sections deal with different problems and are treated separately.

Factors Related to the Choice of a Supplier or Market Outlet

Factors which are important in choosing a supplier or market outlet are ranked in Table 4. However, not all of these factors vary a great deal in any given area. For instance, if it is assumed that price and credit are generally equal within an area, and that the firms are located such that one is as easily accessible as the other, then the important factors are:

1. Service
2. Brand
3. Personal Relations
4. Cooperative Loyalty

In examining these factors, another relationship is found. Service and personal relations are closely associated; service is a part of personal relations and personal relations are a part of service. While

the relationship is not perfect (excellent service could conceivably override personal relations and vice versa), it generally holds true. It would be difficult to affect one without influencing the other. The resulting list of factors is as follows:

1. Service and Personal Relations
2. Brand
3. Cooperative Loyalty

When reasons for changing dealers (Table 8) are related to the assumptions above, the result is identical. Viewed in light of these assumptions, cooperative loyalty is a much more important variable than the original data indicate.

The implication for cooperatives is that they must be competitive in service, personal relations, and brand. That is, they must have the proper equipment, trained personnel, and products which are known to be excellent.

These are factors which any business must have if it is to survive in a highly competitive market. *However, cooperatives can "have an edge" on competitors by capitalizing on cooperative loyalty.*

The following section deals with cooperative loyalty as well as other important factors and suggests how cooperatives can utilize these factors to enhance their competitive position.

Interaction of Factors Related to Cooperatives

In reviewing the findings of this study the following associations are revealed:

1. Attitudes with:
Information Sources,
knowledge,
Loyalty, and
Participation
2. Information Sources with:
Attitudes,
Knowledge,

Loyalty, and
Participation

3. Participation with:
Attitudes,
Information Sources,
Knowledge, and
Loyalty
4. Knowledge with:
Attitudes,
Information Sources, and
Participation
5. Loyalty with:
Attitudes,
Information Sources and
Participation

Attitudes, information sources, and participation are all interrelated and each is associated with knowledge and loyalty. However, most of these factors consist of several dimensions and the way in which the associations are formed is critical.

Information sources and knowledge of cooperatives are interrelated in an important way. Knowledge of cooperatives is associated with information sources which are personal and informal in nature.¹¹ As knowledge of cooperatives increases so does the association with information sources, and use of these sources leads to further increase in knowledge of cooperatives. The relationship, then, is one which can build on itself.

A similar relationship exists between loyalty and participation. Loyalty to cooperatives is highly associated with participation in cooperatives.¹² Further, participation leads to increased loyalty which in turn encourages a higher level of participation.

These two paired relationships are also associated with each other. That is, information and knowledge have a great deal to do with loyalty and participation and vice versa.

¹¹See Table 12.

¹²See Table 11.

Knowledge is directly associated with participation¹³ while information sources are related to both loyalty and participation.¹⁴ These relationships are shown in Diagram 1.

The relationship between information sources and participation is a special one in that the use of the sources of information on cooperatives infers a certain type of participation. That is, while information may be given out through these sources it also may be actively sought. In fact, the nature of effective democratic control in cooperative organizations requires this type of participation.

The relationship, then, includes both participation factors as outlined in the findings and participation as related to the use of information sources.

Relationships of attitudes to these paired variables are shown in Tables 1, 2, 3, and 4. It is apparent from these tables that participation factors are most strongly associated with the attitude groups, followed by information, loyalty, and knowledge.¹⁵

Using the variable pairs from Diagram 1 as single variables, Diagram 2 demonstrates the association between these pairs and attitudes.

In Diagram 2, attitudes have a direct association with information and knowledge, which leads to an indirect association with loyalty and participation. The reverse is also true in that attitudes have a direct relationship to loyalty and participa-

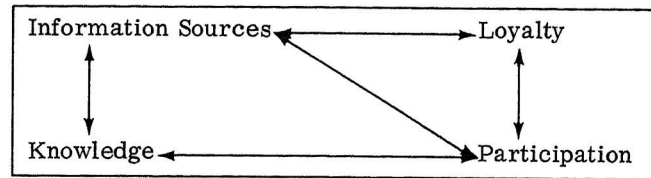


Diagram 1—Diagram of interrelationships between information, knowledge, loyalty and participation.

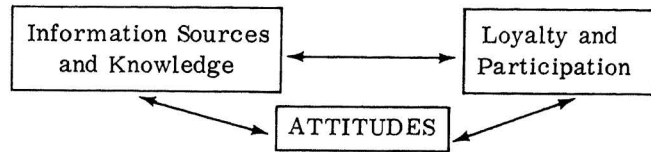


Diagram 2—Interrelationships between attitudes and the variable pairs (1) information and knowledge and (2) loyalty and participation.

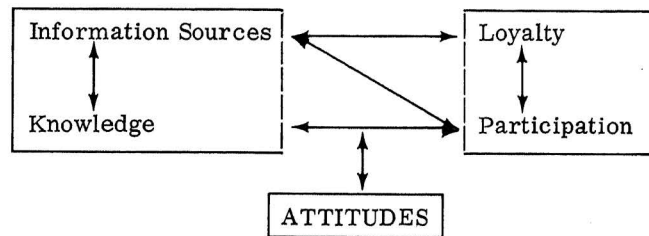


Diagram 3—Interrelationships for all factors.

tion and an indirect one with information and knowledge. In other words, the association is really between attitudes and all of these factors as a whole.

Diagram 3 is a summation of Diagrams 1 and 2 and demonstrates the association of all factors.

Information sources, knowledge of cooperatives, loyalty to cooperatives, participation in cooperatives and attitudes toward cooperatives are all interacting. However, some of these variables are difficult to change by direct action. The problem, then, is to select those factors which can be changed by direct action to produce favorable results.

In reviewing the diagrammed associations, information sources and participation appear to be key fac-

tors. Information is directly related to knowledge, loyalty, and participation while participation is directly associated with knowledge, loyalty, and information.

It would be difficult to alter attitudes, knowledge, or loyalty without first changing information or participation. But, as this study shows, knowledge, loyalty, and attitudes are extremely important factors in influencing change. By increasing sources of information and use of these sources, or by increasing participation, a favorable result can be attained on all variables. In either case there are both direct and indirect effects on the variable pairs and attitudes.

To demonstrate the important roles of each variable, both direct

¹³See Table 10.

¹⁴See Table 9.

¹⁵The association between knowledge and information appears in the text (page) rather than the tables. Essentially, knowledge was most strongly related to attitudes dealing with cooperatives in comparison to alternate business forms. As knowledge increased cooperatives were rated better.

and indirect effects are analyzed below.¹⁶

Analysis of Each Variable's Role

To form a basis for the analysis, an increase in use of information sources is assumed. The direct effects on the system are (1) an increase in loyalty, (2) an increase in knowledge, (3) an influence on attitudes, and (4) an increase in participation.

The effect on loyalty includes all loyalty variables (see list, page 8). Knowledge in general is increased. Influence on attitudes and participation, however, only affects certain variables. The influence on attitudes (see list in Table 2) is mainly with those attitudes related to comparing cooperatives with alternate business forms,¹⁷ while the effect on participation generally deals with factors other than buying and selling.¹⁸

The indirect results of increasing information involve interactions between all variables. For instance, attitudes dealing with cooperatives in comparison to alternative business forms are also closely related to all loyalty variables¹⁹ and most participation variables²⁰ so attitudes add to the building of the variable pair (loyalty and participation). Furthermore, participation variables other than buying and selling are associated with knowledge and assist in the interaction of knowledge and information.

A similar result can be obtained by assuming an increase in participation factors other than buying and selling.²¹ The direct effects are on loyalty, information sources, knowl-

edge, and attitudes, with indirect effects forming complex interactions between all variables. However, in comparing effects of an increase in information with those of an increase in participation, it should be noted that the direct effects of an increase in participation include all loyalty, knowledge, and information sources as well as most attitudes.

It is apparent from the analysis above that while information and participation are the variables which can be changed by direct action, the role of knowledge, loyalty, and attitudes is very important to a favorable result. For example, if the goal is to increase buying and selling at cooperatives, then attitudes and loyalty become the important variables.²²

Attitudes dealing with (1) cooperatives in comparison to alternate business forms and (2) cooperatives as leaders in various business aspects are most closely related to buying and selling. All loyalty variables are also associated with buying and selling. Therefore, it is attitudes and loyalty which indicate (1) the use of information sources most closely related to loyalty²³ and these specific attitude groups,²⁴ and (2) the implementation of programs which would increase participation.²⁵

The problem, then, is how to increase information and participation variables which will produce the desired results on all other variables. This study does not reveal means of increasing participation factors but much has been written on this subject. It is not within the scope of this bulletin to review all of these means but a few of the more common ones are:

1. The use of junior boards, limited terms for board members, stand-

ing committees, and other methods to involve more members in the cooperative.

- 2. The use of effective journalism and circulation procedures to increase reading of cooperative publications.**
- 3. The use of proper meeting procedure, written annual reports, and incentives for member participation in meetings to increase attendance and emphasize democratic control.**
- 4. The use of more personal contact by the cooperative manager and board members in building increased participation and loyalty.**

The practical implementation of these suggestions requires trained personnel and additional expenditures. However, the end results should justify these expenditures through a more favorable cooperative position.

This study does reveal some indications about information sources. An extensive list containing sources of information about cooperatives was given to each respondent. Of these sources cooperative employees, members, publications, board members, and the annual report were closely associated with other variables.

The use of these types of information sources is associated with a special type of participation. That is, to the extent that these information sources are sought out and used in the effective democratic control of the organization they are associated with participation. Increasing this type of participation through personal relations and efficient handling of member problems could greatly increase general participation, information, and other variables.

Several sources which should furnish information about cooperatives showed no relation to any variables.²⁶ The most notable of these are:

- (1) Extension service worker

¹⁶No attempt is made to infer a sequence or time dimension to these interactions.

¹⁷See Table 1.

¹⁸See Table 9.

¹⁹See Table 3.

²⁰See Tables 4 and 5.

²¹These are the important participation factors since they can be changed by direct action and are most closely related to knowledge, information and attitudes. They are listed in Table 5.

²²See Tables 4 and 8.

²³See Table 13.

²⁴See page 6.

²⁵Participation factors not related to buying and selling can be affected by direct action and would directly affect loyalty (Table 11).

²⁶See Table 13.

- (2) Vo-ag teacher
- (3) Radio and/or TV
- (4) Area newspapers
- (5) Farm magazines
- (6) University, college, or extension publications

The lack of association between these sources and cooperative variables indicates that these sources are (1) being neglected, (2) are not effectively utilized, or (3) do not offer programs which can be used by cooperatives.

If cooperatives are to enhance their competitive position through increased information, they need to examine all these sources in the educational system and mass media as well as sources within their organization.

TABLE 13
SOURCES OF INFORMATION ABOUT COOPERATIVES RELATED
TO SELECTED VARIABLES*

Information Sources Used by Farmers	Knowledge	Loyalty	Participation	Attitudes
<u>In-House Sources</u>				
Co-op board member		X	X	X
Co-op manager		X	X	X
Co-op field representative	X	X	X	X
Trucker for cooperative	X		X	X
Other co-op employees	X		X	X
Other co-op members	X		X	X
Co-op periodicals			X	X
Annual co-op reports		X	X	X
<u>Other Sources</u>				
Non co-op dealers				
Employees of non co-op dealers				
Sales representative ag-bus. company				
Extension Service Worker				
Vo-ag teacher				
Local banker or employee				
Government agency worker			X	
Farm organization leader				
Other farmers				
Radio and/or TV				
Area newspapers				
Farm magazines				
Non co-op ag-bus. pub.				
University, college or Extension publication				
Special publications		X		
Non co-op trade association				

*Variables selected are those which were strongly related to information sources. Check marks are used to indicate which information sources are associated to the variables.

Summary and Conclusions

Farm operators generally viewed cooperatives as successful organizations which were helpful to the farmer at the local level. However, farmers were *not* inclined to expand the cooperative function to a regional level. This result was largely due to a lack of knowledge about cooperatives.

Farm operators tended to choose a supplier or market outlet on the basis of competitive factors other than cooperative benefits. Cooperatives, then, must be competitive in price, service, brand, personal relations, credit, and location. These competitive factors are generally fairly equal in a trade territory, however, leaving cooperative benefits as important opportunities for enhancing market position.

Findings of this study revealed that factors which are important to cooperatives include: *knowledge of cooperatives, sources of cooperative infor-*

mation, loyalty to cooperatives, participation in cooperatives, and attitudes toward cooperatives.

An analysis of these factors suggests that organization leaders can best enhance the competitive position of their associations through effective utilization of information sources and the implementation of programs to increase member participation. In general, the relationship of loyalty, knowledge, and attitudes with information and participation is responsible for the effectiveness of changes in information and participation.

This study indicates several means of increasing both general participation and participation as related to the use of information sources. General participation may be increased by the implementation of programs to (1) increase attendance at meetings, (2) involve more members in cooperative operations, and (3) programs to encourage use

of cooperative publications. The type of participation associated with seeking out information sources in the exercise of democratic control may be increased through personal relations and effective handling of member problems.

Information sources which were in greatest use were cooperative employees, board members, publications, and other members. Sources which have *not* been successfully used are the education system, mass media, and agricultural publications.

In conclusion, this study has indicated that *expanded use of information sources and programs to increase participation* would enhance the effectiveness of cooperatives through interactions with loyalty, knowledge and attitudes. An increase in cooperative loyalty, knowledge, participation, information, and attitudes favorable to cooperative membership and growth should result.

Appendix

1. Cooperatives on a small scale are beneficial to farmers but become less beneficial as they grow larger.

<u>Response</u>	<u>Number</u>
0. NR (No Response)	2
1. Agree completely	54
2. Tend to agree	48
3. Tend to disagree	48
4. Disagree completely	28
5. Have no opinion	20

2. Cooperatives are beneficial to small scale farm operations but are less beneficial to larger operations.

0. NR	2
1. Agree completely	14
2. Tend to agree	24
3. Tend to disagree	71
4. Disagree completely	66
5. Have no opinion	23

3. The cooperative form of business organization is socialistic.

0. NR	1
1. Agree completely	11
2. Tend to agree	27
3. Tend to disagree	36
4. Disagree completely	57
5. Have no opinion	68

4. Do you feel that farmer cooperatives have been successful or unsuccessful in helping the farmer.

0. NR	4
1. Successful	159
2. Unsuccessful	37

5. Do you feel that supply cooperatives competing with private suppliers in your area;

0.	NR	-
1.	Strengthen your position as a purchaser?	128
2.	Weaken your position as a purchaser?	3
3.	Have no effect on your position as a purchaser?	55
4.	No opinion.	14

6. Do you feel that marketing cooperatives competing with private buyers in your area:

0.	NR	-
1.	Strengthen your position as a seller?	121
2.	Weaken your position as a seller?	8
3.	Have no effect on your position as a seller?	59
4.	No opinion.	12

7. Do you think competition from farm supply co-ops results in lower prices on some items in other outlets in your community?

0. NR	-
1. Yes	132
2. NO	50
3. Don't know	18

8. Do you think supply cooperatives in your area could pay more, or return more through patronage refunds than they do?

0. NR	5
1. Yes	114
2. No	81

9. Do you think farm supply cooperatives in your area are better than, or not as good as other farm supply sources?

0. NR	3
1. Better	68
2. Worse	22
3. Same	107

10. Do you think marketing cooperatives in your area are better than or not as good as other market outlets?

0. NR	6
1. Better	60
2. Worse	37
3. Same	97

11. How would you rate cooperatives vs. non-cooperatives in your area in regard to credit policies? Would you say co-ops are better than or not as good as other farm supply sources?

0. NR	8
1. Better	69
2. Worse	34
3. Same	89

<u>Response</u>	<u>Number</u>
12. How would you rate cooperatives vs. non-cooperatives in your area in regard to discount policies? Would you say co-ops are better than or not as good as other farm supply sources?	
0. NR	5
1. Better	69
2. Worse	35
3. Same	91
13. Do you think that cooperatives are leaders in: Introducing new technology?	
0. NR	3
1. Yes	131
2. No	66
14. Merchandising farm products?	
0. NR	2
1. Yes	134
2. No	64
15. Innovating supplies and services?	
0. NR	3
1. Yes	133
2. No	64
16. Getting basic in supply acquisition (oil wells, mines, etc.)?	
0. NR	19
1. Yes	75
2. No	106
17. How many of your friends or relatives feel that farmers should actively support cooperatives?	
0. NR	19
1. None	13
2. Some	145
3. Most	27
4. All	3
18. To what extent do you think the success or failure of the local supply cooperative depends upon your own personal support and activity?	
0. NR	2
1. None	42
2. Very little	71
3. Moderately	56
4. Great deal	29

<u>Response</u>	<u>Number</u>
19. To what extent do you think the success or failure of the local supply cooperative should depend upon your own personal supporter activity?	
0. NR	2
1. None	26
2. Very little	56
3. Moderately	72
4. Great deal	44
20. To what extent do you feel that members have any influence on the policies and activities or cooperatives?	
0. NR	7
1. None	20
2. Very little	38
3. Moderately	61
4. Great deal	74
21. To what extent do you feel that members should have any influence on the policies and activities of cooperatives?	
0. NR	4
1. None	4
2. Very little	9
3. Moderately	61
4. Great deal	122
22. To what extent do you feel that the manager of the local cooperative has any influence on the policies and activities of the local organization?	
0. NR	6
1. None	7
2. Very little	13
3. Moderately	49
4. Great deal	125
23. How much influence do you feel that he should have on the policies and activities?	
0. NR	6
1. None	1
2. Very little	12
3. Moderately	51
4. Great deal	130
24. To what extent do you feel that the Board of Directors (or advisory board) of any local cooperative has any influence on the policies and activities of the local organization?	
0. NR	9
1. None	4
2. Very little	19
3. Moderately	52
4. Great deal	116

PARTICIPATION VARIABLES

Response	Number
25. How much influence do you feel the Board of Directors (or advisory board) of the local cooperatives should have on the policies and activities?	
0. NR	5
1. None	2
2. Very little	4
3. Moderately	43
4. Great deal	146

In your opinion, which of these alternatives must cooperatives do to remain effective as farmer-owned organizations in the future?

26. Keep small in terms of membership to preserve a "community" of interest.	
0. NR	3
1. Yes	80
2. No	117
27. Build membership locally to achieve more volume and efficiency.	
0. NR	3
1. Yes	176
2. No	21
28. Merge with local cooperatives in your trade area to reduce excessive competition, overlapping routes and improve efficiency.	
0. NR	5
1. Yes	65
2. No	130
29. Merge into a statewide regional organization.	
0. NR	6
1. Yes	68
2. No	126
30. Get farmers to invest more equity capital in their business.	
0. NR	8
1. Yes	100
2. No	92
31. Sell more products provided by a regional cooperative rather than to sell products of non-cooperative firms in the local cooperative.	
0. NR	10
1. Yes	88
2. No	102

Which of these do you do:

1. Sell some of your farm products through a cooperative if a marketing cooperative is available.	
Response	Number
0. NR	---
1. Yes	164
2. No	36
2. Sell all of your farm products through a cooperative if a marketing cooperative is available.	
0. NR	---
1. Yes	53
2. No	147
3. If a cooperative handles a specific farm supply product you need, do you buy some of that product from a cooperative?	
0. NR	---
1. Yes	175
2. No	25
4. If a cooperative handles a specific farm supply product you need, do you buy all of that product from the cooperative?	
0. NR	---
1. Yes	57
2. No	143
5. Attend the annual meeting of the cooperative?	
0. NR	---
1. Yes	83
2. No	117
6. Vote in the election of the cooperative board of directors.	
0. NR	---
1. Yes	74
2. No	126
7. Read the cooperative newspaper.	
0. NR	---
1. Yes	163
2. No	37
8. Encourage your friends and neighbors to support cooperatives?	
0. NR	1
1. Yes	69
2. No	130

<u>Response</u>	<u>Number</u>
9. Have you ever served on the board of directors?	
0. NR	10
1. Yes, 5 years or less	13
2. Yes, over 5 years	8
3. No	169
10. Have you ever served in any other capacity?	
0. NR	10
1. Yes	24
2. No	166

5. Do you believe that patronage refunds are:	
0. NR	2
1. a return of an overcharge?	15
2. a business gimmick?	16
3. a return of business profits?	136
4. a tax dodge for business?	25
5. Other?	6
6. Do you believe that patronage refunds could and should be paid at the time of purchase?	
0. NR	1
1. Yes	55
2. No	144
7. Do you feel that patronage refunds should be paid only in cash?	
0. NR	2
1. Yes	118
2. No	80

KNOWLEDGE VARIABLES

1. In most cooperative organizations the policies are determined by rank and file farmer members.

<u>Response</u>	<u>Number</u>
0. NR	1
1. Agree completely	57
2. Tend to agree	54
3. Tend to disagree	42
4. Disagree completely	22
5. Have no opinion	24

2. A cooperative benefits non-members as well as members and therefore non-members are getting free benefits at the expense of members.

0. NR	1
1. Agree completely	47
2. Tend to agree	65
3. Tend to disagree	35
4. Disagree completely	33
5. Have no opinion	19

3. Do you feel that the return on your investment is best measured:

0. NR	74
1. as percentage return on dollars invested?	35
2. in terms of cooperative benefits?	75
3. Other?	16

4. Do you feel that supply cooperatives are farmer owned organizations?

0. NR	10
1. Yes	144
2. No	46

LOYALTY VARIABLES

1. Which of these factors is important to you in deciding where to buy fertilizer?

<u>Co-op Loyalty</u>	<u>Number</u>
0. NR	6
1. Yes	74
2. No	120

2. Which of these reasons for doing business at most of the places where you buy farm supplies?

<u>Response</u>	<u>Number</u>
0. NR	---
1. Yes	64
2. No	4
3. Don't know	2

3. In choosing a supplier or market outlet would you say that the fact the business is a cooperative

0. NR	1
1. has a positive effect on your decision?	55
2. has a negative effect on your decision?	17
3. has no effect on your decision?	127

INFORMATION VARIABLES

Do you frequently get information about the operation of supply and marketing cooperatives in your trade area from:

	0. (NR)	1. (yes)	2. (no)
1. Non co-op dealers	1	74	125
2. Employees, non co-op dealers	2	58	140
3. Sales representative, ag-bus. company	2	65	133
4. Extension service worker	3	66	131
5. Vo-ag teacher	3	18	179
6. Local banker or employee	3	49	148
7. Government agency worker	3	80	117
8. Farm organization leader	3	86	111
9. Cooperative board member	3	85	112
10. Cooperative manager	3	134	63
11. Cooperative field represen.	4	92	104
12. Trucker for cooperative	4	62	134
13. Other cooperative employees	3	86	111
14. Other cooperative members	2	106	92
15. Other farmers	1	157	42
16. Radio and/or tv	2	129	69
17. Area newspapers	2	136	62
18. Farm magazines	1	162	37
19. Non co-op ag-bus. public	3	59	138
20. University, college or extension publication	3	84	113
21. Cooperative periodicals	3	100	97
22. Annual cooperative reports	3	111	86
23. Special publications	3	92	105
24. Non co-op trade association	3	44	163



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