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The Farmer's Part In
COOPERATIVE MARKETING

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During the ten year period from 1915 to 1925 the number of members in farmers' business organizations in Oklahoma increased from 3,700 to 101,000, the number of associations increased from 48 to 147, and the volume of business handled from about two and one-half million to over 20 million dollars. Among the associations responsible for this increase are three centralized associations handling cotton, wheat and broomcorn, as well as a number of local organizations handling grain, potatoes, truck crops, dairy and poultry products. Available figures indicate that from 15 to 20 per cent of the farmers in Oklahoma market a part or all of their products through their own organizations.

The successful growth of these organizations will depend largely upon the extent to which farmers assume responsibility for them. It is very important, therefore, that farmers know the part they should have in making these organizations a success. Due to the fact that most of the cooperative organizations in Oklahoma are of recent origin, it has been impossible for most of the farmers who make up these organizations to have obtained previous experience in cooperative marketing. There is also a large number of farmers in the state who never have been members of a farmer's marketing organization, even though they have had the opportunity. This makes it important that there be an understanding of the relationship which should exist between the member and his organization and between the non-member and an organization of his fellow farmers.

Many of the management problems of cooperative associations would be greatly reduced if farmers, both members and non-members, understood their duties toward a farmers cooperative marketing association and guided their actions on the basis of this understanding. This would not solve all of the problems of cooperative associations by any means but it would materially reduce them. All of the problems which confront cooperatives are not membership problems and all of the membership problems cannot be solved by mere understanding on the part of farmers as to what their duties are. Nevertheless, membership problems are vital and a full realization of their duties by farmers would greatly reduce these vexing problems. It is often impossible for the farmer to do what he would like to do and what he knows he should do with respect to his cooperative due to his economic condition. Regardless of the cause, however, the farmer's actions toward his association determine very largely its success or failure. No manager of a cooperative association, however efficient, can build a sound organization without a loyal membership.

Outside agencies can not be expected to assume responsibilities for cooperative marketing associations which logically belong to farmers. But,

due to the fact that many farmers lack experience with cooperative marketing and a knowledge of its principles and operation, many members of cooperatives are inclined to try to shift to others the responsibility which logically belongs to themselves. This lack of support by farmers to their own marketing organization causes problems for most of those organizations and failure for many. If farmers understood thoroughly the cooperative method of marketing and their proper relation to it, it is safe to assume that progress would be much more rapid.

In order to bring about this understanding it is first necessary to find what the farmer thinks his duties are in order to have a definite starting place for constructive education in cooperative marketing attitudes and relations. The purposes of this study are: to determine what representative farmers in the cotton belt of Oklahoma think their duties are; to find to what extent these farmers are performing their duties to their cooperative; and to outline as clearly as possible the farmer's most important duties toward cooperative marketing.

The data for this study were secured during the fall and winter of 1925 and 1926 in the southwest, south central and eastern sections of the cotton belt of Oklahoma. Data were collected by personal interviews from farmers who were members of the Oklahoma Cotton Growers' Association and farmers who were not members.

FARMERS HAVE THREE-FOLD RELATIONSHIP WITH THEIR COOPERATIVE

It is probably best to consider the duties which farmers have to the cooperatives from the standpoint of their relationships with these organizations because out of these relationships come all the duties and responsibilities which farmers have to their cooperatives. There are three important relationships considered in this bulletin which farmers have to their own marketing organizations. Cooperative marketing associations are organized largely for the benefit of farmers. Their membership is usually composed entirely or quite largely of farmers and the control of these organizations is vested in the membership.

COOPERATIVE ASSOCIATIONS ARE ORGANIZED FOR FARMERS

One of the principal reasons for organizing cooperative marketing associations is to secure a better price for the products marketed through the organization than could be obtained otherwise. It is primarily with the hope of benefiting farmers that cooperative marketing associations are organized. This is one of the main reasons why this method of marketing farm products is receiving so much attention. Other groups share in the benefits, but it is principally the benefits accruing to the farmer in which there is most interest. Only as other groups secure some benefit can they be expected to take an active interest in the movement. Since most of the benefits from cooperative marketing go to the farmer, the greatest responsibility for its success must rest on the farmer.

**COOPERATIVE MARKETING ASSOCIATIONS ARE
COMPOSED OF FARMERS**

Cooperative marketing associations are not only organizations to help farmers, but membership in these organizations is usually limited to farmers. Provision in regard to who may become members of cooperative marketing associations is contained in the Capper-Volstead Act, approved February 18, 1922. This Act contains the following provision with respect to who may form cooperative marketing associations.

"That persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut or fruit growers, **MAY ACT TOGETHER** in associations, corporate or otherwise, with or without capital stock, in collectively processing, preparing for market, handling and marketing in interstate and foreign commerce, such products of persons so engaged. Such associations may have marketing agencies in common; and such associations and their members may make the necessary contracts and agreements to affect such purposes."

(1)

The above provision makes it clear that it is intended for the membership of cooperatives to be composed of those engaged in the production of agricultural products.

The Oklahoma law providing for non-stock cooperative marketing associations makes the following provision in regard to membership in these associations and these provisions are in harmony with the national law:

"Any number of persons, not less than five, engaged in the production of agricultural or horticultural products, may act together and organize cooperative associations, not having capital stock and not conducted for profit, for mutual help in collectively processing, preparing for market, picking, storing, shipping, handling, and marketing such products of persons so engaged" (2)

The following provision in the by-laws of the Oklahoma Cotton Growers' Association regarding who may become members of the Association is typical of the provisions found in the by-laws of the other cooperative associations in Oklahoma:

"Any person, firm or corporation or a manager or officer of any corporation or a member of any firm engaged in the production of cotton, may be admitted to the association and shall have voting power and property rights there in on the same basis as all other members in accordance with the general rules therein stated." (3)

(1) Public—No. 146—67th Congress, H. R. 2373.

(2) Section 5599 of compiled Statutes of Oklahoma, 1921, amended March 19, 1923.

(3) Section (b) under article 13 of By-laws of Oklahoma Cotton Growers' Association.

The above three sections taken from the national cooperative marketing law, the state cooperative marketing law and the provisions in the by-laws of the Oklahoma Cotton Growers' Association attempt to limit membership in cooperatives to those who are engaged in the production of the product being marketed.

CONTROL OF COOPERATIVES VESTED IN FARMERS

Cooperative marketing associations are not only organized for the benefit of farmers, and composed of farmers, but the control of these organizations is vested in farmers. Regardless of how the voting rights may be determined in an association, the right to control rests with the members. The voting rights are carefully guarded by national and state laws in order to keep control from passing from the members.

The national law provides for organizations either with or without capital stock, but in order to prevent the payment of profits to capital invested from becoming the dominant motive in the capital stock organizations, instead of the payment of profits according to products contributed, the law provides:

"That such associations are operated for the mutual benefit of the members thereof, as such producers, and conform to one or both of the following requirements:

"First, that no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein, or

"Second, that the association does not pay dividends on stock or membership capital in excess of 8 per cent per annum." (4)

The Oklahoma law providing for non-stock cooperative marketing associations allows each member one vote regardless of the amount of products marketed through the organization. Other states have similar laws for protecting the member's right to control his association.

(4) Public No. 146, 67th Congress, H. R. 2373.

**FARMERS' RELATIONSHIP WITH COOPERATIVE
IMPLIES CERTAIN DUTIES
FARMERS WILL PROFIT FROM A STUDY OF
COOPERATIVE MARKETING**

It is quite evident that men engaged in any business will profit from a study of all the factors affecting that business. Success is usually attained in business in proportion to the extent that the business is understood by the ones in charge. Although farmers are not directly engaged in the management of their association, an understanding of all of its difficulties, possibilities and limitations will make it possible for them to reduce the management problems.

Information about cooperative marketing may be divided into two general kinds. First, information that helps to make clear for the farmer the principles of cooperative marketing; and second, information about the business and operation of the particular association to which the farmer belongs. An understanding of both is very important inasmuch as information about a particular association will be better understood if there is a knowledge of the basic principles of cooperative marketing. Most associations realize this and attempt to give their members information along both lines. One of the most important means used by cooperatives for getting information to their members is through a publication issued regularly by the association and sent to all the members. Since its organization, the Oklahoma Cotton Growers' Association has published a semi-monthly paper called "The Oklahoma Cotton Grower." This paper is referred to as the association paper in the following pages.

Slightly less than three-fifths of the farmer members interviewed in this study stated that they read all of the association papers, as shown in Table I,

TABLE I. EXTENT TO WHICH THE OFFICIAL ORGAN OF THE OKLAHOMA COTTON GROWERS' ASSOCIATION WAS READ BY MEMBERS IN OKLAHOMA, 1925-26; CLASSIFIED AS TO OWNERS AND RENTERS.

Parts of Paper Read	ALL		OWNERS		RENTERS	
	Number	Per Cent	Number	Per cent	Number	Per Cent
All of paper	271	56	143	59	128	53
None	63	13	23	10	40	17
Market reports	41	9	18	7	23	10
"Scan it"	67	14	36	15	31	13
"Parts"	40	8	22	9	18	7
Total	482	100	242	100	240	100

while 12 per cent said they read none of the paper. Eight per cent said they read the market reports in the paper and 14 per cent stated that they scanned

it only. The remainder, 8 per cent, read only parts of the paper irregularly. Owners made better use of the paper than did the tenants. Fifty-nine per cent of the owner members and 53 per cent of the renter members stated that they read all the paper. None of the paper was read by 10 per cent of the owner members, while for the renter members it was 17 per cent. Although the paper is one of the main sources of information to the members about their association, data collected in this survey indicated that only a little over one-half were reading it completely. This undoubtedly explains why so many inquiries come to the headquarters of the association about matters which have already been explained in the paper.

Since cooperative marketing is the farmer's business, it is interesting to note the extent to which he is making a study of it. A large number of free bulletins are available to farmers on this subject as well as a number of books at low cost. Nevertheless, few farmers who were interviewed for this study, members as well as non-members, have tried to acquaint themselves with cooperative marketing by reading books or bulletins (Table II). Members of

TABLE II. NUMBER AND PER CENT OF FARMERS IN THE COTTON BELT OF OKLAHOMA WHO HAD READ BOOKS OR BULLETINS ON COOPERATIVE MARKETING, 1925-26; CLASSIFIED AS TO MEMBERS AND NON-MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION AND OWNERS AND RENTERS.

Number Read	ALL OPERATORS				OWNERS				RENTERS			
	Members		N.-Membs.		Members		N.-Membs.		Members		N.-Membs.	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
None	377	79	284	91	165	73	64	83	212	85	220	93
One to five	75	16	26	8	46	20	11	14	29	12	15	6
Over five	25	5	4	1	16	7	2	3	9	3	2	1
Total	477	100	314	100	227	100	77	100	250	100	237	100

the Association, however, had done more reading in books and bulletins on cooperative marketing than non-members had done. Twenty-one per cent of the members and only nine per cent of the non-members had read books or bulletins on the subject. No reading in books and bulletins on cooperative marketing had been done by 73 per cent of the member owners and 83 per cent of the non-member owners as compared with 85 per cent of the member renters and 93 per cent of the non-member renters. Owners had done more reading in books and bulletins on cooperative marketing than renters and the members in both tenure groups had done more reading than the non-members as the above figures indicate. The non-member owners, however, were only slightly better in this respect than the member renters. The amount of reading which was done by farmers before and after they had joined the association was not determined. It is very likely that the best informed farmers joined the association and also that there was more of an inducement for members to read on cooperative marketing than there was for non-members.

Farm papers are also a very important source of information about cooperative marketing and the number of these taken as shown in Table III probably indicates the extent to which farmers are studying their farm problems through this source.

TABLE III. NUMBER AND PER CENT OF FARMERS IN THE COTTON BELT OF OKLAHOMA TAKING FARM PAPERS, 1925-26; CLASSIFIED AS TO MEMBERS AND NON-MEMBERS OF THE OKLAHOMA COTTON GROWERS' ASSOCIATION AND OWNERS AND RENTERS.

Papers Taken	ALL FARMERS				OWNERS				RENTERS			
	Members		N.-Mems.		Members		N.-Mems.		Members		Members	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
None	84	16	112	34	35	14	18	22	49	19	94	39
One	176	34	127	39	74	30	37	44	102	39	90	37
Two or three	214	42	79	25	116	46	26	32	98	37	53	22
More than three	40	8	5	2	25	10	2	2	15	5	3	2
Total	514	100	323	100	250	100	83	100	264	100	240	100

Members of the Oklahoma Cotton Growers' Association were greater readers of farm papers than were the non-members, and owners were greater readers than renters. Out of the total group of farmers, over four-fifths of the members, while less than two-thirds of the non-members, were taking one or more farm papers. There was also a larger per cent of the non-members in the group who were taking only one paper than there were of the members. On the other hand, approximately two-fifths of the members and only one-fourth of the non-members were getting two or three farm papers and 8 per cent of the members and only 2 per cent of the non-members were getting over three farm papers. Fourteen per cent of the member owners and 22 per cent of the non-member owners were getting no farm papers; while 19 per cent of the member renters and 39 per cent of the non-member renters were getting no farm papers.

TABLE IV. NUMBER AND PER CENT OF FARMERS IN THE COTTON BELT OF OKLAHOMA WHO SAID THEY READ AGRICULTURAL BOOKS AND BULLETINS, 1925-26; CLASSIFIED AS TO MEMBERS AND NON-MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION AND OWNERS AND RENTERS.

Answers	ALL				OWNERS				RENTERS			
	Members		N.-Mems.		Members		N.-Mems.		Members		N.-Mems.	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	271	55	151	42	157	67	43	49	114	44	108	40
No	224	45	209	58	77	33	45	51	147	56	164	60
Total	495	100	360	100	234	100	88	100	261	100	272	100

Another indication of the attempts which farmers are making to obtain

information about their farm business is found in the amount of reading done in general agricultural books and bulletins as contrasted to the amount of reading done in books and bulletins on cooperative marketing or in farm papers. Table IV shows that 55 per cent of the members and only 42 per cent of the non-members said that they read general agricultural books and bulletins as compared with 21 per cent of the members and 9 per cent of the non-members who had read books or bulletins on cooperative marketing. Sixty-seven per cent of the member owners and only 49 per cent of the non-member owners stated that they read agricultural books and bulletins and 44 per cent of the member renters and 40 per cent of the non-member renters stated that they did such reading. It will be noted, however, that the member renters had done more reading in agricultural books and bulletins than had the non-members.

If the farm business requires considerable study in order to get the best results then the foregoing tables indicate that the farmers interviewed could very profitably devote more time to a study of their own business problems. Especially does it seem advisable that these farmers devote more time to a study of their cooperative marketing problems in the future in order that they may secure greater results from their cooperative marketing endeavors.

FARMERS SHOULD DELIVER PRODUCT ACCORDING TO CONTRACT

When farmers sign a cooperative marketing agreement they are signing a contract between themselves. The contract is not to be considered as an agreement between the farmer and a group of officials, but as a contract with his fellow farmers. Members of cooperative associations are too often inclined to regard their association as something separate and apart from them. The members are the association and since control of the association rests with the members, it is up to them either directly or indirectly to enforce the contract. Too many farmers consider their responsibility ended as soon as they sign a contract, when in fact, it has just begun. To sign a contract with the idea that complete enforcement rests with the officials is erroneous. Cooperative marketing is not a business in which it is intended to force men to do a thing. It has been shown repeatedly that cooperative marketing contracts cannot be enforced when a large number who have signed do not want them enforced. Membership in an association is voluntary, and the contract merely states the relationship which is to exist among the parties to the contract.

It is hard to determine the delivery performance of members in a large organization such as a centralized cotton association. A comparison of the number on the membership rolls of an association with the number of delivering members is likely to give a poor indication of the proportion of bona fide members delivering. Members may leave the state, go into some other business or stop raising the product after signing the contract. An analysis of the membership of the Oklahoma Cotton Growers' Association in four counties in Oklahoma shows what sometimes happens to membership in a co-

operative association. The records of the association showed 1276 members in four counties in 1925. This membership included all who had joined the association since its organization in 1921. Only 613 of the 1276 members were still farming in 1925. But out of the number who were still farming in 1925, only 586 were growing cotton, and only 447 were delivering to the association. On the basis of the total membership carried by the association, only 35 per cent were delivering, while on the basis of the number who were farming and growing cotton 76 per cent were delivering.

The delivery performance of members interviewed for this survey who had grown cotton from 1922-24 inclusive is summarized in Table 5. **TABLE V. DELIVERY PERFORMANCE BY YEARS FOR MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION. WHO RAISED COTTON IN 1923-24-25.**

	1922		1923		1924	
	No.	%	No.	%	No.	%
Delivered	166	74	239	82	189	60
Did not deliver	60	26	53	18	127	40
Total	226	100	292	100	316	100

proximately three-fourths of the members who had cotton delivered in 1922, four-fifths in 1923, and three-fifths in 1924. The decreased percentage of deliveries in 1924 was no doubt due to the decline in prices in 1923 which caused the association to sell for less than could have been obtained in many cases at the time the cotton was delivered.

But even though a member is raising a product and delivering to the association this does not tell the whole story. He may be delivering only a part of his products. For those members who had cotton in 1922, only 36 per cent delivered over three-fourths of their cotton. In 1923, 42 per cent delivered over three-fourths of their cotton and in 1924, 44 per cent. Therefore a delivering member as shown on the books of an association is not necessarily a hundred per cent delivering member. In the same way a member may deliver all of his products one year and none or only a part of his products the next year.

It is very important that members deliver all of their products each year to the association. The delivery performance of 236 members summarized for the three years combined is shown in Table VI. Slightly less than one-half of all the members delivered cotton to the association each year for the three years. Sixty-one per cent of the owners delivered each year, while only 39 per cent of the tenants delivered each year. Twenty-four per cent of all members delivered two years only, 16 per cent only one year, while twelve per cent of all members delivered no cotton to the association during the three years. Seven per cent of the owners and 16 per cent of the renters delivered no cotton during the three years.

TABLE VI. THREE YEARS DELIVERY PERFORMANCE BY MEMBERS OF THE OKLAHOMA COTTON GROWERS' ASSOCIATION WHO RAISED COTTON EACH YEAR OF THE THREE YEARS, 1922-23-24; CLASSIFIED AS TO OWNERS AND RENTERS.

Delivery performance	ALL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Delivered all three years	114	48	62	61	52	39
Delivered two years	57	24	23	22	34	25
Delivered one year	37	16	10	10	27	20
Delivered none	28	12	7	7	21	16
Total	236	100	102	100	134	100

An association needs business consistently from more than half of its members. Members cannot expect the best results from their association if they use it only when other methods of marketing do not suit them. A farmer is expecting too much when he enters a cooperative marketing association with the idea that certain results are going to be guaranteed to him regardless of what he does. Success is not guaranteed in any business, but must be earned. When farmers substitute a business of their own to take the place of one operated by private middlemen, they should patronize it consistently if they expect it to be the best success. Many members are often so short sighted that they do not use their association during temporary periods when they think they can get more for their product from some other agency.

The sooner cooperatives get to the place where they can pick their membership, the better they will be. A cooperative marketing contract is a business contract and both parties are duty bound to carry out its provisions in a business-like way as long as each fulfills his part. The fact that so many farmers have gone into cooperative associations hurriedly without a full understanding of the contract has led to disrespect for it. The farmer owes it to himself and to cooperative marketing to study carefully any marketing contract before he signs it. But after the contract is once signed, it is his duty to carry out its provisions if possible. The facts secured in this study show that many farmers did not understand the full significance of their obligations to deliver cotton when they signed the Oklahoma Cotton Growers' Association contract, or else did not respect their contractual obligations. These facts further indicate that these conditions must be overcome if the association is to accomplish its purpose. General observation in the field showed that many farmers regard the contract with the association as a means of forcing them to market their products cooperatively. It was evident that these farmers did not have the true cooperative spirit and were not regarding the organization as their own.

**EACH MEMBER HAS AN INTEREST IN KEEPING
OTHER MEMBERS LOYAL**

It is very important for members in an association to take the proper

attitude toward each other with respect to deliveries. Each member's interest in an association is closely related with every other member's interest. A member cannot afford to take the attitude toward his own marketing association that he takes toward a private marketing agency. A farmer who is not a member of a cooperative may sell to any private business that offers the best price at any particular time. In such cases the farmer is primarily interested only in the price received. But when farmers form a cooperative, they have a business of their own for marketing their products and they cannot afford to desert their own organization because they can temporarily get more from some other agency. It surely is not good business for a man to desert his own marketing organization for a temporary gain elsewhere, because when he does so, he is defeating the very thing he has set out to accomplish.

The attitude which one member takes toward the delivery of products by other members has a very important bearing on the success of cooperative marketing. The attitude of the members surveyed regarding their responsibility in this respect is summarized in Table VII. Forty-eight per cent of

TABLE VII. ATTITUDE OF MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION IN REGARD TO RESPONSIBILITIES FOR DELIVERIES TO THE ASSOCIATION, 1925-26; CLASSIFIED BY OWNERS AND RENTERS.

Party responsible	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Members	79	16	39	16	40	15
Officers	237	48	108	46	129	49
Members and officers	152	30	70	30	82	31
Don't Know	31	6	18	8	13	5
Total	499	100	235	100	264	100

the members said they thought it was the business of the officers to see that deliveries were made. Sixteen per cent thought this duty should fall on the members, and thirty per cent thought that both the members and officers were responsible. Six per cent were undecided. It is evident that most of the members thought they should take little responsibility in regard to deliveries, but that a greater part of the responsibility rested on the officers. It will be seen therefore that three times as large a percentage thought this duty rested on the officers as on the members. There was very little difference in the attitudes of owners and tenants on this subject.

It is often a question in the members' minds as to whether or not they should report contract violations by their neighbors when these violations are brought to their attention. Figures in Table VIII show that slightly over half of the members interviewed were of the opinion that the members should report contract violations. Thirty-eight per cent were of the opinion that members should not report violations and the remainder stated they did not

TABLE VIII. ATTITUDE OF MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION IN REGARD TO REPORTING CONTRACT VIOLATIONS BY THEIR NEIGHBORS, 1925-26; CLASSIFIED BY OWNERS AND RENTERS.

Attitude as to reporting violations	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Should report	258	52	127	53	131	51
Should not report	189	38	83	34	106	41
Don't know	37	7	23	10	14	6
Depends on conditions	14	3	8	3	6	2
Total	498	100	241	100	257	100

know, or gave conditional answers. A slightly higher per cent of owners than of tenants were of the opinion that contract violators should be reported by neighbors, while 34 per cent of the owners as compared with 41 per cent of the tenants thought violations should not be reported by neighbors.

There are no doubt some cases where it would not be advisable for one member to try to keep another member from violating his contract. However, the results of this study lead to the conclusion that the members of the Oklahoma Cotton Growers' Association were depending to a very great extent upon hired employees to keep their co-workers in line, which has seriously destroyed the fundamental spirit of true cooperation. Members are the association, and one member's interest is every other member's interest. If the proper sentiment could be developed among the members, all unnecessary violations of a cooperative marketing contract could be speedily taken care of. Too many members take no responsibility in regard to deliveries either for themselves or their neighbors. It seems absurd that it is so often necessary for farmers to hire someone on the outside to keep them loyal to their own organization.

TABLE IX. ATTITUDE OF MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION IN REGARD TO HOW VIOLATORS OF CONTRACT SHOULD BE HANDLED, 1925-26; CLASSIFIED AS TO OWNERS AND RENTERS.

How Violators Should Be Handled	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Should pay penalty	272	55	141	60	131	50
Should pay nothing for forced violations	77	16	27	11.5	50	19
Should pay nothing under any conditions	52	11	27	11.5	25	10
Should be expelled	22	4	10	4	12	5
Don't know	50	10	22	9	28	11
Miscellaneous	21	4	9	4	12	5
Total	494	100	236	100	258	100

Table IX shows that farmers interviewed in this study were not at all

unanimous in their opinion regarding how violators should be handled. Fifty-five per cent of all members said that violators should be compelled to pay the penalty as provided in the contract. Only eleven per cent said that nothing should be done under any condition. Sixteen per cent were of the opinion that financial conditions, tenant agreements or other conditions of a similar nature might justify a member in violating his contract, and under those conditions nothing should be done. It is, however, important to note that a majority of these farmers felt that the full penalty for violation should be applied. The principal difference in the answers by owners and renters to this question was that a higher per cent of owners than renters thought the violators of the contract should pay the penalty, while a higher per cent of the renters than of the owners thought they should pay nothing for forced violations.

INFORMATION ABOUT ASSOCIATION FROM RELIABLE SOURCES IS VERY IMPORTANT

The members of a cooperative marketing association are entitled to complete information regarding the operation of their own association except such information which might be detrimental to the organization if released. The great difficulty which many cooperatives have is that of placing reliable information about their business in the hands of their members. Members also are often inclined to look to outside sources for information about their cooperative associations even though the ones responsible for this information may be unfriendly. If there is the slightest question in the mind of the farmer about the reliability of information it should be verified by someone with authority to speak for the association.

TABLE X. SOURCES OF INFORMATION FOR MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION, 1925-26; CLASSIFIED BY OWNERS AND RENTERS.

Source of Information	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Association paper	288	55	137	55	151	56
Papers in general	88	17	48	19	40	15
Officers	41	8	24	10	17	6
Members	18	4	6	3	12	5
Neighbors	21	4	8	3	13	5
Speeches, circulars	18	4	11	4	7	3
Miscellaneous	18	4	9	4	9	4
Got no information	20	4	4	2	16	6
Total	512	100	247	100	265	100

The results of this investigation revealed the fact that few members of the Oklahoma Cotton Growers' Association were making full use of the sources of information available to them about their marketing business. Fifty-five per cent of the members gave the association paper as the most important source of information about the association which shows that this

paper was depended upon more than all other sources combined. Next in importance as sources of information were general papers which were given by 17 per cent and officers by eight per cent. Other sources of information included other members, neighbors, and speeches about the association. Six per cent of the tenants and two per cent of the owners stated that they received no information. The owners secured a greater amount of their information from general papers, and officers than did the tenants, while the tenants used other members and neighbors somewhat more than they were used by the owners as a source of information.

The above figures indicate that a great deal of emphasis may well be placed on the information contained in the official paper of the Oklahoma Cotton Growers' Association and the method of presenting this information. Even though the paper was the most effective means for getting information to the members about their business, it was not used as much as it might have been. Many members can well afford to depend on the association paper for more of their information about the association's activities in as much as it is official information and reaches all members in a uniform way every two weeks.

In a large statewide cooperative marketing organization it is difficult for many members to have direct contact with the business of the organization such as attending meetings of the board of directors, annual meetings, etc. Only seven per cent of the members interviewed in this survey as shown in Table XI had ever visited the central offices of the association. One out of

TABLE XI. NUMBER AND PER CENT OF MEMBERS OF THE OKLAHOMA COTTON GROWERS' ASSOCIATION WHO HAD VISITED CENTRAL OFFICE OF ASSOCIATION SINCE ITS ORGANIZATION IN 1921 TO THE CLOSE OF 1925; CLASSIFIED BY OWNERS AND RENTERS.

	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Had visited	36	7	25	10	11	4
Had not visited	470	93	221	90	249	96
Total	506	100	246	100	260	100

each ten owner members while only one out of each twenty-five tenant members had visited the central offices of the association previous to the time this survey was made. However, the members are not to be criticised for this showing. But it does show the importance of their getting all information about the association from the most dependable sources possible inasmuch as they cannot go directly to headquarters for this information.

Too much emphasis cannot be placed on getting reliable information about a cooperative association into the hands of the members, and the officers of the association have a great responsibility in making this information available and the members for making the best use of the information. Mem-

bers often accept too readily all reports about their marketing association, especially bad reports, and officers are often reluctant about giving out information to the members which they deserve. Members have a right to expect reliable information about their association from official sources and will find it to their advantage to go to these sources for their information.

COOPERATIVE MARKETING ASSOCIATIONS ARE ENTITLED TO A FAIR CHANCE TO SUCCEED

Coopeative marketing associations deserve a fair opportunity to render the service for which they are established, and they cannot justly be condemned by farmers before they are given this opportunity. It takes time and effort to build a successful cooperative marketing organization and satisfactory results usually do not come for some time. It is almost impossible to operate such associations without mistakes, but there is sometimes a tendency to magnify the mistakes and to minimize the accomplishments. Instead of judging the association by what it does any one year it is best to try to appraise what the organization will be able to accomplish over a period of years, all things considered. Many farmers have been known to leave their cooperative marketing organization because of some minor mistakes which it had made. These farmers are expecting their cooperatives to do what they cannot do on their own farms, that is, conduct a business without making some mistakes. Many farmers in the cotton belt have been known to sell their best cotton outside the cooperative association, and market their poor cotton through the association, and then in many cases complain because the cotton sold through the association did not bring as much as that sold outside. This is plainly disloyal, and essentially dishonest and is certainly not giving the cooperative a fair chance. If prices received inside and outside the association are to be compared, fairness requires that quality of product be considered in making the comparison. Also conditions under which the comparisons are made are important. Comparisons for one year may not show the true situation and in such cases an average for several years should be taken. Prices paid for products on the outside in specific cases by individuals who do not buy on the basis of quality may at times also be out of line with what the majority in the association are receiving for those products. Cooperatives cannot be expected to always return more to the grower, under any and all conditions, than he might have received outside.

It is not the few times the cooperative returns less than other agencies might have returned, but it is the long time results secured through the cooperative which are important. It may be the farmer is justified in taking a loss for a short time through the cooperative in order to get the business established.

Farmers' actions toward cooperative marketing associations may not always be indicative of their interest for the success of the organization as shown by data presented in Table XII. This table shows the attitude of farmers, both members and non-members, toward the discontinuance of the Oklahoma Cotton Growers' Association. Over four-fifths of the farmers,

TABLE XII. ATTITUDES OF FARMERS IN COTTON BELT OF OKLAHOMA REGARDING THE CONTINUANCE OF THE OKLAHOMA COTTON GROWERS' ASSOCIATION, 1925-26; CLASSIFIED AS TO MEMBERS AND NON-MEMBERS OF THE ASSOCIATION.

Attitudes	TOTAL		MEMBERS		NON-MEMBERS	
	No.	%	No.	%	No.	%
Want Assoc. continued ..	692	83	453	90	239	73
Want Assoc. Discont.	68	8	20	4	48	15
Don't know	30	4	14	3	16	5
Don't care	40	5	16	3	24	7
Total	830	100	503	100	327	100

including both members and non-members said they would not like to see the association discontinued. A higher per cent of the members than of non-members desired the continuance of the association as would be expected. Nine out of each ten of the members said they would not like to see the association discontinued, while only seven out of each ten non-members expressed a similar desire. Only eight per cent of all farmers stated definitely that they did not care if the association were discontinued. Only four per cent of the members took this attitude, while it was taken by 15 per cent of the non-members.

These figures demonstrate quite clearly that Oklahoma farmers believe the Oklahoma Cotton Growers' Association is beneficial to them. The association deserves the active supporting membership of all farmers holding this attitude if they can avail themselves of its services. Cooperative associations must have patronage to succeed and cannot live upon expressed desires for success when not backed up by delivery of products.

Although seventy-three per cent of the non-members stated that they would not like to see the association discontinued, only one-half of these non-members stated that they would join the association if 75 per cent of the cotton growers signed, as reference to Table XIII will show. Twenty-seven

TABLE XIII. REPLIES TO QUESTION: "WOULD YOU SIGN IF 75 PER CENT OF THE GROWERS SIGNED?" BY FARMERS IN THE COTTON BELT OF OKLAHOMA WHO WERE NOT MEMBERS OF THE OKLAHOMA COTTON GROWERS' ASSOCIATION, 1925-26; CLASSIFIED AS TO OWNERS AND RENTERS.

Replies	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Yes	159	51	37	49	122	52
No	85	27	23	30	62	26
Don't know	52	17	11	14	41	18
Under certain conditions	15	5	5	7	10	4
Total	311	100	76	100	235	100

per cent of the non-members stated definitely that they would not join even if seventy-five per cent of the farmers signed, while only 15 per cent stated definitely that they would like to see the association discontinued. Fifty-two per cent of the non-member renters and 49 per cent of the non-member owners said they would join the association if 75 per cent of the growers joined.

The foregoing figures indicate that a large number of farmers are willing to stay outside a cooperative association until its success is assured. Judging from the attitude of these non-members there are a large number of farmers in Oklahoma who are willing to take the benefits of cooperative effort secured by the work of others without giving anything in return. When farmers admit that they would not like to see a cooperative go out of business they are admitting its benefits and it seems the only logical course for them is to become members of that cooperative if other conditions make it possible for them to do so. Farmers are not giving their cooperatives a fair chance when they admit their benefits but will not give them their support.

FARMERS HAVE AN INTEREST IN ALL COOPERATIVE ASSOCIATIONS

Whether a farmer is a member of an association or not, he has an interest in its success, if it is improving the conditions of farmers in general. The reasons why farmers often take such a passive attitude toward their own marketing organization is sometimes hard to understand. If a farmer cannot support an organization with his products it seems he might say or do nothing which would result in harm to the association. Many non-members interviewed seemed to take delight in the difficulties of the association, yet at the same time they admitted its benefits. The moral support of these members would be a distinct asset to the association.

Over four-fifths of the non-member farmers interviewed said they believed the association had helped all farmers by making local buyers pay more nearly on basis of grades and staple. There was no material difference in the answer to this question by owners and tenants. (Table XIV). Accord-

TABLE XIV. ATTITUDES OF FARMERS IN COTTON BELT OF OKLAHOMA WHO WERE NOT MEMBERS OF THE OKLAHOMA COTTON GROWERS' ASSOCIATION, REGARDING HELP RECEIVED FROM ASSOCIATION, 1925-26; CLASSIFIED AS TO OWNERS AND RENTERS.

Attitudes	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
Has helped farmers	267	82	68	83	199	81
Has not helped farmers	37	11	9	11	28	11
Don't know	23	7	5	6	18	8
Total	327	100	82	100	245	100

ing to the conclusions reached by these non-member farmers they owed the association all the support they could possibly give it. It seems that farmers

who believe in cooperative marketing might well give more support to it and not forget that the success of a cooperative organization in their community will usually react favorably on their business even though they are not members.

Members of most cooperative associations would probably agree that a larger membership would be of benefit to their organization. Questions regarding the attitudes of members of the Oklahoma Cotton Growers' Association toward a larger membership revealed the fact that ninety-one per cent were of the opinion that a larger membership would improve their association. Less than four per cent stated positively that they did not think a larger membership would improve the association. This shows quite clearly that the members felt that one of their greatest needs was more members. But all the evidence from these data show that farmers should be more zealous in upbuilding the membership in their organizations. When farmers believe in the benefits of a cooperative marketing association, as these farmers did, it seems logical that they take an active interest in its development.

VOTING AND ABIDING BY A MAJORITY VOTE ARE VERY ESSENTIAL IN A COOPERATIVE

One of the fundamental principles usually given for cooperative marketing associations is that each member is given a right to vote. Sometimes voting rights are equal and sometimes they are proportioned in various ways. In any case it is intended to leave the final control of the affairs of the association to the members. Many members who do not vote often complain about the way their association is conducted, but they have no right to complain. No association can be conducted so that the individual wishes of each member can be completely carried out and especially is this true of the non-voting member. The wishes of the minority must give way to the wishes of the majority, and regardless of how anxious a member might be to see some policy put into effect, if the majority decide otherwise, he ought to willingly fall into line. There must be a great deal of give and take in any cooperative association.

It is impractical for all members to be given a chance to express themselves on all the affairs of their association. For this reason the members must delegate someone with authority to act for them in conducting their business. If the members will consider that these officers and directors are working for them and are accountable to them for the things they do they will often take a different attitude. If the business is not conducted according to the wishes of a majority of the members it is for them to see that a change is made in the officers in charge. However, before taking such action it is necessary to correctly judge the situation. Many difficulties may be avoided by electing men to office solely because of their ability to fill the office. When the members of a cooperative give undue weight to qualities other than business ability in the choice of their officers, as is often the case, they are on dangerous ground. It cannot be too strongly emphasized that members

lay aside all personal grievances in selecting their officials and choose men for office because of their ability to get satisfactory results.

An effort was made in this study to determine the extent to which members of the Oklahoma Cotton Growers' Association were using their right to vote. This is very difficult in a large organization, due to moves, changes in occupation, and deaths. For this reason, the number of members whose names are on the membership list of an association does not always represent the eligible voting membership. Neither does the number of delivering members represent the number eligible to vote, because many may have no product some years and still be members in good standing.

TABLE XV. NUMBER AND PERCENT OF MEMBERS OF OKLAHOMA COTTON GROWERS' ASSOCIATION WHO VOTED FOR DIRECTORS IN 1923, 1924 AND 1925; CLASSIFIED BY OWNERS AND RENTERS.

	TOTAL		OWNERS		RENTERS	
	No.	%	No.	%	No.	%
1923—						
Voting	196	45	118	58	78	34
Not voting	237	55	84	42	153	66
Total	433	100	202	100	231	100
1924—						
Voting	181	40	108	51	73	31
Not voting	268	60	103	49	165	69
Total	449	100	211	100	238	100
1925—						
Voting	141	30	80	37	61	25
Not voting	324	70	138	63	186	75
Total	465	100	218	100	247	100

Table XV shows the number and per cent of members of the Oklahoma Cotton Growers' Association who voted for directors in 1922, 1923, and 1924. These members were all farming during this period and were eligible to vote. Less than one-half of the total farmers interviewed in this survey voted for director during each of the three years considered. The per cent voting each year was 45 for 1923, 40 for 1924, and 30 for 1925. In each year a considerably higher per cent of the owners voted than did the tenants. In 1923 fifty-eight per cent of the owners voted while there were only thirty-four per cent of the tenants voting. In 1924 fifty-one per cent of the owners, but only thirty-one per cent of the tenants voted. The following year the per cent of owners voting dropped to 37 per cent and the number of tenants voting dropped to 25 per cent. It will be noticed that the per cent of both owners and tenants who voted declined each year from 1923 to 1925.

A member tends to lose his interest in an association when not marketing through it according to data collected in this study. Taking only those members who raised cotton each year for 1922, 1923, and 1924, it was found that a higher per cent of the members who delivered voted, than those who did not deliver. For example, in 1922, 62 per cent of those who delivered voted,

while only 29 per cent of those voted who did not deliver. In 1923, 55 per cent of those who delivered voted, while only 21 per cent of the non-delivering members voted. In 1924 these per cents were respectively 51 and 28. These figures indicate that the members who were using the association most, took a greater interest in its management. Members who refuse to deliver their products to an association deserve no voice in its management, but a member who may not have products for a year or two need not lose his interest in the association.

This study revealed quite clearly that a majority of the members of the Oklahoma Cotton Growers' Association were not taking full advantage of their rights to vote. When members do not vote for the officers who are to conduct the affairs of their association they are not taking their full responsibility. Few members would want their voting privilege taken from them and yet they often do not use this privilege. Better cooperative associations will result when more farmers take an active interest in them.

FARMERS WILL GAIN BY PRODUCING QUALITY AND QUANTITY OF PRODUCTS WHICH THEIR ASSOCIATIONS CAN SELL TO BEST ADVANTAGE

There seems to be a tendency for many farmers to expect too much from cooperative marketing associations. Such associations are nothing but business organizations engaged in handling the farmers' products and cannot be expected to get more out of the products than conditions of demand and supply justify.

An association sells the products turned over to it for as much as possible and then after taking out necessary handling costs returns the remainder to the farmer. But what the association is able to get for the products depends largely upon the supply and quality of products in relation to the demand. This places a responsibility on the farmer as to the kind and amount of products which he furnishes his cooperative. The association may suggest but it is up to the farmer to determine acreage. Associations have found no way to control the output of their members and if they could there would still be the output of the non-member grower to contend with.

Farmers will find it to their advantage to look to the market before starting their productive operations and base them as nearly as possible on what they think the market will be when their products are ready for sale. Many are inclined to give no consideration to the market until their products are ready to be disposed of. Others consider only market conditions at the time their productive operations are started, forgetting that the market may change a great deal before their products are ready for sale. The marketing of a crop may be said to begin with the selection of the seed and the preparation of the seed bed because this largely determines the kind of product which is to be available for market later. The farmer can do much as to the quality and quantity of products placed on the market. The cooperative cannot go out and buy products which they might easily dispose of and refuse all others but it is their job to find a market for all products delivered. The farmer's responsibility is to place the best possible products in the hands of his cooperative if he wants the best results from his organization. A cooperative cannot sell products which the consumer is not willing to buy and should not be blamed under such circumstances. It is farm production that is wrong in such cases and not the method of marketing.

SUMMARY

During the past decade there has been a rapid increase in farmers' cooperative marketing organizations in Oklahoma. The success of these organizations in the future depends largely on the extent to which farmers assume their proper responsibility for them. This makes it very important that farmers have a clear understanding of their part in cooperative marketing.

Farmers have a three-fold relationship to their cooperative marketing organizations. These associations are organized primarily for the benefit of farmers; they are composed of farmers; and control is vested in the farmer members. These relationships which farmers have to their cooperatives imply certain duties which they have to these organizations. Some of the more important duties implied are as follows:

Farmers owe it to themselves to study the principles of cooperative marketing and the methods of operation of their own association. The results of this study indicate that farmers are not using all available means of information as much as they might.

It is the farmer's privilege to study carefully a contract before signing it but after a contract is signed it should be binding on both parties. Many farmers apparently have not grasped the full significance of the contract and have failed to perform their part in fulfilling its provisions.

It is to the best interest of each member of a cooperative to help keep other members loyal to the organization. The farmer's responsibility begins with the signing of the contract and the enforcement of the contract in the final analysis will depend on whether the members want it enforced or not.

It is very important that farmers secure information about their association from reliable sources. A majority of the members of the Oklahoma Cotton Growers' Association were securing their information from the association paper and other reliable sources.

The results from cooperative marketing usually do not come at once. It is only fair that the farmer give his cooperative association a fair chance to accomplish its purpose. Many farmers are too impatient and want to see results immediately from their cooperative. It is only fair to judge cooperatives by the results which they can secure over a long period.

Since cooperatives are organized for the farmer's benefit all farmers whether members or not have an interest in them. The results of this study show that most farmers believe in cooperative marketing and want to see it succeed but many of them are not willing to do their part to make it a success.

Voting and abiding by a majority vote are very essential for the best results from cooperative marketing. Many farmers fail to use their right to vote even though this right is so carefully guarded.

Farmers can greatly assist their cooperative association by producing the quality and quantity of products which the association can sell to best advantage. A cooperative cannot sell a poor product which consumers do not want.

Many cooperative associations are handicapped because farmers do not give them the proper support. If farmers desire to set up their own marketing agencies for handling their products, they must assume full responsibility for them. Loyal support by farmers to their cooperative associations will do much toward insuring success for these organizations.