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AGRICULTURAL EXPERIMENT STATION**

**C. P. BLACKWELL, *Director***

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**Economic Conditions of Farmers in  
Oklahoma as Related to Membership  
in the Oklahoma Cotton Growers  
Association**

**By**

**W. W. PETROW**

## **SOME FACTS BROUGHT OUT BY THE STUDY**

In Oklahoma owners were found to be greater supporters of cooperative selling and buying organizations than were renters.

At the time this study was made the relatively large number of tenant farmers in Oklahoma seemed to be limiting the growth and progress of the Oklahoma Cotton Growers Association.

The members of the association, as a group, were more stable farmers, as measured by the average number of years stay on each farm, and the average number of times they changed trading centers.

The members of the association were two years older on the average than were the non-members.

The net wealth accumulated by members was more than twice as much as that accumulated by non-members.

The annual accumulation of net wealth less inheritance was 75 per cent greater for the members than it was for the non-members.

The farms operated by the members were on the average 39 per cent larger than the farms operated by the non-members.

The average value of all capital employed by the members was 43 per cent greater than that employed by the non-members.

The average values of various individual items of farm property were consistently greater for the members than for the non-members.

The members of the association had an average of 98 acres to crops, while the non-members had an average of 79 acres to crops.

Cash receipts from the sale of crops averaged approximately 19 per cent more for members than it did for non-members.

The average receipts from the sale of livestock and their products was 55 per cent greater for members than it was for non-members.

The average value of livestock and livestock products for home use was \$296 for members and \$259 for non-members.

The members received 16 per cent while the non-members received only 12 per cent of their total cash returns from livestock and livestock products.

## ECONOMIC CONDITIONS OF FARMERS IN OKLAHOMA AS RELATED TO MEMBERSHIP IN THE OKLAHOMA COTTON GROWERS ASSOCIATION

By W. W. Fetrow\*, Formerly Professor, Department of Agricultural Economics

### INTRODUCTION

Farmers are often slow to avail themselves of the services offered by co-operative marketing organizations. In some cases an explanation for their attitudes is not hard to find while in others it is difficult to find the reasons for the attitudes taken. The latter is more often the case than the former.

There are a number of conditions, often very complex, which may affect the attitudes which farmers take toward their own marketing organizations. It is very important to know what these conditions are in order to change, if possible those conditions that are causing adverse attitudes. Cooperative marketing organizations are intended to help farmers and as much information as possible should be collected which will help to explain the attitudes taken by farmers toward these organizations.

No doubt the economic conditions of farmers have much to do with the attitudes taken by them toward co-operative marketing organizations. However, not enough information is available to determine the extent to which this is true.

This study was undertaken with the hope of finding some of the relationships which existed between the economic conditions of farmers in Oklahoma and their membership in the Oklahoma Cotton Growers Association. These data were secured by personal interviews with 519 farmers who were members of the association and 336 farmers who were not members. The data were collected during the winter of 1925-26 in three sections of the state. Fig. 1.

In the Southwest district the average size of farm was approximately 160 acres utilized as follows: Eighty acres to cotton, 20 acres to sorghum, 10 acres to wheat and 36 acres to pasture. In the South Central and Eastern districts the average farm was around 80 acres with approximately 30 acres devoted to cotton, 20 acres to corn, 10 acres to oats and 15 acres to pasture. (1)

The subjects considered in this bulletin are tenancy, stability of farmers, size of business and sources of income. Farm credit as related to cooperative cotton marketing is the subject of another bulletin.

### TENANCY

The per cent of farmers, by counties, in Oklahoma, selling through co-operative marketing organizations in 1924 is shown in figure 2. In general a higher per cent of the farmers in the western half of the state were selling through cooperative organizations than in the eastern half. The highest percentages were found in the counties in the northwest section of the state where wheat is the principal crop and in the southwest counties where cotton is the principal crop.

In 1924 there were only two counties in the state where thirty per cent of the farmers sold through cooperative organizations and ten counties where more than twenty per cent of the farmers sold cooperatively. In twenty counties more than fifteen per cent of the farmers sold through their own organizations.

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\*Mr. Fetrow is now Senior Agricultural Economist, Bureau of Agricultural Economics, U. S. Department of Agriculture.

(1) Information regarding the method and plan of organization of the Association and membership attitudes at the time this study was made are given in Okla. Exp. Station Bulletin—178.



three counties where the same proportion of tenants reported sales. Similar

Available data from the 1925 census of agriculture indicate that farm owners in Oklahoma have been greater supporters of cooperative organizations than tenants. According to this census for Oklahoma thirteen per cent of the farm owners reported sales through cooperative organizations while similar sales were reported by only seven per cent of the tenants. Fig. 3. In only nine of the seventy-seven counties in the state were the per cent of tenants reporting sales through cooperative organizations larger than the per cent of owners reporting sales. There were ten counties in which twenty-five per cent or more of the owners reported cooperative sales while there were only

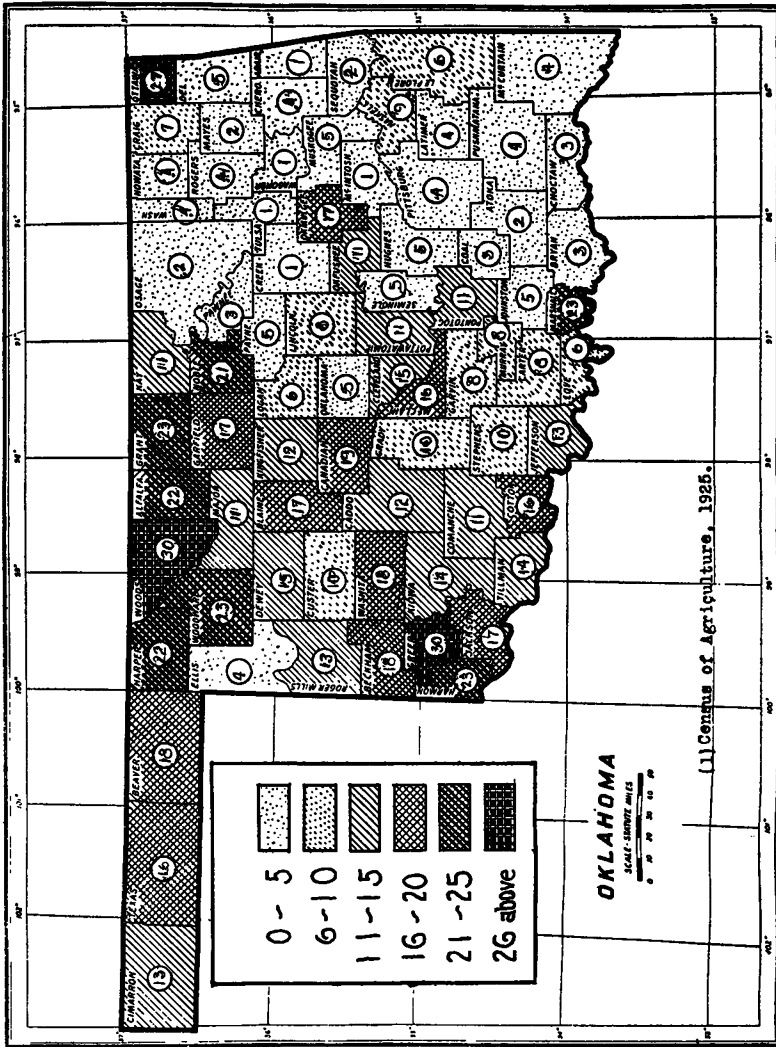


Figure 2.—Per cent of Farmers by Counties Selling Through Cooperative Marketing Organizations, 1924. (1).









supporters of the Oklahoma Cotton Growers Association than were tenants. Out of each one hundred farmers interviewed who were members of the Oklahoma Cotton Growers Association it was found that forty-eight were owners and fifty-two were tenants: while out of each one hundred farmers who were not members it was found that twenty-six were owners and seventy-four were tenants. This shows that out of each one hundred members interviewed there were almost twice as many owners as there were among the same number of non-members.

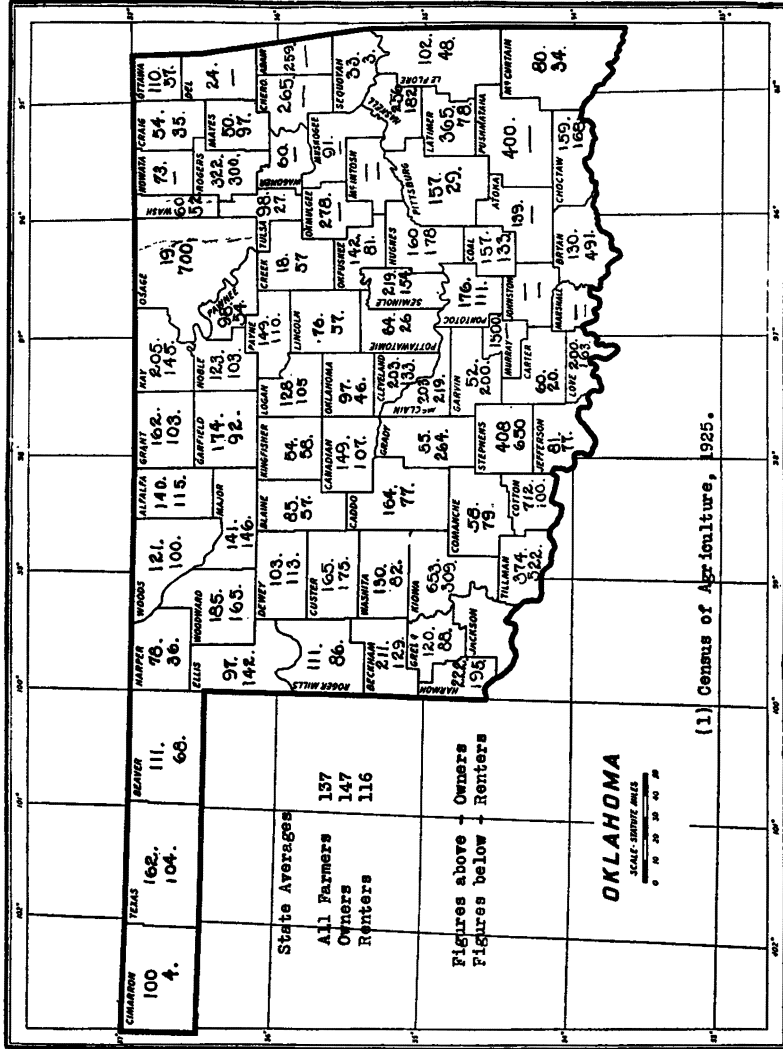


Figure 6—Average Value of Purchases Through Cooperative Organizations, by Counties, for Owners and Renters, 1924. (1).

In the Southwest district where approximately three-fifths of all farmers were tenants, slightly more than one-half of the members of the Association, who were interviewed, were owners. In the South-central district where from sixty to seventy per cent of the farms were operated by tenants, more than one-half of the members, who were interviewed, were owners. Less than one-third of the non-members interviewed in each of these districts were owners. In the Eastern district where seventy-four per cent of the farms were operated by tenants, thirty-seven out of each hundred members were owners, while only eighteen out of each one hundred non-members were owners.

The above facts would seem to indicate that farm owners have been more inclined than the tenants to join not only the Oklahoma Cotton Growers Association, but other cooperative associations in Oklahoma. There seems to be no single explanation for the existence of this situation. No doubt the fundamental causes lie in the economic conditions in which the tenant finds himself and is not due to any lack of interest in cooperative marketing on the part of the tenant.

The common practice in the cotton belt is for the landlord and tenant to take their share out of each individual bale of cotton sold. The Oklahoma Cotton Growers Association makes provision for this situation by allowing cotton to be delivered which is jointly owned. In case more than one person has an interest in the cotton which is shipped to the Association this fact is stated on the draft for each bale. The payments are then made to each one interested according to his share. However, this practice of dividing the cotton in the bale means that if the tenant wants to deliver his cotton to the Association and the landlord is not willing, the tenant must purchase the landlord's share in each bale delivered. The landlord often wants his money immediately and if the tenant cannot buy the share of the landlord, which is usually the case, the landlord may refuse to let the cotton go through the Association. This compels many tenants to violate their contracts with the Association. After paying for the picking, ginning and other expenses the tenant finds it very difficult and often impossible to buy his landlord's share in order to send his own cotton through the Association. Many landlords have also been known to refuse to rent to a tenant who is a member of the Association. These conditions keep many tenants from joining who otherwise would join and cause many who have joined to sell outside who otherwise would not do so. In other cases the tenants refuse to cooperate with their landlords in shipping their cotton to the Association when the landlord desires to do so. This keeps many landlords who otherwise might be loyal members from giving their support to the Association.

Tenancy plays an important part in cooperative cotton marketing because if either tenant or landlord opposes the Association, it is almost impossible for the other to be a loyal member. This is extremely important in a state like Oklahoma where approximately sixty per cent of the farms are operated by tenants and where the per cent of tenancy in some of the counties is as high as seventy-five per cent.

Each tenant was asked for the attitude of his landlord toward the Association. Approximately seven-tenths of all the member tenants, while only one-third of the non-member tenants, stated that they had heard their landlord express himself about the Association.

By districts the per cent of member and non-member tenants who had heard their landlord express his attitude was respectively sixty-five and eighteen for the southwest, fifty-eight and twenty-one for the south-central and eighty and fifty for the east district. The landlords of the non-member tenants would not have the occasion to talk about the Association to their tenants as these figures would indicate. Considering only those tenants to whom their landlords had expressed themselves, it was found that approximately sixty per cent of the non-member tenants and fifty-six per cent of the member tenants said that their landlords were opposed to the Association.

These figures indicate that a large number of landlords in Oklahoma were opposed to the Oklahoma Cotton Growers Association at the time this survey was made. No doubt conditions are much improved since this survey was made as shown by the increased deliveries received by the Association. However, these figures help to substantiate the conclusion that the existence of a high percentage of tenancy is a real handicap to cooperative marketing. Even though landlords may not actually dictate the marketing policies of their tenants, the tenant's decision regarding membership in the Association is no doubt largely influenced by the attitudes of their landlord.

**STABILITY OF MEMBERS AND NON-MEMBERS**

A high per cent of tenancy usually means a less stable farm population than one where most of the farms are operated by owners. Cooperative marketing organizations are generally considered to have more appeal to those farmers who are permanently settled in a community than to those who are often moving from one place to another. However the permanency of farmers in a community would not appear to be so important as regards their membership in a statewide centralized cooperative marketing organization such as the Oklahoma Cotton Growers Association. In this organization the members only business connection is with the central office and their movements within the state do not affect their membership.

Data collected in this survey indicate that the members, as a group, were more stable farmers than the non-members when the average number of years stay on each farm and the average number of times changed trading center are used as a measure of stability. (Table 1.) The average stay on each farm for the members was 4.3 years while for the non-members the average stay was 3.4 years. In other words the average time spent on each farm for the members was 26 per cent longer than it was for the non-members. In each district, without exception, the average number of years stay on the farm was longer for members than it was for non-members. An average for all districts combined shows that the average time spent on each farm by owner members was 28 per cent longer than it was for owner non-members,

**Table 1.—Average Stay on Farms, and Average Number of Times Farmers Changed Trading Centers**

| Districts              | Membership in Association | Average Stay on Farm (years) |        |         | Average number times changed trading center |        |         |
|------------------------|---------------------------|------------------------------|--------|---------|---|--------|---------|
|                        |                           | Total                        | Owners | Renters | Total                                       | Owners | Renters |
| All Districts          | Members                   | 4.3                          | 6.0    | 3.4     | 2.4   | 2.3    | 2.5     |
|                        | Non-members               | 3.4                          | 4.7    | 3.0     | 2.8   | 2.5    | 2.9     |
| Southwest District     | Members                   | 3.5                          | 8.1    | 3.0     | 2.1   | 2.2    | 2.0     |
|                        | Non-members               | 3.0                          | 3.8    | 2.7     | 2.2   | 2.4    | 2.4     |
| South Central District | Members                   | 5.2                          | 6.8    | 3.8     | 2.6   | 2.5    | 2.8     |
|                        | Non-members               | 3.8                          | 5.7    | 3.4     | 2.9   | 3.1    | 2.8     |
| East District          | Members                   | 4.4                          | 5.0    | 3.7     | 2.6   | 2.4    | 2.8     |
|                        | Non-members               | 3.7                          | 4.7    | 3.3     | 3.2   | 2.4    | 3.5     |

while the average stay on each farm for member renters was 13 per cent longer than the average stay of the non-member renters.

Even though a farmer changes farms if he retains the same trading center his interest in his cooperative marketing organization should not be lost. The results of data collected in this survey indicate that the members changed their trading centers less often than did the non-members. (Table 1.) The average number of times which the members had changed their trading centers was less in each district for both owners and renters than it was for non-members except in two cases. It was the same for renter members and non-members in the South Central district and the owner members and non-members in the East.

For all districts combined the members during their earning life had changed their trading centers an average of 2.4 times, while the non-members had changed an average of 2.8 times. The fewest changes in trading centers had been made in the Southwest district where the average was 2.1 times for members and 2.2 times for non-members. The members had changed their trading centers 2.6 times in the South Central district as compared to 2.9 times for the non-members. In the East district the changes were 2.6 times for the members and 3.2 times for the non-members.

An effort was made to determine if the age of members or the number of years which they had been operating farms had any effect on their number of moves or average stay at each trading center. The average age and average number of years as farm operators are shown in Table 2. The members of the Association for the three districts combined were on the average approximately four years older than the non-members. In the Southwest district there was about eight years difference in the average ages of members and non-members, in the South Central district they were practically the same, and in the East district the members were three years older than the non-members. As a result of the members being older farmers, the average number of years as farm operators was more for both owners and renters except in the case of owners in the South Central district.

Table 2.—Average Age and Average Number of Years as Farm Operators

| Districts                    | Membership<br>in<br>Association | Average Age |        |         | Average Number<br>Years as Farm<br>Operator |        |         |
|------------------------------|---------------------------------|-------------|--------|---------|---|--------|---------|
|                              |                                 | Total       | Owners | Renters | Total                                       | Owners | Renters |
| All Districts                | Members                         | 46.5        | 50.0   | 43.7    | 20.9  | 23.5   | 18.4    |
|                              | Non-members                     | 42.1        | 46.6   | 40.6    | 17.1  | 22.0   | 15.4    |
| Southwest<br>District        | Members                         | 46.8        | 50.1   | 43.3    | 20.5  | 23.1   | 17.4    |
|                              | Non-members                     | 38.8        | 44.7   | 36.8    | 15.1  | 19.8   | 13.2    |
| South<br>Central<br>District | Members                         | 48.4        | 51.6   | 45.3    | 22.0  | 24.9   | 18.7    |
|                              | Non-members                     | 48.9        | 53.1   | 42.0    | 19.9  | 27.2   | 16.3    |
| East<br>District             | Members                         | 44.9        | 48.0   | 43.1    | 20.5  | 22.9   | 19.0    |
|                              | Non-members                     | 42.1        | 42.1   | 42.2    | 16.7  | 18.4   | 16.4    |

In order to reduce the effect of age on the average years stay on each farm, and the number of times changed trading centers all farmers were divided into groups of ten years each according to the number of years of earning life. When so divided it was found that the same relationship held true between members and non-members, namely, that with few exceptions the members in each tenure group had remained on each farm a longer time and had changed their trading centers less often, than had the non-members.

These figures indicate that at the time this survey was made the membership of the Oklahoma Cotton Growers Association was made up of farmers who were more settled in their communities and did not move about so often as the non-members did. It is logical that the Association would not have as strong an appeal for the farmers who were often moving from one community or one farm to another as it would have for farmers who were more settled. It is important that the officials of an association consider these facts when trying to determine the reasons why some farmers have not joined their association.

### ECONOMIC PROGRESS

It is important to know the economic progress of farmers who are members of cooperative marketing associations as compared to farmers who are not members. Such information should lead to a better understanding of the extent to which the services rendered by the cooperative are meeting the needs of different groups of farmers. It should also give the cooperative an opportunity to see where they might adjust their business more nearly in line with the needs of the farmers which the cooperative is attempting to serve.

One indication of the business ability of farmers is the amount of wealth which they have accumulated. In arriving at the amount of wealth accumulated by farmers who were interviewed in this survey, the amount of wealth which has been inherited was subtracted but no account was taken of accumulations from inherited wealth. It was found that members of the association had accumulated more net wealth on the average than had the non-members. (Table 3) This condition held true without exception for the owners and renters in each district surveyed.

For all districts combined the average net wealth less inheritance was \$6,056 for members, while for non-members it was \$2,794. In other words the average amount of net wealth accumulated by the members was over twice as much as that which had been accumulated by non-members. Owner members had accumulated \$10,868 or 45 per cent more than owner non-members who had accumulated only \$7,474. Renter members had accumulated \$1,587 or 35 per cent more than the \$1,177 accumulated by the renter non-members. The average amount of net wealth less inheritance accumulated by the owner members was approximately 40 per cent more than that accumulated by owner non-members in the Southwest district, 41 per cent more in the South Central district and 32 per cent more in the East district. The average amount of net wealth less inheritance accumulated by the renter members was approximately 38 per cent more than that accumulated by renter non-members in the Southwest district, 41 per cent more in the South-Central district and 21 per cent more in the East district.

In determining the amount of net wealth less inheritance which had been accumulated no consideration was given the fact that the members of the association were somewhat older than the non-members and had been farm operators, on the average, longer than the non-members. The members had been operating farms an average of 20.9 years as compared to 17.1 years for non-members. Owner members had been operating farms an average of 23.5 years as compared to 22 years for the owner non-members, while the renter members had been operating farms 18.4 years as compared to 15.4 years for non-members renters. In each of the three districts the members had been operating farms longer on the average than had the non-members.

Table 3—Average net wealth less inheritance and average net wealth less inheritance accumulated annually

| Districts     | Tenure  | Net Wealth less Inheritance |             | Annual accumulation of net wealth less inheritance |             |
|---------------|---------|-----------------------------|-------------|--|-------------|
|               |         | Members                     | Non-members | Members  | Non-members |
|               |         | : Dollars                   | : Dollars   | : Dollars  | : Dollars   |
| All           | All     | : 6,056                     | : 2,794     | : 233  | : 133       |
|               | Owners  | : 10,868                    | : 7,474     | : 375  | : 299       |
|               | Renters | : 1,587                     | : 1,177     | : 69   | : 59        |
| Southwest     | All     | : 8,530                     | : 4,043     | : 341  | : 213       |
|               | Owners  | : 14,232                    | : 10,185    | : 508  | : 424       |
|               | Renters | : 2,024                     | : 1,461     | : 96   | : 81        |
| South Central | All     | : 4,953                     | : 2,685     | : 183  | : 117       |
|               | Owners  | : 8,055                     | : 5,715     | : 269  | : 190       |
|               | Renters | : 1,578                     | : 1,195     | : 69   | : 60        |
| East          | All     | : 4,124                     | : 2,002     | : 159  | : 95        |
|               | Owners  | : 8,674                     | : 6,473     | : 310  | : 323       |
|               | Renters | : 1,210                     | : 999       | : 50   | : 48        |

In order to take into consideration the fact that members of the association had been operating farms longer on the average than non-members, the average amount of net wealth less inheritance accumulated annually was used. It was found that the members had accumulated annually \$233 while the non-members had accumulated only \$133. (Table 3.) In other words the annual accumulation of net wealth less inheritance was 75 per cent greater for the members than it was for the non-members. The annual accumulation was 25 per cent greater for the owner members than it was for the owner non-members and 17 per cent greater for the member renter than it was for the non-member renter. In each district surveyed for both owners and renters the members of the association had accumulated more net wealth less inheritance annually than had the non-members with the exception of owners in the East district where the owner non-members had accumulated annually 4.5 per cent more than the owner members. The average annual rate of accumulation for all farmers who were members of the association was 60 per cent greater in the Southwest district, 56 per cent greater in the South Central district and 67 per cent greater in the East district than it was for the non-members.

The greater average accumulation of net wealth on the part of the members of the association would indicate that they used, on the average, greater managerial ability in their farm operations than did the non-members. On the basis of the number of acres operated the members of the association operated on the average of 39 per cent larger farms than did the non-members. The farms operated by the member owners were 27 per cent larger in acreage than those operated by the non-member owners while those operated by the member renters were 24 per cent larger than those operated by the

non-member renters. In each district without exception, for both owners and renters, the farms operated by the members contained more acres on the average than those operated by the non-members.

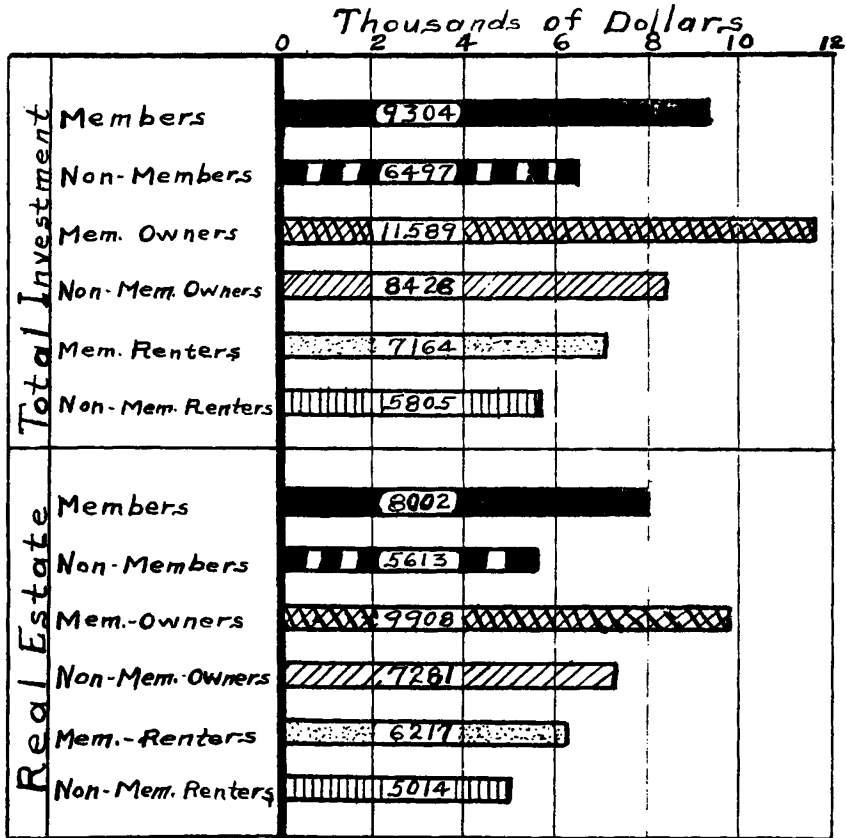


Figure 7—Average Values of Total Investment and Real Estate by Membership and Tenure.

The average value of all capital operated by members in the three districts was 43 per cent larger than the average value of that operated by non-members. (Fig. 7.) The members were operating capital the average value of which was \$9,304 while the capital operated by the non-members had an average value of only \$6,497. The average value of all capital operated by member owners was 38 per cent more than that operated by member renters, and member renters operated capital 23 per cent greater than that operated by non-member renters. The average capital operated by owner members was 10 per cent larger than that of owner non-members in the Southwest district, 65 per cent larger in the South Central district and 46 per cent larger in the East district. A similar comparison for renters shows that renter members were operating capital 10 per cent greater than that operated by renter non-members in the Southwest district, 30 per cent greater in the South Central district and 18 per cent greater in the East district.

The percentage distribution of the number of farmers, classified according to tenure and membership in the association, coming within each of five different capital groups is shown in Table 4. Reference to this table will show that only one-fourth of the owner members were operating capital valued at less than \$5,000, while one-half of the owner non-members were operating capital so valued. Forty-six per cent of the renter members as compared to 55 per cent of the renter non-members were operating capital valued at less than \$5,000.

In the group of farmers operating capital valued at more than \$20,000 it was found that 18 per cent of the owner members were in this group as compared to 10 per cent of the owner non-members. Almost five per cent of the renter members whereas slightly more than two per cent of the renter non-members were in this group.

Table 4.—Per cent of Farmers, by tenure and Membership, Operating capital in various size groups

| Capital Operated | Owner Members | Owner Non-members | Renter Members | Renter Non-members |
|------------------|---------------|-------------------|----------------|--------------------|
| Under            |               |                   |                |                    |
| \$ 5,000         | 24.2          | 49.4              | 45.6           | 55.4               |
| 5,001-10,000     | 36.6          | 20.8              | 33.6           | 32.4               |
| 10,001-15,000    | 14.7          | 15.6              | 12.8           | 7.5                |
| 15,001-20,000    | 6.5           | 3.9               | 3.7            | 2.3                |
| Over             |               |                   |                |                    |
| 20,000           | 18.0          | 10.4              | 4.6            | 2.3                |

The average value of each separate item making up the total investment was greater for the members than it was for the non-members. The same was true of the member owners as compared to the non-member owners. It also held true for member and non-member renters except in the cases of milk cows, other cattle and hogs where the values were the same for each group. (Fig. 8 and 9.)

The value of real estate operated by members was 43 per cent more than the value of real estate operated by non-members. The member owners were operating real estate valued at 36 per cent more than non-members while the value of real estate operated by member renters was 24 per cent more than the value of real estate operated by non-members. (Fig. 7.)

The value of implements and machinery operated by members was 70 per cent more, work stock 21 per cent more, milk cows 16 per cent more, other cattle 35 per cent more, hogs 17 per cent more and poultry 24 per cent more than that operated by non-members. (Fig. 8 and 9.)

The percentage by which the various items of farm property for the member owners exceeded that of the non-member owners was as follows: Real estate 36 per cent, implements and machinery 83 per cent, work stock 20 per cent, milk cows 17 per cent, other cattle 30 per cent, and hogs 18 per cent.

The value of the various items of farm property operated by the member renters compared as follows with that operated by the non-member renters. Real estate 24 per cent more, implements and machinery 26 per cent more,



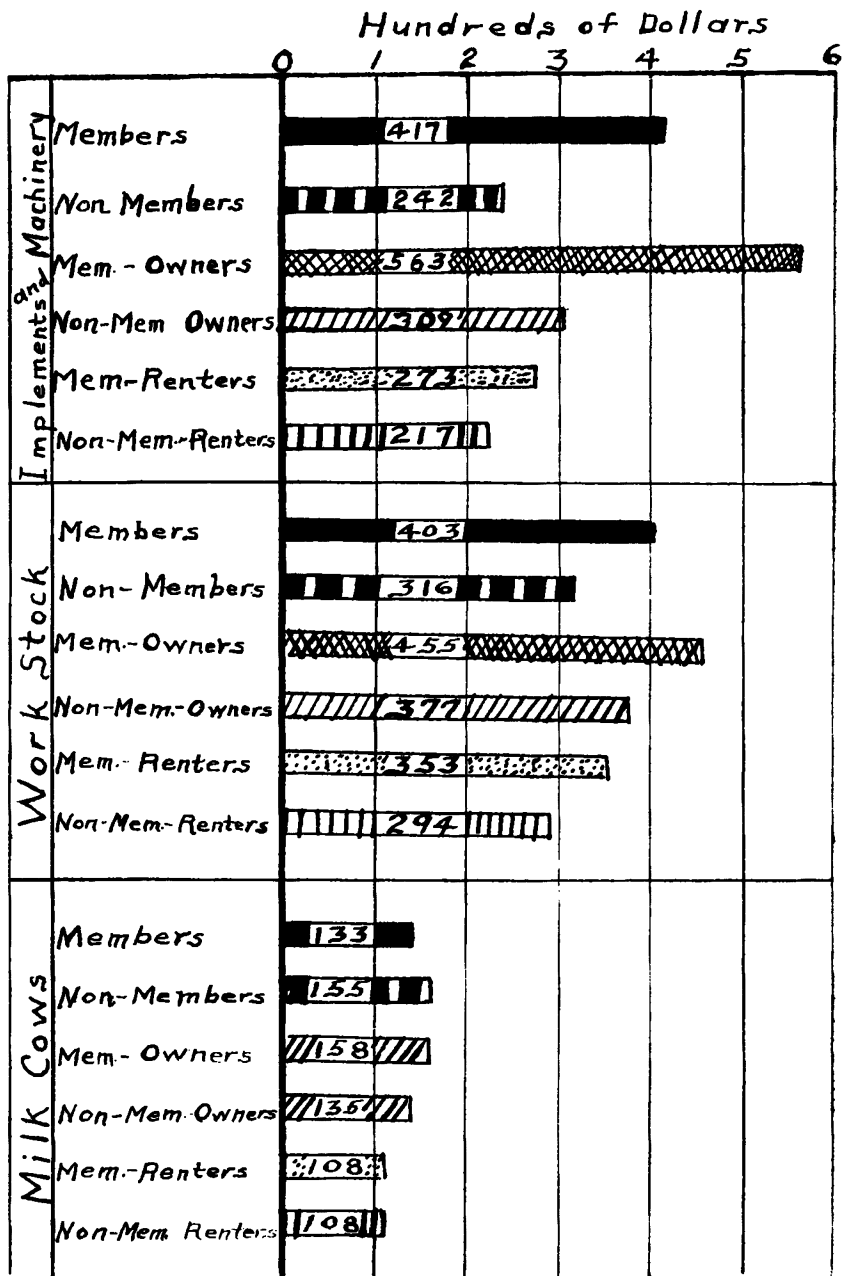


Figure 8—Average Value of Implements and Machinery, Work Stock, and Milk Cows by Tenure and Membership.

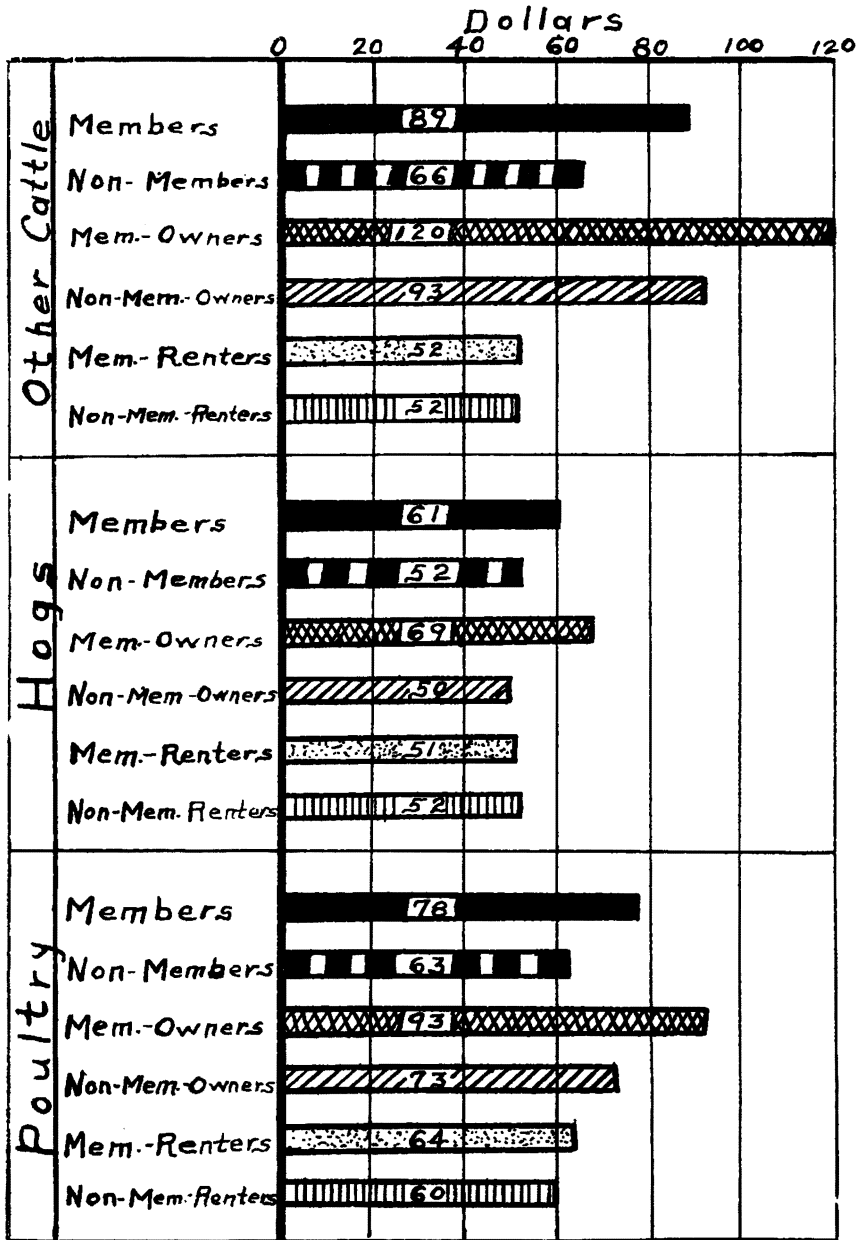


Figure 9—Average Values of Other Cattle, Hogs, and Poultry by Tenure and Membership.

work stock 20 per cent more, milk cows the same and other cattle and hogs the same.

All of these data on the economic progress of members and non-members seem to indicate that at the time this survey was made the farmers, on the average, who had made the most economic progress were the ones who had joined the association.

#### SOURCES OF FARM INCOME

When a farmer delivers products to a cooperative marketing organization it is incumbent upon him to accept that organization's method or methods of paying for the products. The amount paid by the cooperative to the member at the time of delivery may be only a small proportion of the market price or it may be the entire amount. At the time this survey was made the Oklahoma Cotton Growers Association was paying approximately 60 per cent of the market price of the cotton when it was delivered to the association. Since that time arrangements have been made whereby the members may sell in the daily pool and secure the money for their cotton as soon as the grade and staple can be determined. It usually takes from one to two weeks to secure payment for cotton in the daily pool.

Cotton is a very important source of income for most farmers in the cotton belt of Oklahoma. For this reason the method of payment used by the association at the time this survey was made was a very important factor in determining not only whether or not a farmer became a member but his delivery performance after becoming a member. It seems logical that a farmer would be more reluctant about delivering a product to a cooperative association from which he gets most of his income than one from which he gets only a small per cent of his income. Since there is usually some risk as to the price which will be received from the cooperative, the farmer cannot be blamed for such an attitude.

An attempt was made in this study to determine to what extent Oklahoma farmers were depending on cotton as the source of income, and the effect their dependence on cotton might have upon their membership in the Oklahoma Cotton Growers' Association.

It has previously been shown that the members of the association had larger farms on the average than the non-members and as a result they would be expected to have more acres to crops. The members of the association, for the three areas studied, had an average of 98 acres to crops, while the non-members had 79 acres. The member owners had 112 acres to crops compared to 100 acres for the non-member owners, while the crop acres for renters were 86 for members and 72 for non-members.

The average crop acres per farm in the southwest district was 128 for members and 120 for non-members. In the south central district the crop acres for members were 75 compared to 54 for non-members, and in the East district the members had 77 acres to crops while the non-members had 66 acres to crops. The members of the association in each district for both owners and renters operated as many or more acres to crops than did the non-members with the exception of owners in the southwest district, where the non-members operated 21 per cent more acres to crops than did the members. The owner members had 47 per cent more acres to crops in the south central district and 32 per cent more acres to crop in the east district than the owner non-members had. For each district the crop acres for member renters exceeded that of non-member renters as follows: southwest district, 18 per cent, south central district, 23 per cent and east district, 3 per cent.

A comparison of the sale of crops by members and non-members, classified on the basis of membership and tenure is shown in figure 10. For the three districts combined the average cash receipts from all crops for the mem-

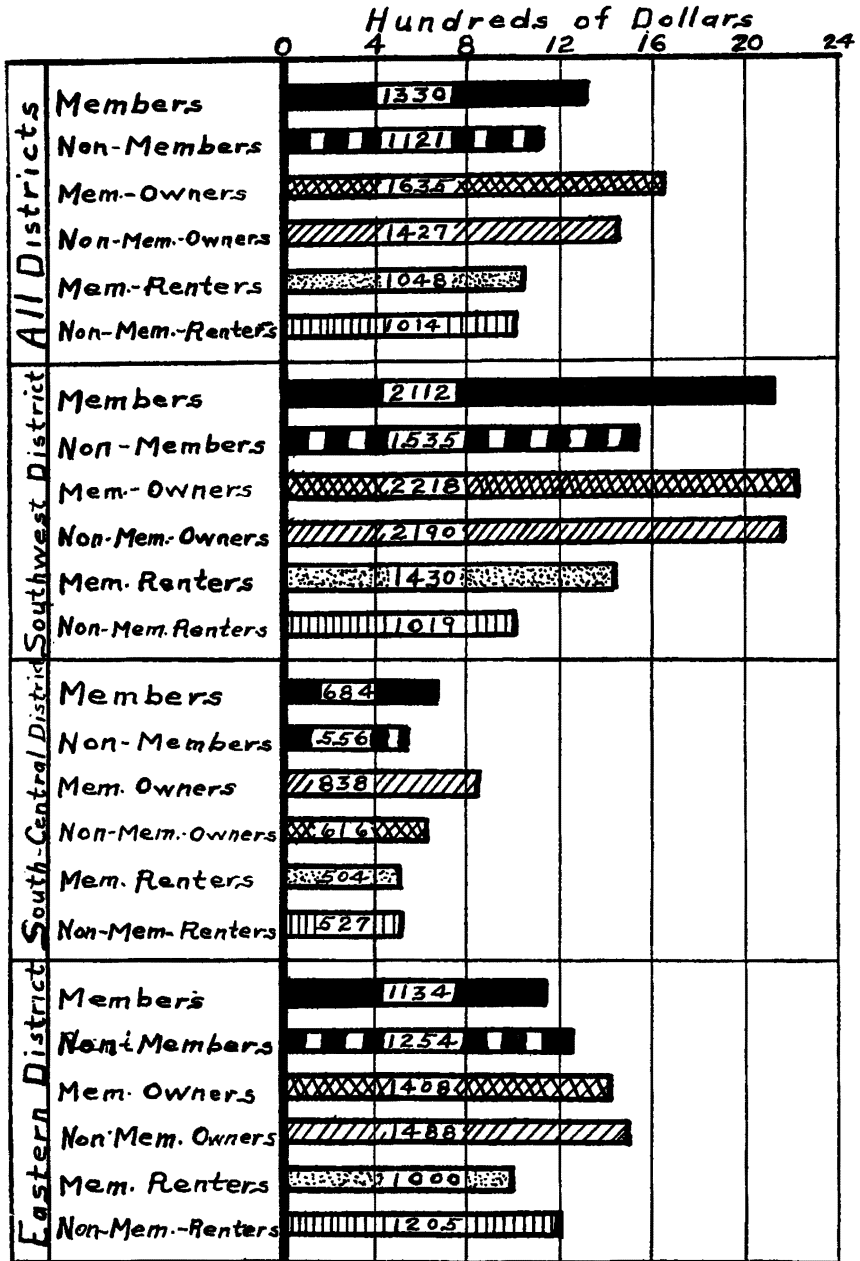


Figure 10—Receipts from Sale of Crops in Each District by Membership and Tenure.

bers was approximately 19 per cent more than it was for non-members. Owner members received 15 per cent more from crop sales than owner non-members while renter members received three per cent more than renter non-members.

The returns from the sale of crops for members was 38 per cent more than for the non-members in the southwest district, 23 per cent more in the south central district, while in the eastern district the sale of crops for non-members was 11 per cent more than it was for members. Even though the members on the average had more crop acres than the non-members the significance of the greater returns from crop sales by the members is increased when livestock sales are considered.

The members of the association on the average had more acres to cotton than the non-members, and with the exception of owners in the Southwest district had a smaller per cent of their total crop acres to cotton. This can be accounted for by the fact that the members had larger farms.

For all districts combined the average acreage to cotton for members was 57 while for non-members it was 48. Owner members had 60 acres to cotton as compared to 51 acres for owner non-members and member renters had 55 acres to cotton while non-member renters had 47 acres. In each district for both owners and renters the members had more acres to cotton than the non-members.

Seventeen per cent of the members, while 23 per cent of the non-members, had over three-fourths of their crop area to cotton. Two-thirds of the members and three-fourths of the non-members had over 50 per cent of their crop area to cotton. Six per cent of the members while 12 per cent of the non-members had over 90 per cent of their crop area to cotton.

**Table 5—Average Receipts from the Sale and Average Value of Livestock and Livestock Products used for Family**

|               |             | Livestock and Livestock Products Sold |         | Livestock and Livestock Products for Family use |         |         |         |
|---------------|-------------|---------------------------------------|---------|---|---------|---------|---------|
|               |             | Total                                 | Owners  | Renters   | Total   | Owners  | Renters |
|               |             | Dollars                               | Dollars | Dollars   | Dollars | Dollars | Dollars |
| All Districts | Members     | 245                                   | 339     | 158   | 296     | 326     | 268     |
|               | Non-members | 158                                   | 262     | 122   | 259     | 262     | 259     |
| South-west    | Members     | 266                                   | 350     | 172   | 249     | 284     | 212     |
|               | Non-members | 178                                   | 305     | 127   | 203     | 215     | 198     |
| South Central | Members     | 263                                   | 316     | 207   | 299     | 344     | 244     |
|               | Non-members | 154                                   | 198     | 132   | 251     | 287     | 231     |
| East          | Members     | 205                                   | 350     | 122   | 347     | 375     | 330     |
|               | Non-members | 138                                   | 290     | 106   | 301     | 287     | 303     |

Crop receipts from cotton can probably be explained, in part at least, by the tendency for those farmers who specialized more on the growing of cotton to join the association more readily. Farmers who normally grow more wheat than cotton, or who shift readily from cotton to wheat would probably not join the association so readily as those farmers who depend more on cotton.

Relative to the other crops, cotton is by far the most important crop grown in the three areas of the state studied. In order to get the relative importance of cotton in the whole farm program, it was necessary to find the extent to which farmers were supplementing their income from crops with income from livestock and livestock products. This made it possible to determine the dependence which farmers were placing on cotton and the effect of the distribution of their receipts on their membership in the association.

The average receipts from the sale of livestock and livestock products were more for the members than for the non-members in each district for each tenure group. (Table 5.) For the three districts combined, the average receipts from the livestock and their products for members was 55 per cent more than for non-members. The amount of receipts from this source for members above that for non-members was 49 per cent in the southwest district, 71 per cent in the south central district, and 48 per cent in the east district. The member owners receipts from the sale of livestock and livestock products were 15 per cent more than the non-member owners in the southwest district, 60 per cent more in the South Central district and 21 per cent more in the East district. The receipts from the sale of livestock and livestock products for the member renters were 35 per cent more than that of non-member renters in the southwest district, 57 per cent more in the South Central and 15 per cent more in the East district. Approximately one-fourth of the members of the association in all districts combined received over \$300 from the sale of livestock and livestock products, while less than one-tenth of the non-members were in this group. Eleven per cent of the members and only two per cent of the non-members received over \$500 from the sale of livestock and livestock products. Thirty-three per cent of the owner members, and 29 per cent of the owner non-members, while 15 per cent of the renter members and only eight per cent of the non-member renters received over \$300 from the sale of livestock and livestock products.

The members were not only supplementing their farm income by the sale of more livestock than the non-members, but were also using more livestock and livestock products on the farm. (Table 5.) This was true even though the size of household for members and non-members was practically the same. For all districts combined, the average value of livestock and their products for home use was \$296 for the members and \$259 for the non-members. In the southwest, south central, and east districts, the amounts by which the receipts from livestock and livestock products for home use for members were greater than for non-members were 23, 19 and 15 per cent respectively.

Since the members were operating larger farms than the non-members it might be expected that their returns from livestock would be greater than for the non-members. But the members were receiving a larger percentage of their total returns from livestock and livestock products than were non-members. The members received 16 per cent of their total cash returns from livestock while the non-members received only 12 per cent from this source. In the southwest district, the per cent of cash returns from livestock for members and non-members was respectively 13 and 12, in the south central district 28 and 22, and in the east district 15 and 10. The per cent of total cash receipts from livestock were larger for both owner and renter members in each district surveyed except for renters in the southwest district where it was approximately the same.

Even though the members were receiving, on the average, more from the sale of livestock and livestock products, and were using more for home use, the distribution of these receipts from the various classes of livestock was about the same for both members and non-members. In other words, the per cent of non-members getting receipts from the sale of hogs and using pork for family use was approximately the same as it was for members. This would indicate that as high a percentage of the non-members were

keeping livestock as the members, but that those who were keeping livestock were not keeping as much.

There might be some difference of opinion in regard to whether farmers who raise more livestock have been more inclined to join the association or whether their membership in the association has induced them to raise more livestock. Since the association had been in operation only five years at the time this study was made it seems safe to conclude that the farmers who received a greater per cent of their return from livestock found themselves in better position to take advantage of the facilities which the cotton cooperative association offered at that time. The farmers who were depending on livestock to supplement their income from cotton no doubt found themselves in better position to adjust themselves to the association payments. So long as farmers depend on cotton for such a large part of their income, and get such a small part of their living from the farm, they will have difficulty in adjusting their business to the association payments as made in the past. The daily pool is no doubt helping to correct this situation as shown by the increased deliveries to the association since provision was made for this pool.

### CONCLUSIONS

A high per cent of tenancy seems to be a real factor which officials of cooperative marketing associations must consider. While a high per cent of tenancy may not prevent the existence of cooperative marketing associations data from this study indicate that tenancy does limit the growth and progress of these associations. From the standpoint of both membership and volume of business the owners gave the association more support than the renters.

The relationship between landlords and tenants in the cotton section is also often inimical to the best interest of the association by discouraging farmers from joining. A more satisfactory agreement between landlord and tenant regarding the sale of cotton would do much to relieve this situation.

This study also indicates that there is a relationship between the economic conditions of farmers in the cotton belt and their membership in the cotton cooperatives. If conditions in Oklahoma at the time this study was made were typical of the cotton belt as a whole, those farmers, who had made the most economic advancement were the ones that had joined the cotton cooperatives. In other words, on the whole the cooperatives were reaching the most successful farmers. This was no doubt due in large part to the difficulty many farmers had in adjusting their financial obligations to the method of payment for the product as used by the association. The provision for the daily pool whereby a farmer can secure his money soon after delivering his cotton will no doubt do much to relieve this situation.

Since many of the membership problems are economic and not social a cooperative stands a better chance of being able to meet these problems if it has an analysis of the economic conditions of the farmers with which it is trying to work. Such an analysis should make it possible for a cooperative to adjust its methods of operation in line with the needs of farmers. It is always to the advantage of cooperatives to adjust their business, as nearly as possible in line with the needs of farmers who might become members.