

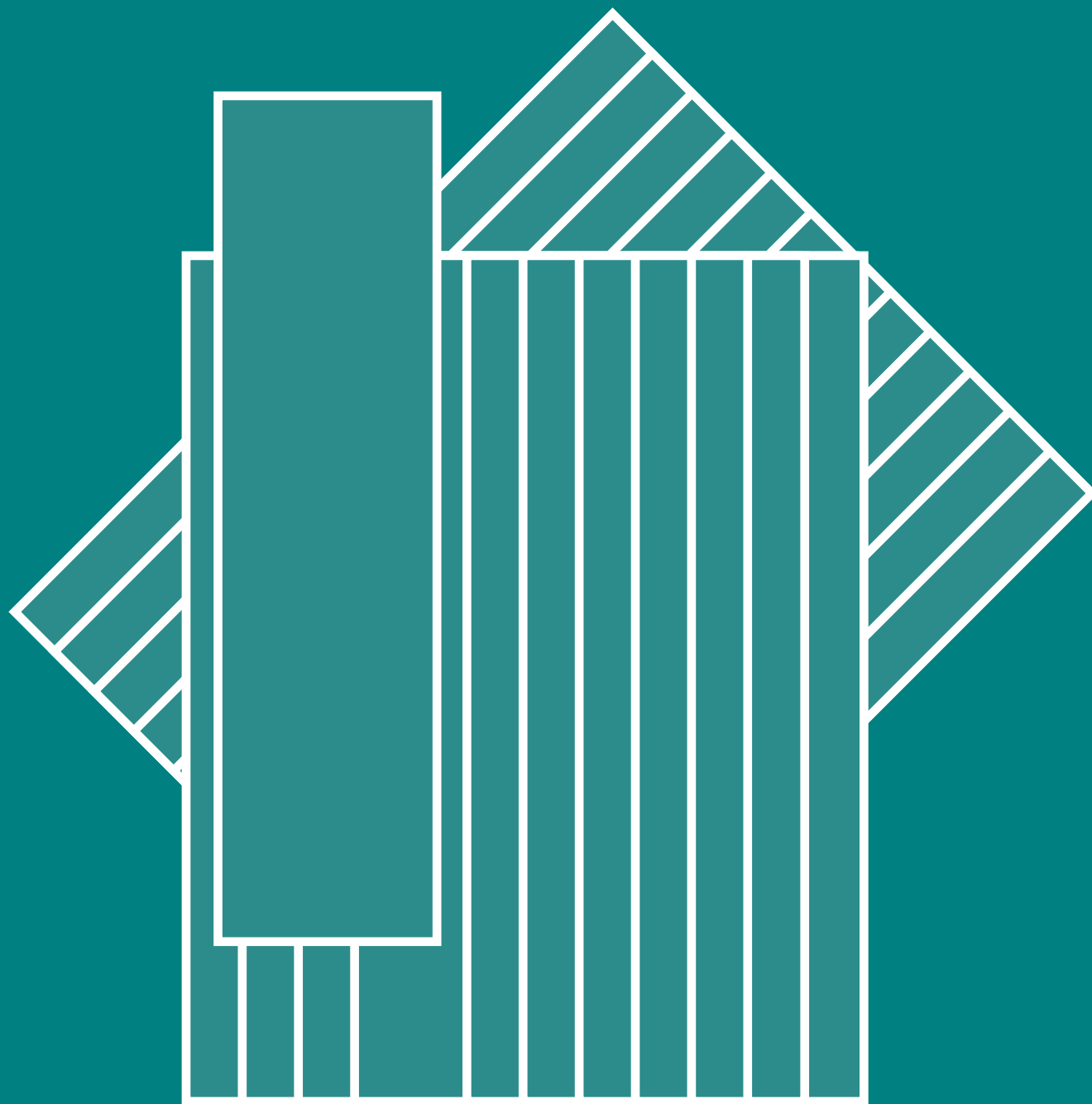


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Report 184

Strategic Planning in Farmer Cooperatives



Abstract

This report describes the degree of long-range strategic planning by farmer cooperatives in the United States. An analysis was conducted on strategic planning data provided by farmer cooperatives through the annual survey of farmer cooperatives in 1998 by USDA's Rural Business-Cooperative Service (RBS).

The degree of long-range strategic planning is reported for respondents overall and by cooperative type, size, and regional location. Basic strategic planning attributes such as written formality, monitoring activity, director involvement, and planning time interval are also reported.

The degree of strategic planning and financial position and change are compared among all cooperatives and by major type and size categories. Financial change is assessed by comparing statistics from two points in time--data from 1994 is compared with 1998.

Keywords: long-range strategic planning, planners, non-planners, attributes, director involvement, planning interval, financial position, financial change

Strategic Planning in Farmer Cooperatives

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Preface

This report examines cooperatives' use of strategic planning, the various technical aspects of it, and the degree of directors' involvement in strategic planning. It also analyzes strategic planning of cooperatives, their financial position and certain aspects of financial change.

Data for this study were collected from a survey of U.S. farmer cooperatives. They were asked whether they conduct long-range strategic planning and if so, the amount of director involvement, whether a written plan is developed, aspects actively monitored, and the length of the strategic planning period.

These data were sorted by use of strategic planning, type or function, membership size, sales volume size, and by organizational structure, i.e., local, federated, regional and mixed-regional cooperatives.

Data were collected in RBS 1998 annual survey of farmer cooperatives. Seventy-seven percent of U.S. farmer cooperatives were asked to provide information on their degree of long-range strategic planning. Of those, 45 percent, or 1,282, responded to the survey.

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Highlights

This study provides a national perspective of farmer cooperatives' long-range strategic planning. The analysis examines how in depth and frequently cooperatives conduct strategic planning and aspects of it such as how formal the plan is, how well progress is monitored, planning intervals and involvement by the board of directors. Financial status and how it changes are also assessed. There are cooperatives that prepare and use strategic plans (planners) and cooperatives that do not prepare and use strategic plans (non-planners).

The USDA survey asked 2,816 farmer cooperatives to provide information on their long-range strategic planning and 45 percent (1,282) responded to the survey.

The first portion of this study analyzes the incidence and attributes of strategic planning. Some major findings include:

- Long-range strategic planning is being conducted by slightly over half the farmer cooperatives in the United States, according to the sample used for this study.
- Marketing cooperatives, except those handling dairy and fruit and vegetable products conduct proportionately more strategic planning than other types of cooperatives.
- Just over half of farm supply cooperatives are planners, while most service-type cooperatives do not conduct long-range strategic planning.
- More large cooperatives plan than do smaller ones, which is consistent when comparing regional cooperative structure to local structure—more regionals than locals are planners.
- The North Central region has the most cooperative planners, but a higher proportion of planners relative to the number of cooperative respondents are in the Intermountain region.
- More than half of planners formally write their plans (58 percent), but many planners, especially among dairy, cotton gin, and service cooperatives, do not write their plans.
- Of cooperative types, the highest proportion of those who formally write plans are in farm supply cooperatives followed closely by marketing cooperatives.
- Most medium and larger planners formally write their plans, while those in the small size groupings do not write their plans.
- Most cooperative planners actively monitor their plans, with fruit and vegetable, grain and oilseed, other marketing, and farm supply cooperatives having the highest proportion of monitoring.
- A majority of cooperative planners in all the sizes actively monitor their plans. Those planners in the super size category monitor their plans the most.
- Ninety-eight percent of cooperative planners have directors who are either "very involved" or "somewhat involved" in the cooperative's strategic planning. Directors in only 2 percent are "not involved."

Highlights

- Small cooperative planners had the lowest proportion of directors who were "very involved" in planning, while super planners had the highest proportion of "very involved" directors.
- More than 80 percent of dairy cooperative planners had directors who were "very involved" while other marketing and other service had the lowest proportions of "very involved" directors.
- The planning interval of planners did not vary greatly among regions, sizes, and types of cooperatives and was close to the overall average of 11 months in all cases.

Major findings of cooperative strategic planning and financial position (1998) and change (1994 vs. 1998) include:

- On average, all cooperatives surveyed (both planners and non-planners) were financially healthy in 1998.
- Average income levels were fairly high and positive for both, and average financial ratios were either on the strong side or in relatively healthy ranges.
- On average, marketing cooperatives were largest and service cooperatives were smallest in terms of sales and assets in the three type categories analyzed.
- Service cooperatives had the highest average profitability.
- Farm supply cooperative planners were the only grouping under double digits for the profitability ratio (ROE).
- Service cooperative non-planners and marketing cooperative planners were the most leveraged and service planners, farm supply non-planners, and marketing non-planners were the least leveraged.
- The small category of cooperative planners and non-planners was the only size grouping that had average profitability ratios (ROE) below double digits, but those ratios were still healthy. Adequate financial strength was evident among both planning and non-planning cooperatives in all the size categories but with varying degrees of profitability, leverage, and efficiency.
- In comparing 1994 with 1998, more cooperative planners than non-planners had an increase in sales, net income, total assets, and total equity.
- Only slightly more planners than non-planners had an increase in long-term liabilities.
- Similar proportion findings for the financial indicator changes fit marketing cooperative planners and non-planners, but that did not hold completely true for farm supply in that less planners had an increase in long-term liabilities.
- For service cooperatives fewer planners than non-planners experienced increases in long-term liabilities.

Highlights

- Profitability, as measured by return on equity, increased for proportionally more overall, farm supply, marketing, small, and large planners than non-planners. More service, medium, and super cooperative non-planners experienced decreased profitability.
- The current ratio increased for proportionately more overall, marketing, service, small, large, and super planners than non-planners. However, fewer farm supply and medium planners than non-planners had the current ratio increase.
- Proportionately fewer planners than non-planners overall and in every type and size grouping had an increase in asset turnover.

Large farmer cooperatives, with their wide geographical boundaries and service and greater complexity of operations, were expected to be significant planners and the results backed up that view.

Not many cooperative planners prepared formal written plans, but the degree by which plans were monitored shows that they understand the importance of following and perhaps adjusting plans.

Directors are involved in the strategic planning process, but not to the degree expected in small- and medium-size cooperatives, where they are usually considered to be an intricate part of strategic planning.

A cursory analysis of financial position and change shows little significant difference between the financial status of planners vs. non-planners. Growth in sales and assets and strong profitability of both planners and non-planners were found and that complicates deriving a clear picture of strategic planning results in financial aspects.

This study provides a national view of the extent and attributes of farmer cooperative strategic planning. More research is needed to further flesh out information, details, and implications of long-range strategic planning in cooperatives.

Strategic Planning in Farmer Cooperatives

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Introduction

The concept of strategic planning has attracted much attention in recent years. Many cooperatives have embraced the concept, folding strategic planning principles and practices into their operational and governance structures. A significant number have realized a need to be proactive and visionary, developing long-range strategic plans for better cooperative positioning.

Also, strategic planning is continually being viewed and studied by educators, economists, and other industry analysts. Leaders and professionals have sought to understand how best to use strategic planning in various cooperative structures and the prevalence of strategic planning in cooperatives and how it affects performance and position.

Rural Business-Cooperative Service (RBS) has published a number of reports¹ about strategic planning in agricultural cooperatives. Books, manuals, and other resources describe the subject. Other researchers have studied the degree of strategic planning in businesses and cooperatives in various geographic areas and its impact on performance. The literature comparing strategic planning to performance in investor-owned firms (IOFs) is fairly rich. For example, a table in Rhyne's research lists 14 different studies of firms within various industries that analyzed the relationship between strategic planning and performance. His own study did the same and there are others.

Though not extensive, a few studies compare performance to strategic planning among cooperatives. Peterson and Stiles examined financial performance of

farm supply businesses in Michigan relative to their degree of planning (measured by specific types of planning conducted). Azzam and Turner looked at various management practices, including strategic planning, and their relevance to improved financial performance of agricultural cooperatives in South Dakota, Nebraska, and Iowa. Kenkel, Sanders, and Smith examined Oklahoma and Texas cooperative management practices, including strategic planning, as related to cooperative strength.

Studies have added to the literature in productive ways, providing a more comprehensive view of how strategic planning is developed in cooperatives and in some cases, its significance in relation to performance. However, the extent of strategic planning by cooperatives has not been described at the national level. This study explains the prevalence of planning among agricultural cooperatives, detailing certain aspects of its use, and assessing its use with financial position and change. Specifically, this study shows the extent of long-range strategic planning among agricultural cooperatives, how formally it is conducted by those who use it, and how financial position and change compare with its use.

This study assumes that farmer cooperative leaders understand long-range strategic planning and know whether they conduct it. Limitations of the survey instrument used prevented extensive questioning of specific aspects of strategic planning.

Survey Design and Response

Data for the study were collected using USDA's annual survey of farmer cooperatives. In addition to other questions, a question with four subcategories was asked about long-range strategic planning in the 1999 survey (for fiscal 1998).

The question asked if the cooperative conducts long-range strategic planning. If they did, the coopera-

¹ For example, RBS Research Report 112, *Strategic Planning: A Conceptual Model for Small and Midsize Farmer Cooperatives*; Research Report 103, *Strategic Planning Systems of Large Farmer Cooperatives*; and Cooperative Information Report 48, *Strategic Planning Handbook for Cooperatives*.

Table 1—Number of cooperatives surveyed on questions on strategic planning, and respondents, by type, 1998

| Cooperative type ¹ | Number of Cooperatives | | Response Rate |
|-------------------------------|------------------------|--------------------------|---------------|
| | Surveyed ² | Respondents ³ | |
| | Number | | Percent |
| Marketing | 1,388 | 612 | 44.1 |
| Farm supply | 1,101 | 554 | 50.3 |
| Service | 327 | 116 | 35.5 |
| Total | 2,816 | 1,282 | 45.5 |

¹ See appendix note 1 for description of type categories.

² Number of cooperatives sent questionnaires with strategic planning questions.

³ Number of cooperatives that responded to questionnaire questions.

tives were asked to indicate: (1) whether plans are put into a formal written document; (2) how involved (very, somewhat, or not) the board of directors are in the planning; (3) whether the plans are actively monitored; and (4) how often the plans are revised (months). (Appendix note 2 shows questions used in the survey)

About 77 percent (2,816) of 3,651 U.S. farmer cooperatives were asked to provide information on their degree of long-range strategic planning. The remaining 23 percent (835)—fishery, wool and mohair, tobacco, and other selected cooperatives—were polled, but not on the strategic planning issue. Of those 2,816 cooperatives sent surveys with strategic planning questions, 1,282 responded (45 percent) to the surveys.

The annual survey of farmer cooperatives collects other data (i.e., financial, operational, structural, etc.). Those corresponding to strategic planning question respondents were combined with the strategic planning data. This allowed for cross tabulation of strategic planning results by cooperative type, size, structure, region, and financial position.

Table 1 shows response rates by overall cooperative type (marketing, farm supply, and service). Questionnaires were sent to 1,388 marketing cooperatives, the largest type to be surveyed, of which 612 (44 percent) responded. Half of the farm supply cooperatives, the second largest group (1,101) surveyed, provided information. Of the 327 service cooperatives, only 116 (36 percent) responded.

Appendix table 1 provides the response rates of cooperatives with a further breakdown of type (i.e., marketing and service). The smallest group surveyed was other service (90), of which 35 responded (39 per-

cent). The lowest response rate (31 percent) was among dairy cooperatives where only 53 out of 168 responded.

Furthermore, appendix table 2 shows survey response rates of cooperatives by region—North Central had 536 out of 1,026 (52 percent) responding. The Northeast region had the lowest response (43 out of 135 cooperatives or 32 percent).

Results are reported for respondents from cooperatives that conduct long-range strategic planning and those that do not conduct long-range strategic planning. The attributes related to such planning (i.e., degree of director involvement, the writing and monitoring of plans and length of planning interval) are reported for those who conduct strategic planning.

Results—Strategic Planning Incidence and Aspects

This section reports on the incidence of long-range strategic planning by cooperatives and the various aspects of it. ²

Of the 1,282 respondent cooperatives across the United States, 673 (52 percent) conduct long-range strategic planning, while 609 (48 percent) do not conduct long-range strategic planning (table 2). This sample indicates that strategic planning is conducted by slightly more than half of the farmer cooperatives.

Planning by Type and Structure

Respondents were classified by type or function categories (appendix note 1 explains methodology). Seven categories of cooperative type are consolidated into groupings of marketing, farm supply, and service. In some instances, data pertaining to all seven categories (dairy, fruit and vegetable, grain and oilseed, other marketing, farm supply, cotton gin, and other service) are shown in appendix tables and referred to in the text.

Table 2 shows respondents who do or do not conduct long-range strategic planning by type and structure. Marketing cooperatives (57 percent) do more strategic planning than farm supply cooperatives (52 percent). Only 32 percent of service cooperatives are planners.

² Strategic planning refers to long-range strategic planning and the terminology planners and non-planners refers to those cooperatives that do or do not conduct long-range strategic planning.

Table 2—Degree of long-range strategic planning by type and by structure, 1998

| Category | Planners | | Non-planners | | Total ¹ | |
|------------------------|----------|----------------------|--------------|---------|--------------------|---------|
| | No. | Percent ² | No. | Percent | No. | Percent |
| All respondents | 673 | 52.5 | 609 | 47.5 | 1,282 | 100.0 |
| Marketing ³ | 349 | 57.0 | 263 | 43.0 | 612 | 47.7 |
| Farm supply | 287 | 51.8 | 267 | 48.2 | 554 | 43.2 |
| Service | 37 | 31.9 | 79 | 68.1 | 116 | 9.1 |
| Local | 584 | 50.7 | 567 | 49.3 | 1,151 | 89.8 |
| Regional | 57 | 73.1 | 21 | 26.9 | 78 | 6.1 |
| Regional federated | 17 | 58.6 | 12 | 41.4 | 29 | 2.3 |
| Regional mixed | 14 | 63.6 | 8 | 36.4 | 22 | 1.7 |

¹ Category total number and percent of all respondents.

² Percent of total for category.

³ See appendix note 1 for explanation of type/function categories and see appendix table 2 for further breakdown of type statistics.

The other marketing and grain and oilseed cooperative types have the highest proportions (63 and 62 percent, respectively) of planners (appendix table 3). Excluding those and farm supply, the proportion of cooperative planners in the other groupings is lower than non-planners—less than 50 percent of dairy, fruit and vegetable, cotton gin, and other marketing cooperative types were planners.

Regional and regional mixed cooperatives have the highest proportions of planners (73 and 64 percent, respectively). Fifty-nine percent of regional federated cooperatives are planners. Of all four structural groupings shown in table 2, local cooperatives (51 percent) have the lowest proportion of planners.

Planning by Size and Overall Type

To provide a deeper sense of strategic planning in the respondent cooperatives, table 3 divides respondents by size and by size and overall type.

Cooperatives are grouped by size according to total sales. Small cooperatives have total sales up to \$5 million, medium have sales from \$5 million up to \$10 million, large have sales from \$10 million up to \$20 million, and super have sales of \$20 million and more.

The small cooperatives group is the largest (436) of which 134 (31 percent) conduct strategic planning and 302 (69 percent) do not plan. Fifty-three percent of the medium cooperatives and about 60 percent of the large cooperatives are planners. Of the 357 super cooperatives, 264 (74 percent) are planners.

An additional analysis was conducted on the largest cooperative respondents to see if strategic planning increased as cooperatives grow. A super category

was developed breaking sales into groups of greater than \$100 million, \$50 million up to \$100 million, and \$20 million up to \$50 million.

Proportionally, more of the largest grouping of super respondents are planners. Eighty-three percent of those with over \$100 million in sales conduct strategic planning, 76 percent of those in the \$50 to \$100 million grouping, and 70 percent of those in the \$20 million to \$50 million grouping.

Fifty percent or more of large and super respondents in each overall type grouping are planners. The highest proportion of planners are super farm supply cooperatives (78 percent), while the lowest proportion are small service cooperatives (26 percent). Small- and medium-sized cooperatives do the least amount of planning across cooperative types in general, with the exception of medium farm supply cooperatives—63 percent of those are planners.

Most farm supply respondents are small (44 percent) and a major proportion (67 percent) of those are non-planners. On the other hand, most marketing respondents fall into the super category (46 percent) and the major proportion of those (73 percent) are planners. Overall, 70 percent of large and super farm supply cooperatives and 68 percent of the same marketing cooperatives are planners.

Planning by Region and Size

Table 4 shows respondents as grouped into six regional categories according to the State where they are headquartered—Pacific, Intermountain, Great Plains, Southeast, North Central, and Northeast (table 3 footnote lists States in each region).

Table 3—Degree of long-range strategic planning by overall type and size, 1998

| Size/overall type ¹ | Planners | | Non-planners | | Total ² | |
|--------------------------------|----------|---------|--------------|---------|--------------------|---------|
| | No. | Percent | No. | Percent | No. | Percent |
| All respondents | 673 | 52.5 | 609 | 47.5 | 1282 | 100.0 |
| Small | 134 | 30.7 | 302 | 69.3 | 436 | 34.0 |
| Medium | 139 | 53.3 | 122 | 46.7 | 261 | 20.4 |
| Large | 136 | 59.6 | 92 | 40.4 | 228 | 17.8 |
| Super | 264 | 73.9 | 93 | 26.1 | 357 | 27.8 |
| Marketing | 349 | 57.0 | 263 | 43.0 | 612 | 47.7 |
| Small | 31 | 30.1 | 72 | 69.9 | 103 | 16.8 |
| Medium | 39 | 40.6 | 57 | 59.4 | 96 | 15.7 |
| Large | 76 | 57.1 | 57 | 42.9 | 133 | 21.7 |
| Super | 203 | 72.5 | 77 | 27.5 | 280 | 45.8 |
| Farm Supply | 287 | 51.8 | 267 | 48.2 | 554 | 43.2 |
| Small | 80 | 32.8 | 164 | 67.2 | 244 | 44.0 |
| Medium | 90 | 62.9 | 53 | 37.1 | 143 | 25.8 |
| Large | 59 | 63.4 | 34 | 36.6 | 93 | 16.8 |
| Super | 58 | 78.4 | 16 | 21.6 | 74 | 13.4 |
| Service | 37 | 31.9 | 79 | 68.1 | 116 | 9.1 |
| Small | 23 | 25.8 | 66 | 74.2 | 89 | 76.7 |
| Medium | 10 | 45.5 | 12 | 54.5 | 22 | 19.0 |
| Large | 1 | 50.0 | 1 | 50.0 | 2 | 1.7 |
| Super | 3 | 100.0 | | | 3 | 2.6 |

¹ Size measured in terms of total sales: small—up to \$5 million; medium—\$5 million to \$10 million; large—\$10 million to \$20 million; and super—\$20 million and more. Overall marketing includes the types of dairy, fruit and vegetable, grain and oilseed, and other marketing. Service groups the types of cotton ginning and other service. Farm supply is the same.

² Category total and percent of all respondents; size total and percent of type total; i.e., size category totals of all respondents shown as a percent of all respondents, overall type totals shown as a percent of all respondents, while totals of size groupings under overall types shown as a percent of the total overall type.

The North Central region is largest with 536 respondents (42 percent of all respondents). Fifty-eight percent of those are planners and 42 percent are non-planners. Of the 571 in the Great Plains, 188 (51 percent) are planners. Less than 50 percent of respondents in the Northeast and Southeast regions are planners. Proportionally, respondents in the Intermountain region do the most strategic planning and those in the Southeast do the least.

Strategic planning is done by proportionally more super cooperatives (than other sizes) in all regions except the Intermountain region—71 percent in the Pacific region, 80 percent in the Intermountain, 76 percent in the Great Plains, 52 percent in the Southeast, 77 percent in the North Central, and 73 percent in the Northeast. The most strategic planning is done by medium cooperatives (90 percent) in the Intermountain region. Across all regions, less than 40 percent of small cooperatives are planners.

Written Formality and Monitoring

Out of those 673 cooperatives who conduct strategic planning, 58 percent formally write their plans, and 74 percent actively monitor them (table 5).

By Type and Size—Table 5 shows that while monitoring plans seems to be prevalent among cooperative strategic planners of all types and sizes, formally writing plans is not prevalent among them. A slim majority of farm supply (62 percent) and marketing planners (57 percent) write their plans, but only 38 percent of service planners write their plans.

The further breakdown of cooperative types reveals more information about strategic planning. The majority of fruit and vegetable (51 percent), grain and oilseed (59 percent), and other marketing (59 percent) respondents that conduct strategic planning formally puts them in writing, while most dairy (62 percent),

Table 4—Degree of long-range strategic planning overall and by size and region, 1998

| Size/Region ¹ | Planners | | Non-planners | | Total | |
|--------------------------|----------|---------|--------------|---------|-------|---------|
| | No. | Percent | No. | Percent | No. | Percent |
| All respondents | 673 | 52.5 | 609 | 47.5 | 1,282 | 100.0 |
| Pacific | 62 | 51.2 | 59 | 48.8 | 121 | 9.4 |
| Small | 16 | 39.0 | 25 | 61.0 | 41 | 33.9 |
| Medium | 1 | 10.0 | 9 | 90.0 | 10 | 8.3 |
| Large | 10 | 47.6 | 11 | 52.4 | 21 | 17.4 |
| Super | 35 | 71.4 | 14 | 28.6 | 49 | 40.5 |
| Intermountain | 42 | 65.6 | 22 | 34.4 | 64 | 5.0 |
| Small | 7 | 35.0 | 13 | 65.0 | 20 | 31.2 |
| Medium | 17 | 89.5 | 2 | 10.5 | 19 | 29.6 |
| Large | 6 | 60.0 | 4 | 40.0 | 10 | 15.6 |
| Super | 12 | 80.0 | 3 | 20.0 | 15 | 23.4 |
| Great Plains | 188 | 50.7 | 183 | 49.3 | 371 | 28.9 |
| Small | 56 | 33.9 | 109 | 66.1 | 165 | 44.5 |
| Medium | 42 | 53.2 | 37 | 46.8 | 79 | 21.3 |
| Large | 29 | 61.7 | 18 | 38.3 | 47 | 12.7 |
| Super | 61 | 76.3 | 19 | 23.8 | 80 | 21.6 |
| Southeast | 50 | 34.0 | 97 | 66.0 | 147 | 11.5 |
| Small | 15 | 22.4 | 52 | 77.6 | 67 | 45.6 |
| Medium | 17 | 48.6 | 18 | 51.4 | 35 | 23.8 |
| Large | 4 | 22.2 | 14 | 77.8 | 18 | 12.2 |
| Super | 14 | 51.9 | 13 | 48.1 | 27 | 18.3 |
| North Central | 313 | 58.4 | 223 | 41.6 | 536 | 41.8 |
| Small | 32 | 27.1 | 86 | 72.9 | 118 | 22.0 |
| Medium | 61 | 53.0 | 54 | 47.0 | 115 | 21.4 |
| Large | 86 | 67.2 | 42 | 32.8 | 128 | 23.9 |
| Super | 134 | 76.6 | 41 | 23.4 | 175 | 32.6 |
| Northeast | 18 | 41.9 | 25 | 58.1 | 43 | 3.4 |
| Small | 8 | 32.0 | 17 | 68.0 | 25 | 58.1 |
| Medium | 1 | 33.3 | 2 | 66.7 | 3 | 6.9 |
| Large | 1 | 25.0 | 3 | 75.0 | 4 | 9.3 |
| Super | 8 | 72.7 | 3 | 27.3 | 11 | 25.6 |

¹ Size measured in terms of total sales: small—up to \$5 million, medium—\$5 million to \$10 million, large—\$10 million to \$20 million, and super—\$20 million and more. States included in each region: Pacific—CA, OR, WA, AK, and HI; Intermountain—AZ, NM, CO, UT, NM, ID, WY, and MT; Great Plains—ND, SC, NE, KS, OK, and TX; Southeast—AR, LA, MS, AL, GA, FL, SC, NC, TN, KY, VA, and WV; North Central—MN, IA, MO, IL, WI, IN, OH, and MI; Northeast—MD, DC, DE, PA, NY, NJ, CT, RI, MA, VT, NH, and ME.

Table 5—Strategic planning attributes of cooperative planners by type, 1998

| Type ¹ | Formally Write Plans | | Don't Formally Write Plans | | Actively Monitor Plans | | Don't Actively Monitor Plans | |
|-------------------------|----------------------|---------|----------------------------|---------|------------------------|---------|------------------------------|---------|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| All respondents (n=673) | 387 | 57.5 | 286 | 42.5 | 495 | 73.6 | 178 | 26.4 |
| Marketing (n=349) | 198 | 56.7 | 151 | 43.3 | 257 | 73.6 | 92 | 26.4 |
| Farm supply (n=287) | 177 | 61.7 | 110 | 38.3 | 212 | 73.9 | 75 | 26.1 |
| Service (n=37) | 12 | 32.4 | 25 | 67.6 | 20 | 54.1 | 17 | 45.9 |

¹ See appendix note 1 for explanation of type/function categories and see footnote 1 in table 3 for further breakdown of type statistics.

Table 6—Strategic planning attributes of cooperative planners by overall type and size, 1998

| Type/Size ¹ | Formally Write Plans | | Don't Formally Write Plans | | Actively Monitor Plans | | Don't Actively Monitor Plans | |
|-------------------------|----------------------|---------|----------------------------|---------|------------------------|---------|------------------------------|---------|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| All respondents (n=673) | 387 | 57.5 | 286 | 42.5 | 495 | 73.6 | 178 | 26.4 |
| Small | 60 | 44.8 | 74 | 55.2 | 81 | 60.4 | 53 | 39.6 |
| Medium | 71 | 51.1 | 68 | 48.9 | 103 | 74.1 | 36 | 25.9 |
| Large | 76 | 55.9 | 60 | 44.1 | 96 | 70.6 | 40 | 29.4 |
| Super | 180 | 68.2 | 84 | 31.8 | 215 | 81.4 | 49 | 18.6 |
| Farm supply (n=287) | 177 | 61.7 | 110 | 38.3 | 212 | 73.9 | 75 | 26.1 |
| Small (n=80) | 42 | 52.5 | 38 | 47.5 | 48 | 60.0 | 32 | 40.0 |
| Medium (n=90) | 50 | 55.6 | 40 | 44.4 | 69 | 76.7 | 21 | 23.3 |
| Large (n=59) | 40 | 67.8 | 19 | 32.2 | 45 | 76.3 | 14 | 23.7 |
| Super (n=58) | 45 | 77.6 | 13 | 22.4 | 50 | 86.2 | 8 | 13.8 |
| Marketing (n=349) | 198 | 56.7 | 151 | 43.3 | 263 | 75.4 | 86 | 24.6 |
| Small (n=31) | 14 | 45.2 | 17 | 54.8 | 23 | 74.2 | 8 | 25.8 |
| Medium (n=39) | 16 | 41.0 | 23 | 59.0 | 27 | 69.2 | 12 | 30.8 |
| Large (n=76) | 35 | 46.1 | 41 | 53.9 | 50 | 65.8 | 26 | 34.2 |
| Super (n=203) | 133 | 65.5 | 70 | 34.5 | 163 | 80.3 | 40 | 19.7 |
| Service (n=37) | 12 | 32.4 | 25 | 67.6 | 20 | 54.1 | 17 | 45.9 |
| Small (n=23) | 4 | 17.4 | 19 | 82.6 | 10 | 43.5 | 13 | 56.5 |
| Medium (n=10) | 5 | 50.0 | 5 | 50.0 | 7 | 70.0 | 3 | 30.0 |
| Large (n=1) | 1 | 100.0 | 0 | 0.0 | 1 | 100.0 | 0 | 0.0 |
| Super (n=3) | 2 | 66.7 | 1 | 33.3 | 2 | 66.7 | 1 | 33.3 |

¹ See appendix note 1 for explanation of type/function categories and see footnote 1 in table 3 for further breakdown of type statistics.

cotton ginning (68 percent), and other service (67 percent) cooperative planners do not write their plans (appendix table 4).

Seventy-four percent of marketing and farm supply planners monitor plans, as do 54 percent of service cooperative planners (table 5). Appendix table 4 shows that the majority of most cooperative types (above 60 percent) actively monitor their plans. But only half of

the dairy and cotton ginning cooperative planners actively monitor their plans. Most monitoring is done by other marketing cooperatives, followed by grain and oil, and then farm supply.

More super cooperative planners write and actively monitor their strategic plans than those in smaller sizes (table 6). Sixty-eight percent of super cooperatives formally write their strategic plans and

81 percent actively monitor them. Only 45 percent of small planners write their strategic plans, but 60 percent actively monitor them. A slight majority of medium (51 percent) and large (56 percent) cooperatives write their plans, but a good proportion (74 and 71 percent, respectively) of these planners monitor their plans.

Proportionally more farm supply cooperatives across size groupings than marketing cooperatives formally write their plans, but more marketing cooperatives across size groupings actively monitor strategic plans. More super-sized cooperatives in both the farm supply and marketing categories write and monitor their strategic plans than do other sized cooperatives in those type groupings.

By Region and Size—Proportionately more of the cooperative planners in the Pacific and Intermountain regions write and actively monitor their strategic plans than do planners in the other regions (table 7). However, 50 percent or more of the cooperative planners in every region but the Northeast write their plans and 72 percent of those in the same regions actively monitor their plans. More Northeast planners do not write plans (67 percent) than do, and only 50 percent actively monitor them.

Higher proportions of small planners in the Great Plains, Southeast, and Northeast, medium planners in the North Central, and large in the Northeast, did not write plans.

Super-sized planners in the Great Plains (71 percent) and North Central (70 percent) regions had the highest proportions of formal strategic plan writers. Ninety-three percent of super-sized cooperatives in the North Central region actively monitor plans, the highest proportion among respondents by type and size.

Directors' Involvement

A majority (58 percent) of the 673 cooperative respondents who conduct strategic planning said directors are "very" involved in the process, while 40 percent said their directors are "somewhat" involved (table 8). Only 2 percent indicated that their directors are not involved.

Fifty percent or more of planners in all six regions, in each size category, and in the three different types, have directors who are "very" involved in the process. The highest proportions are cooperatives in the Pacific region (66 percent) and those of super size (63 percent). The lowest proportions of planners with "very" involved directors are small and in the Northeast. Similar proportions of marketing, farm supply, and service types have "very" involved directors

(all in the 57- to 59-percent range). Planners with the highest proportion of "somewhat" involved directors are small (46 percent) and in the Northeast (50 percent).

Over 80 percent of dairy cooperative planners have directors who are "very" involved in the process (appendix table 5). Other marketing cooperatives (51 percent) have the lowest proportion of planners whose directors are "very" involved in the process.

Planning Session Interval

Cooperative respondents who conduct strategic planning do so every 11 months on average (table 9). The minimum and maximum planning interval of the respondents is 1 month and 60 months, respectively.

By Region, Size, and Type—Pacific region cooperatives have the longest average planning interval (12 months), while those in the Northeast have the shortest (9 months). A number of cooperatives in the Pacific, Great Plains, and North Central regions have planning intervals of up to 5 years; Intermountain up to 3 years; Southwest up to 2 years; and Northeast up to 1 year. The shortest planning interval is 1 month in every region (and for all size and type categories).

Across size groupings, respondents have similar average planning intervals—small cooperatives 11 months and medium-, large-, and super-sized cooperatives, 12 months. Small and large cooperatives had a maximum interval of 4 years, and medium and large, a maximum of 5 years. Marketing and farm supply planners have an average planning interval of 10.5 months. Service planners' interval is 12 months.

Appendix table 6 shows that dairy cooperatives have the shortest average planning interval of 10 months, followed by fruit and vegetable, grain and oilseed, other marketing, farm supply, and other service cooperatives at 11 months. The longest average interval is in cotton ginning cooperatives at 13 months.

Maximum interval periods of 5 years include some grain and oilseed, and farm supply cooperatives. Eighteen months was the longest interval among dairy cooperatives, while fruit and vegetable had 2 years, and 3 years for other service, and 4 years for other marketing and cotton ginning cooperatives.

Summary—Prevalence and Attributes

Strategic planning is conducted by slightly over half of the farmer cooperatives. Marketing cooperatives, excluding dairy and fruit and vegetables, conduct proportionately more strategic planning than

Table 7—Strategic planning attributes of cooperative planners by region and size, 1998

| Region/Size ¹ | Formally Write Plans | | Don't Formally Write Plans | | Actively Monitor Plans | | Don't Actively Monitor Plans | |
|--------------------------|----------------------|---------|----------------------------|---------|------------------------|---------|------------------------------|---------|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| Pacific (n=62) | 41 | 66.1 | 21 | 33.9 | 51 | 82.3 | 11 | 17.7 |
| Small | 9 | 56.3 | 7 | 43.8 | 13 | 81.3 | 3 | 18.8 |
| Medium | 1 | 100.0 | 0 | 0.0 | 1 | 100.0 | 0 | 0.0 |
| Large | 7 | 70.0 | 3 | 30.0 | 8 | 80.0 | 2 | 20.0 |
| Super | 24 | 68.6 | 11 | 31.4 | 29 | 82.9 | 6 | 17.1 |
| Intermountain (n=42) | 28 | 66.7 | 14 | 33.3 | 35 | 83.3 | 7 | 16.7 |
| Small | 4 | 57.1 | 3 | 42.9 | 5 | 71.4 | 2 | 28.6 |
| Medium | 11 | 64.7 | 6 | 35.3 | 15 | 88.2 | 2 | 11.8 |
| Large | 5 | 83.3 | 1 | 16.7 | 5 | 83.3 | 1 | 16.7 |
| Super | 8 | 66.7 | 4 | 33.3 | 10 | 83.3 | 2 | 16.7 |
| Great Plains (n=188) | 103 | 54.8 | 85 | 45.2 | 135 | 71.8 | 53 | 28.2 |
| Small | 22 | 39.3 | 34 | 60.7 | 33 | 58.9 | 23 | 41.1 |
| Medium | 23 | 54.8 | 19 | 45.2 | 31 | 73.8 | 11 | 26.2 |
| Large | 15 | 51.7 | 14 | 48.3 | 22 | 75.9 | 7 | 24.1 |
| Super | 43 | 70.5 | 18 | 29.5 | 49 | 80.3 | 12 | 19.7 |
| Southeast (n=50) | 25 | 50.0 | 25 | 50.0 | 37 | 74.0 | 13 | 26.0 |
| Small | 6 | 40.0 | 9 | 40.0 | 9 | 60.0 | 6 | 40.0 |
| Medium | 9 | 52.9 | 8 | 47.1 | 12 | 70.6 | 5 | 29.4 |
| Large | 2 | 50.0 | 2 | 50.0 | 3 | 75.0 | 1 | 25.03 |
| Super | 8 | 57.1 | 6 | 42.9 | 13 | 92.9 | 1 | 7.1 |
| North Central (n=313) | 184 | 58.8 | 129 | 41.2 | 228 | 72.8 | 85 | 27.2 |
| Small | 16 | 50.0 | 16 | 50.0 | 17 | 53.1 | 15 | 56.9 |
| Medium | 27 | 44.3 | 34 | 55.7 | 44 | 72.1 | 17 | 27.9 |
| Large | 47 | 54.7 | 39 | 45.3 | 58 | 67.4 | 28 | 32.6 |
| Super | 94 | 70.1 | 40 | 29.9 | 109 | 81.3 | 25 | 18.7 |
| Northeast (n=18) | 6 | 33.3 | 12 | 66.7 | 9 | 50.0 | 9 | 50.0 |
| Small | 3 | 37.5 | 5 | 62.5 | 4 | 50.0 | 4 | 50.0 |
| Medium | 1 | 100.0 | 1 | 100.0 | | | | |
| Large | 1 | 100.0 | 1 | 100.0 | | | | |
| Super | 3 | 37.5 | 5 | 62.5 | 5 | 62.5 | 3 | 37.5 |

¹ States included in each region: Pacific—CA, OR, WA, AK, and HI. Intermountain—AZ, NM, CO, UT, NM, ID, WY, and MT. Great Plains—ND, SC, NE, KS, OK, and TX. Southeast—AR, LA, MS, AL, GA, FL, SC, NC, TN, KY, VA, and WV. North Central—MN, IA, MO, IL, WI, IN, OH, and MI. Northeast—MD, DC, DE, PA, NY, NJ, CT, RI, MA, VT, NH, and ME. Size measured in terms of total sales: Small—up to \$5 million. Medium—\$5 million to \$10 million. Large—\$10 million to \$20 million. Super—\$20 million and more. n=number of cooperatives in category who conduct strategic planning.

Table 8—Directors' involvement in cooperative strategic planning, by region, size, and type

| Category ¹ | Directors Very Involved | | Directors Somewhat Involved | | Directors Not Involved | |
|------------------------------------|----------------------------|---------|--------------------------------|---------|---------------------------|---------|
| | No. | Percent | No. | Percent | No. | Percent |
| United States (n=673) ² | 394 | 58.5 | 268 | 39.8 | 12 | 1.8 |
| Region: | | | | | | |
| Pacific (n=62) | 24 | 66.1 | 20 | 32.3 | 1 | 1.6 |
| Intermountain (n=42) | 24 | 57.1 | 17 | 40.5 | 1 | 2.4 |
| Great Plains (n=188) | 107 | 56.9 | 76 | 40.4 | 6 | 3.2 |
| Southeast (n=50) | 29 | 58.0 | 20 | 40.0 | 1 | 2.0 |
| NorthCentral (n=313) | 184 | 58.8 | 126 | 40.3 | 3 | 1.0 |
| Northeast (n=18) | 9 | 50.0 | 9 | 50.0 | | |
| Size: | | | | | | |
| Small (n=134) | 67 | 50.0 | 62 | 46.3 | 5 | 3.7 |
| Medium (n=139) | 80 | 57.6 | 57 | 41.0 | 3 | 2.2 |
| Large (n=136) | 81 | 59.6 | 54 | 39.7 | 1 | 0.7 |
| Super (n=264) | 166 | 62.9 | 95 | 36.0 | 3 | 1.1 |
| Type ³ | | | | | | |
| Marketing (n=349) | 208 | 59.5 | 136 | 38.8 | 6 | 1.7 |
| Farm supply (n=287) | 164 | 57.1 | 118 | 41.1 | 5 | 1.7 |
| Service (n=37) | 22 | 59.5 | 14 | 37.8 | 1 | 2.7 |

¹ See previous tables for explanations of region, size, and type.

² Respondents who do long-range strategic planning.

³ See appendix note 1 for explanation of type/function categories and see footnote 1 in appendix table 3 for further breakdown of type statistics.

other types of cooperatives. Just over half of farm supply cooperatives plan while most service-type cooperatives don't plan.

Large cooperatives plan more than smaller cooperatives, which is consistent when comparing regional to local structure—more regionals plan than locals.

Most planners are in the North Central region, but a higher proportion relative to the number of respondents are in the Intermountain region.

More than half of planners formally write their plans (58 percent), but many do not write their plans, especially among dairy, cotton gin, and service cooperatives. Farm supply planners are most active in writing plans. A majority of medium and larger planners formally write their plans, while most in the small size groupings do not. A majority of planners in the Pacific, Intermountain, Great Plains and North Central regions formally write their plans, 50 percent in the Southeast, and only 33 percent in the Northeast.

Most cooperative planners actively monitor their plans. It's more prevalent among fruit and vegetable, grain and oilseed, other marketing, and farm supply cooperatives. A majority of cooperative planners of all sizes actively monitor their plans, with super planners doing the most monitoring. A relatively high majority of cooperative planners in every region actively monitor their plans, but only half in the Northeast.

Directors are either "very" or "somewhat" involved in planning in 98 percent of cooperatives that plan while only 2 percent have directors who are "not" involved in planning. Small cooperative planners have the lowest proportion of directors who are "very" involved in planning, while super planners have the highest proportion of "very" involved directors. More than 80 percent of dairy cooperative planners have directors who are "very" involved compared with the lowest proportions in other marketing and other service.

Table 9—Strategic planning interval of cooperative planners by region, size, and type, 1998

| Category ¹ | Planning interval (months) | | |
|-----------------------|----------------------------|----------------------|--------------------|
| | Average | Maximum ² | Standard Deviation |
| United States (n=673) | 11.4 | 60 | 6.3 |
| Region: | | | |
| Pacific (n=62) | 12.3 | 60 | 9.1 |
| Intermountain (n=42) | 11.3 | 36 | 6.1 |
| Great Plains (n=188) | 11.6 | 60 | 7.0 |
| Southeast (n=50) | 10.4 | 24 | 5.1 |
| NorthCentral (n=313) | 11.5 | 60 | 5.4 |
| Northeast (n=18) | 9.2 | 12 | 4.2 |
| Size: | | | |
| Small (n=134) | 10.8 | 48 | 6.3 |
| Medium (n=139) | 11.7 | 60 | 6.2 |
| Large (n=136) | 11.6 | 48 | 5.9 |
| Super (n=264) | 11.5 | 60 | 6.6 |
| Type ³ | | | |
| Marketing (n=349) | 10.5 | 60 | 5.7 |
| Farm supply (n=287) | 10.6 | 60 | 3.9 |
| Service (n=37) | 12.2 | 48 | 9.4 |

¹ See previous tables for explanations of region, size, and type.

² The minimum planning interval was 1 month in all cases.

³ See appendix table 5 for further breakdown of type statistics.

The planning interval averaged 11 months among regions, sizes, and types of cooperatives.

Financial Position and Change

Financial data from the 1998 and 1994 annual surveys—corresponding to the strategic planning survey question respondents—were analyzed. Because pertinent financial data for some respondents were missing for the years analyzed, the data field was narrowed to 635 observations. The analysis is conducted on those 635, or 49.5 percent of the total respondents of the entire strategic planning data set.

Table 10 compares the cooperative long-range strategic planning proportions between the two data sets. Of the 635 cooperatives in the financial database, 362 (57 percent) conduct strategic planning, while 273 (43 percent) do not conduct strategic planning.

Financial Position in 1998

Table 11 shows financial data of cooperatives that do and do not plan. Proportionally more cooperatives in larger size categories conduct strategic planning than do those in the smaller categories. As further defined, average total sales of cooperatives that conduct strategic planning were \$79.8 million and average total assets were \$32.4 million in 1998. In contrast, average total sales of those that do not plan were \$21.9 million and total assets averaged \$5.8 million. For planners and non-planners combined, total sales for 1998 averaged \$54.9 million, and total assets about \$21 million.

This relative size difference was prevalent among all the balance sheet and income statement variables examined. For instance, average total equity for cooperative planners was \$13.7 million and \$3 million for non-planners.

Table 10—Degree of long-range strategic planning, all respondents and financial data base respondents

| | Planners | | Non-planners | | Total | |
|---------------------------------|----------|----------------------|--------------|---------|-------|-------------------|
| | No. | Percent ¹ | No. | Percent | No. | Percent |
| All respondents | 673 | 52.5 | 609 | 47.5 | 1,282 | 100.0 |
| Financial data base Respondents | 362 | 57.0 | 273 | 43.0 | 635 | 49.5 ² |

¹ Percent of total in row.

² Percent of all respondents.

Selected financial ratios show mixed results between planners and non-planners. Table 11 ratios indicate that planners and non-planners had nearly equal profitability in 1998 and both at healthy levels. However, planners were more leveraged and had lower asset turnover than non-planners. On average, planners had a significantly lower current ratio, a higher long-term liabilities to equity ratio, and a significantly lower sales to assets ratio. Yet, most ratios were in a healthy range.

Overall Cooperative Type—Similarly to overall respondents, farm supply cooperative planners are larger than non-planners (table 12). Average sales of farm supply cooperative planners were \$48.9 million in 1998 with total assets of \$29.1 million, compared with non-planners with total sales of \$9 million and total assets of \$4.1 million.

Farm supply cooperative planners were more profitable than non-planners (return on equity of 11 percent and 7.3 percent, respectively), but they were

slightly more leveraged. Asset turnover among planners and non-planners of farm supply cooperatives was similar.

Marketing cooperative planner numbers exceed non-planners (table 13). Average total sales of planners were \$110.1 million compared with \$39.4 million of non-planners. Total assets averaged \$36.9 million for marketing cooperative planners and about \$8.4 million for non-planners.

Marketing cooperative planners were slightly less profitable than non-planners with return on equity—12.4 percent versus 12.8 percent. Planners were more highly leveraged than non-planners with a current ratio of 1.6 and long-term liabilities to equity of 27 percent, compared with non-planners current ratio of 4.4 and long-term liabilities to equity of 15 percent. Asset turnover was also comparatively lower among marketing planners.

Table 14 shows that service cooperatives are smaller in terms of average sales and total assets com-

Table 11—Selected operating statement, balance sheet, and ratio data, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|------------------------------|--------------|--------------|------------------------------|
| Total sales | \$79,840,179 | \$21,927,617 | \$54,942,337 |
| Net income | 1,365,720 | 367,258 | 935,321 |
| Current assets | 16,178,122 | 3,241,075 | 10,616,210 |
| Long-term assets | 16,495,104 | 2,600,581 | 10,512,131 |
| Total assets | 32,396,469 | 5,841,656 | 20,979,990 |
| Working capital | 3,727,120 | 1,085,456 | 2,591,412 |
| Current liabilities | 12,451,002 | 2,155,619 | 8,024,798 |
| Long-term liabilities | 6,212,314 | 601,583 | 3,800,141 |
| Total liabilities | 18,663,316 | 2,757,202 | 11,824,939 |
| Total equity | 13,733,153 | 3,084,894 | 9,155,240 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 11.9% | 11.2% | 11.6% |
| Solvency: | | | |
| Current ratio | 1.8 | 4.6 | 3.0 |
| Long-term liabilities/equity | 22.5% | 17.9% | 20.5% |
| Operations: | | | |
| Sales to assets | 2.9 | 7.0 | 4.7 |

¹ Data presented are means.

² Those in financial data base, n=635.

Table 12—Selected financial statement and ratio data for farm supply cooperatives, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|------------------------------------|--------------|--------------|------------------------------|
| Farm Supply | | | |
| Total sales | \$48,945,586 | \$9,188,578 | \$30,937,185 |
| Net income | 1,253,394 | 254,631 | 799,411 |
| Current assets | 13,306,428 | 2,283,880 | 8,313,636 |
| Long-term assets | 16,392,212 | 1,843,654 | 9,802,273 |
| Total assets | 29,165,577 | 4,127,534 | 17,824,303 |
| Working capital | 3,593,888 | 1,048,723 | 2,441,026 |
| Current liabilities | 9,712,540 | 1,235,157 | 5,872,611 |
| Long-term liabilities | 5,517,080 | 441,021 | 3,217,821 |
| Total liabilities | 15,229,621 | 1,676,178 | 9,090,431 |
| Total equity | 13,935,955 | 2,451,356 | 8,733,872 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 11.0% | 7.3% | 9.4% |
| Solvency: | | | |
| Current ratio | 2.1 | 4.7 | 3.3 |
| Long-term liabilities to equity | 17.6% | 14.9% | 16.4% |
| Operations: | | | |
| Sales to assets | 2.0 | 2.5 | 2.2 |

¹ Data presented are means.

² Farm supply cooperatives (majority of sales are farm supply) in financial data base, n=287 (157 planners, 130 non-planners).

pared with farm supply and marketing cooperatives. However, service cooperative planners are relatively larger than non-planners. Average total sales of planners was \$5.8 million and total assets \$3.6 million compared with total sales and total assets of non-planners of \$2.6 million and \$2.4 million, respectively.

Service cooperative planners had relatively lower average profitability than non-planners, but both had high levels. Return on equity of planners was 15.1 percent in 1998 versus 25.1 percent for non-planners. Planners had a lower current ratio than non-planners (2.1 to 4.9, respectively), but were less leveraged—long-term liabilities to equity ratio of 13.4 percent versus 49.2 percent. Asset turnover was about the same for service cooperative planners and non-planners.

Comparison of Types—Of the three overall types analyzed, marketing cooperatives had the highest average total sales and the highest asset levels, followed by farm supply cooperatives. Working capital was also highest on average for marketing cooperatives, as were total liabilities and total equity. These findings held true among planners and non-planners in each grouping.

Table 15 shows the selected financial ratio statistics of the cooperative planners and non-planners by overall types. Service cooperatives had the highest relative profitability on average, followed by marketing cooperatives, but all three groupings had healthy levels.

From highest to lowest, the order of average profitability among the cooperatives was: 1) service non-

Table 13—Selected financial statement and ratio data for marketing cooperatives, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|---------------------------------|---------------|--------------|------------------------------|
| Marketing | | | |
| Total sales | \$110,113,176 | \$39,421,789 | \$89,924,181 |
| Net income | 1,510,875 | 469,409 | 1,110,311 |
| Current assets | 19,494,950 | 4,746,419 | 13,822,438 |
| Long-term assets | 17,584,316 | 794,189 | 12,195,165 |
| Total assets | 36,987,681 | 8,363,851 | 25,978,516 |
| Working capital | 4,035,084 | 1,309,073 | 2,986,618 |
| Current liabilities | 15,459,866 | 3,437,346 | 10,835,820 |
| Long-term liabilities | 7,175,619 | 794,189 | 4,721,223 |
| Total liabilities | 22,635,485 | 4,231,535 | 15,557,043 |
| Total equity | 14,352,196 | 4,133,317 | 10,421,858 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 12.4% | 12.8% | 12.5% |
| Solvency: | | | |
| Current ratio | 1.6 | 4.4 | 2.7 |
| Long-term liabilities to equity | 27.0% | 15.3% | 22.5% |
| Operations: | | | |
| Sales to assets | 3.8 | 12.9 | 7.3 |

¹ Data presented are means.

² Marketing cooperatives (majority of sales are marketing) in financial data base, n=312 (192 planners, 120 non-planners).

planners, 2) service planners, 3) marketing non-planners, 4) marketing planners, 5) farm supply planners, and 6) farm supply non-planners.

The current ratio was more than 4 for non-planner cooperatives in all three type categories and near or slightly less than 2 for planners. Current ratios among different cooperative types were similar. Service cooperative planners had the lowest long-term liabilities to equity ratio, followed by farm supply non-planners and then marketing non-planners. Service cooperative non-planners had the highest ratio, followed by marketing planners. Marketing cooperatives had the highest sales-to-asset turnovers of the types with marketing non-planners well above the norm.

Position by Size—Cooperatives that conduct strategic planning were larger than those that didn't in

terms of average total sales and total assets in all four size categories. But, the difference in average size between planners and non-planners was most significant in the super-size category.

Small cooperative planners averaged \$3.1 million in total sales and \$1.8 million in total assets in 1998 (table 16). Non-planners in this grouping averaged \$2.4 million in total sales and \$1.3 million in total assets. Average total equity was larger for planners (\$1.3 million) than non-planners (\$900,000).

Small cooperative planners had slightly higher average return on equity (8.6 percent) than non-planners (7.9 percent). The current ratio of planners in this group was lower than non-planners, but so was the long-term liabilities to equity ratio. Asset turnover was the same for both planners and non-planners.

Table 14—Selected financial statement and ratio data for service cooperatives, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|------------------------------------|-------------|--------------|------------------------------|
| Service | | | |
| Total sales | \$5,842,931 | \$2,656,934 | \$3,807,433 |
| Net income | 359,710 | 454,912 | 420,533 |
| Current assets | 1,872,343 | 797,339 | 1,185,535 |
| Long-term assets | 1,734,691 | 1,573,548 | |
| Total assets | 3,607,034 | 2,370,887 | 2,817,273 |
| Working capital | 787,771 | 126,374 | 365,212 |
| Current liabilities | 1,084,572 | 670,9656 | 820,323 |
| Long-term liabilities | 381,325 | 504,196 | 459,826 |
| Total liabilities | 1,465,597 | 1,175,161 | 1,280,149 |
| Total equity | 2,141,137 | 1,195,726 | 1,537,124 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 15.1% | 25.1% | 21.5% |
| Solvency: | | | |
| Current ratio | 2.1 | 4.9 | 3.9 |
| Long-term liabilities to equity | 13.4% | 49.2% | 36.3% |
| Operations: | | | |
| Sales to assets | 1.6 | 1.8 | 1.7 |

¹ Data presented are means.

² Service cooperatives in financial data base, n=36 (13 planners, 23 non-planners).

Table 15—Comparison of average financial ratios among types of cooperative planners and non-planners, 1998 ¹

| Ratio ² | ROE | CR | LTD/EQ | S/A |
|--------------------------|-------|-----|--------|------|
| Farm supply planners | 11.0% | 2.1 | 17.6% | 2.0 |
| Farm supply non-planners | 7.3% | 4.7 | 14.9% | 2.5 |
| Marketing planners | 12.4% | 1.6 | 27.0% | 3.8 |
| Marketing non-planners | 12.8% | 4.4 | 15.3% | 12.9 |
| Service planners | 15.1% | 2.1 | 13.4% | 1.6 |
| Service non-planners | 25.1% | 4.9 | 49.2% | 1.8 |

¹ Major types where farm supply is farm supply as previously determined, marketing includes all marketing, and service includes all service.

² Ratios are ROE = return on equity, CR = current ratio, LTD/EQ = long-term liabilities to equity, S/A = sales to assets turnover.

Table 16—Selected financial statement and ratio data for small size grouping cooperatives, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|---|-------------|--------------|------------------------------|
| Small size grouping (total sales up to \$5 million) | | | |
| Total sales | \$3,112,207 | \$2,354,562 | \$2,600,284 |
| Net income | 116,392 | 78,773 | 90,902 |
| Current assets | 813,533 | 674,891 | 719,856 |
| Long-term assets | 1,004,855 | 625,696 | 747,274 |
| Total assets | 1,801,641 | 1,300,587 | 1,463,091 |
| Working capital | 396,718 | 405,996 | 402,987 |
| Current liabilities | 416,815 | 268,895 | 316,869 |
| Long-term liabilities | 104,313 | 114,497 | 111,194 |
| Total liabilities | 521,128 | 383,392 | 428,063 |
| Total equity | 1,280,513 | 918,155 | 1,035,677 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 8.6% | 7.9% | 8.1% |
| Solvency: | | | |
| Current ratio | 2.9 | 6.2 | 5.1 |
| Long-term liabilities to equity | 8.9% | 21.1% | 17.1% |
| Operations: | | | |
| Sales to assets | 2.3 | 2.3 | 2.3 |

¹ Data presented are means.

² Small cooperatives in financial data base, n=185 (60 planners, 125 non-planners).

Medium cooperative planners were only slightly larger than non-planners with \$7.5 million to \$7.4 million in total sales, and \$3.7 million to \$3.4 million in total assets, respectively (table 17).

Medium planners had higher profitability than non-planners, but were more leveraged. Average return on equity was relatively high for both at 14.8 percent and 12.5 percent, respectively. Asset turnover was lower for medium planners than non-planners.

Large cooperatives had average sales of \$14.6 million for planners and \$14.2 million for non-planners, while assets were \$6.4 million and \$5.3 million, respectively (table 18). Total equity was \$3.8 million for planners and \$3.4 million for non-planners.

Large non-planners were more profitable than planners—average return on equity was 14 percent

and 11 percent, respectively. Large non-planners were also less leveraged than planners and had higher asset turnover.

Super cooperative planners had significantly higher average sales than non-planners, \$172 million to \$94 million (table 19). Total assets were significantly higher also, an average \$70 million for planners and \$21 million for non-planners. Total equity averaged \$28 million for planners and \$9 million for non-planners.

Super cooperative non-planners had higher profitability, were less leveraged, and had higher asset turnover than super planners.

Comparing Size—Table 20 compares the average financial ratios among the different cooperative size groupings for planners and non-planners. Super cooperative non-planners had the highest average prof-

Table 17—Selected financial statement and ratio data for medium size cooperatives, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|---|-------------|--------------|------------------------------|
| Medium size grouping (total sales \$5 million up to \$10 million) | | | |
| Total sales | \$7,549,655 | \$7,398,280 | \$7,480,422 |
| Net income | 248,074 | 320,084 | 281,267 |
| Current assets | 1,642,952 | 1,613,954 | 1,629,689 |
| Long-term assets | 2,103,905 | 1,746,322 | 1,940,360 |
| Total assets | 3,746,857 | 3,360,277 | 3,570,049 |
| Working capital | 668,798 | 700,724 | 683,400 |
| Current liabilities | 974,154 | 913,231 | 946,290 |
| Long-term liabilities | 291,348 | 267,591 | 280,483 |
| Total liabilities | 1,265,502 | 1,180,822 | 1,226,773 |
| Total equity | 2,481,355 | 2,179,455 | 2,343,277 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 14.8% | 12.5% | 13.7% |
| Solvency: | | | |
| Current ratio | 2.0 | 4.4 | 3.1 |
| Long-term liabilities to equity | 14.8% | 12.7% | 13.8% |
| Operations: | | | |
| Sales to assets | 2.3 | 3.2 | 2.7 |

¹ Data presented are means.

² Medium cooperatives in financial data base, n=129 (70 planners, 59 non-planners).

itability followed closely by medium planners and large non-planners. Small non-planners had the lowest average profitability followed by small planners.

Small and medium non-planners had the highest average current ratios, but all ratios were healthy. Super planners had the lowest average current ratio followed by large planners. Small planners had the lowest average long-term debt to total equity ratio, followed by medium non-planners, large non-planners, medium planners, large planners, super non-planners, small non-planners, and super planners.

Super non-planners had the highest average asset turnover, followed by large non-planners, medium non-planners, and super planners. The average was in the 2-3 range for all others.

Changes: 1994 Versus 1998

To gain some insight into whether long-range strategic planning has been a factor in helping cooperatives make changes to their financial status, an analysis compared financial data of the cooperatives for 1994 and 1998. The previous section reviewed cooperatives' financial status. This section provides additional detail. Changes to sales, income, assets, liabilities, equity, and some ratios were reviewed. Cooperatives were grouped into categories depending on whether they met the conditional change:

- increased sales equal to or greater than 15 percent
- increased sales between 5 and 15 percent
- increased sales up to 5 percent
- decreased sales
- increased pre-tax net income

Table 18—Selected financial statement and ratio data for large size cooperatives, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|---|--------------|--------------|------------------------------|
| Large size grouping (total sales \$10 million up to \$20 million) | | | |
| Total sales | \$14,627,251 | \$14,156,773 | \$14,464,874 |
| Net income | 394,627 | 403,054 | 397,535 |
| Current assets | 2,894,404 | 2,584,405 | 2,787,414 |
| Long-term assets | 3,455,961 | 2,728,133 | 3,204,763 |
| Total assets | 6,350,365 | 5,312,538 | 5,992,177 |
| Working capital | 875,268 | 1,080,283 | 946,025 |
| Current liabilities | 2,019,137 | 1,504,122 | 1,841,389 |
| Long-term liabilities | 560,056 | 361,764 | 111,194 |
| Total liabilities | 2,579,193 | 1,865,886 | 2,333,007 |
| Total equity | 3,771,172 | 3,446,653 | 3,659,169 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 11.3% | 14.4% | 12.4% |
| Solvency: | | | |
| Current ratio | 1.7 | 2.3 | 1.9 |
| Long-term liabilities to equity | 17.6% | 13.6% | 16.2% |
| Operations: | | | |
| Sales to assets | 2.6 | 4.5 | 3.3 |

¹ Data presented are means.

² Large cooperatives in financial data base, n=113 (74 planners, 39 non-planners).

- increased total assets
- decreased long-term liabilities
- increased total equity
- improved profitability (increased return on equity ratio)
- increased current ratio
- reduced long-term liabilities to equity ratio
- increased sales to assets ratio

A significant assumption is made in analyzing these changes. It is assumed that the cooperatives who conduct long-range strategic planning have been doing it for at least 5 years to provide a 5-year window of financial position review. Table 21 shows the percentage of cooperatives in the financial data base that met the established change conditions grouped by whether they do or do not conduct strategic planning.

Sales increased 15 percent or more for both planners and non-planners (57 and 41 percent, respective-

ly). Sales increased for 76 percent of planners (24 percent had sales decrease) and for 68 percent of non-planners (32 percent had decreased sales). Net income before taxes increased for 63 percent of planners and for 54 percent of non-planners.

Total assets increased for 86 percent of planners and 81 percent of non-planners. Long-term liabilities decreased for 30 percent of planners and for 32 percent of non-planners indicating that both groups became more leveraged over the period. Ninety percent of planners had total equity increase as did 82 percent of non-planners.

Return on equity increased for 49 percent of planners and 44 percent of non-planners signaling some loss in profitability among cooperatives in both groups during the period. Current asset ratio between 1994

Table 19—Selected financial statement and ratio data for super size cooperatives, 1998 ¹

| | Planners | Non-planners | All Respondents ² |
|---|---------------|--------------|------------------------------|
| Super size grouping (total sales greater than \$20 million) | | | |
| Total sales | \$171,547,595 | \$94,066,129 | \$152,922,243 |
| Net income | 27,841,121 | 1,110,443 | 2,379,851 |
| Current assets | 34,673,895 | 12,088,739 | 29,244,771 |
| Long-term assets | 34,762,226 | 8,446,326 | 28,436,289 |
| Total assets | 68,906,432 | 20,535,065 | 57,278,699 |
| Working capital | 7,682,460 | 3,242,123 | 6,615,072 |
| Current liabilities | 26,991,435 | 8,846,616 | 22,629,700 |
| Long-term liabilities | 13,802,281 | 2,400,465 | 11,061,460 |
| Total liabilities | 40,793,716 | 11,247,081 | 33,691,160 |
| Total equity | 28,112,715 | 9,287,985 | 23,587,540 |
| Ratios | | | |
| Profitability: | | | |
| Return on equity | 12.2% | 15.5% | 13.0% |
| Solvency: | | | |
| Current ratio | 1.4 | 2.7 | 1.7 |
| Long-term liabilities to equity | 33.3% | 19.8% | 30.0% |
| Operations: | | | |
| Sales to assets | 3.6 | 25.2 | 8.8 |

¹ Data presented are means.

² Super cooperatives in financial data base, n=208 (158 planners, 50 non-planners).

Table 20—Comparison of average financial ratios among sizes of cooperative planners and non-planners, 1998 ¹

| | ROE | CR | LTD/EQ | S/A |
|---------------------|-------|-----|--------|-----|
| Small Planners | 8.6% | 2.9 | 8.9% | 2.3 |
| Small Non-Planners | 7.9% | 6.2 | 21.1% | 2.3 |
| Medium Planners | 14.8% | 2.0 | 14.8% | 2.3 |
| Medium Non-Planners | 12.5% | 4.4 | 12.7% | 3.2 |
| Large Planners | 11.3% | 1.7 | 17.6% | 2.6 |
| Large Non-Planners | 14.4% | 2.3 | 13.6% | 4.5 |
| Super Planners | 12.2% | 1.4 | 33.3% | 3.6 |
| Super Non-Planners | 15.5% | 2.7 | 19.8% | 5.2 |

¹ Small cooperatives have sales from \$1 million up to \$5 million; medium have sales from \$5 million up to \$10 million, large have sales from \$10 million up to \$20 million, and super have sales of \$20 million or more.

Table 21—Change in selected financial indicators, comparing 1994 to 1998 ¹

| Change Effect | Planners | Non-planners |
|---|--------------------------------------|--------------|
| | Percent of cooperatives ² | |
| Sales increased greater than or equal to 15 percent | 57.2 | 41.0 |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 12.4 | 18.7 |
| Sales increased, but by less than 5 percent | 6.1 | 8.4 |
| Sales decreased | 24.3 | 31.9 |
| Net income before taxes increased | 63.3 | 54.2 |
| Total assets increased | 86.7 | 81.3 |
| Long-term liabilities decreased | 30.4 | 32.2 |
| Total equity increased | 90.3 | 81.7 |
| Return on equity increased | 49.4 | 43.6 |
| Current ratio increased | 46.1 | 44.3 |
| Sales to assets increased | 36.5 | 40.3 |

¹ Those in financial data base, n=635.

² Cooperatives that plan, n=362; cooperatives that don't plan, n=273.

and 1998 declined for 54 percent of planners and for 56 percent of non-planners. Asset turnover (sales to assets ratio) decreased for all the cooperatives.

Farm Supply Cooperatives—Fifty-two percent of planners increased sales by 15 percent or more, but only 33 percent of non-planners increased their sales by 15 percent or more (table 22). More farm supply cooperatives that don't plan had sales decrease than those that do plan (32 percent versus 23 percent). Net income before taxes increased for 54 percent of planning farm supply cooperatives and for 47 percent of non-planners.

A high percentage of both planning and non-planning cooperatives had increases in total assets and total equity from 1994 to 1998. A high percentage of both groups also increased long-term liabilities—74 percent of planners and 75 percent of non-planners.

Return on equity increased for 36 percent of the farm supply cooperative planners and for 29 percent of the non-planners. The number who had current ratio increases was about the same—40 percent for planners and 42 percent for non-planners. Sales to assets ratio increased for 25 percent of both groups.

Marketing Cooperatives—Sales increased more than or equal to 15 percent for 62 percent of planners and 49 percent of non-planners for the years studied. Sales decreased for 23 percent of planners versus 32 percent of non-planners.

Total assets increased among many planner and non-planner cooperatives (84 percent and 78 percent, respectively) as did long-term liabilities (66 percent and 63 percent, respectively). Total equity increased among more planners than non-planners, but both had a majority increase (91 percent and 77 percent, respectively).

Return on assets increased for 62 percent of the marketing cooperatives that plan, and for 59 percent of those that don't plan. Asset turnover increased for 46 percent of the planner cooperatives and for 55 percent of the non-planners.

Service Cooperatives—Only 46 percent of these planners had increased sales, while 61 percent of non-planners had an increase. Sales decreased for 54 percent of planners, but for only 39 percent of non-planners. Total assets increased for 54 percent of the planners and for 57 percent of the non-planners and long-term liabilities increased for 69 percent of planners and for 52 percent of non-planners.

More non-planner cooperatives had increased profitability than planners (44 percent to 31 percent, respectively), but profits in a majority of both groups declined. Still, the average return on equity of both groups remained at high levels for 1998. The current ratio increased for 69 percent of the planners and for 48 percent of the non-planners. Sales to assets ratio increased for only 38 percent of planners and for 48 percent of non-planners.

Table 22—Change in selected financial indicators, by type, comparing 1994 to 1998 ¹

| Change Effect | Planners | Non-planners |
|---|-------------------------|--------------|
| | Percent of cooperatives | |
| Farm Supply (n=130) | | |
| Sales increased greater than or equal to 15 percent | 52.9 | 33.1 |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 19.7 | 22.3 |
| Sales increased, but by less than 5 percent | 4.5 | 12.3 |
| Sales decreased | 22.9 | 32.3 |
| Net income before taxes increased | 54.1 | 46.9 |
| Total assets increased | 92.9 | 89.2 |
| Long-term liabilities decreased | 26.1 | 25.4 |
| Total equity increased | 92.4 | 88.5 |
| Return on equity increased | 36.3 | 29.2 |
| Current ratio increased | 40.1 | 42.3 |
| Sales to assets increased | 24.8 | 25.4 |
| Marketing (n=120) | | |
| Sales increased greater than or equal to 15 percent | 61.9 | 49.2 |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 7.3 | 15.8 |
| Sales increased, but by less than 5 percent | 7.3 | 5.0 |
| Sales decreased | 23.4 | 30.0 |
| Net income before taxes increased | 73.4 | 63.3 |
| Total assets increased | 83.8 | 77.5 |
| Long-term liabilities decreased | 33.8 | 36.7 |
| Total equity increased | 90.6 | 76.7 |
| Return on equity increased | 61.5 | 59.2 |
| Current ratio increased | 49.5 | 45.8 |
| Sales to assets increased | 45.8 | 55.0 |
| Service (n=23) | | |
| Sales increased greater than or equal to 15 percent | 38.5 | 43.5 |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 0.0 | 13.0 |
| Sales increased, but by less than 5 percent | 7.7 | 4.4 |
| Sales decreased | 53.8 | 39.1 |
| Net income before taxes increased | 23.1 | 47.8 |
| Total assets increased | 53.8 | 56.5 |
| Long-term liabilities decreased | 30.8 | 47.8 |
| Total equity increased | 61.5 | 69.6 |
| Return on equity increased | 30.8 | 43.5 |
| Current ratio increased | 69.2 | 47.8 |
| Sales to assets increased | 38.5 | 47.8 |

¹ Those in financial data base, n=635.

Table 23—Change in selected financial indicators, by size—small and medium, comparing 1994 to 1998 ¹

| Change Effect | Planners | Non-planners |
|---|-------------------------|--------------|
| | Percent of cooperatives | |
| Small—up to \$5 million in sales (n=185) | | |
| Sales increased greater than or equal to 15 percent | 35.0 | 28.8 |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 10.0 | 19.2 |
| Sales increased, but by less than 5 percent | 13.3 | 8.8 |
| Sales decreased | 41.7 | 43.2 |
| Net income before taxes increased | 46.7 | 39.2 |
| Total assets increased | 76.7 | 78.4 |
| Long-term liabilities decreased | 30.0 | 28.8 |
| Total equity increased | 83.3 | 77.6 |
| Return on equity increased | 36.7 | 28.8 |
| Current ratio increased | 58.3 | 44.8 |
| Sales to assets increased | 20.0 | 28.8 |
| Medium—sales from \$5 million up to \$10 million (n=129) | | |
| Sales increased greater than or equal to 15 percent | 54.3 | 45.8 |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 17.1 | 18.6 |
| Sales increased, but by less than 5 percent | 4.3 | 8.5 |
| Sales decreased | 24.3 | 27.1 |
| Net income before taxes increased | 60.0 | 66.1 |
| Total assets increased | 94.3 | 78.0 |
| Long-term liabilities decreased | 34.3 | 32.2 |
| Total equity increased | 88.6 | 86.4 |
| Return on equity increased | 41.4 | 50.8 |
| Current ratio increased | 41.4 | 45.8 |
| Sales to assets increased | 34.3 | 47.4 |

¹ Those in financial data base, n=635.

Small Cooperatives—Thirty-five percent of the planner group increased sales 15 percent or more, versus 29 percent of non-planners (table 23). Sales decreased for 42 percent of planners and for 43 percent of non-planners.

Net income before taxes increased for 46 percent of the planners and for 39 percent of non-planners. Long-term liabilities decreased for 30 percent of the planners and for 29 percent of the non-planners. Total equity increased for 83 percent of the small planners and for 78 percent of the non-planners.

Return on equity increased for 37 percent of the planners and for 29 percent of the non-planners while the current ratio increased for 58 percent of the plan-

ners and for 45 percent of the non-planners. Asset turnover decreased for more than 70 percent of both planners and non-planners.

Medium Cooperatives—Sales increased for 76 percent of cooperative planners in this group and for 73 percent of non-planners (table 23). Fifty-four percent of planners increased sales by 15 percent or more, versus 46 percent of the non-planner group.

Net income increased for 60 percent of the medium planners and 66 percent of the non-planners. Most of these planners and non-planners increased total assets, but for more planners (94 percent) than non-planners (78 percent). Long-term liabilities decreased

Table 24—Change in selected financial indicators, by size—large and super, comparing 1994 to 1998 ¹

| Change Effect | Planners | Non-planners | Percent of cooperatives | |
|---|----------|--------------|-------------------------|--------------|
| | | | Planners | Non-planners |
| Large—sales from \$10 million up to \$20 million (n=113) | | | | |
| Sales increased greater than or equal to 15 percent | 51.4 | 53.8 | | |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 17.6 | 23.1 | | |
| Sales increased, but by less than 5 percent | 2.7 | 10.3 | | |
| Sales decreased | 28.4 | 12.8 | | |
| Net income before taxes increased | 70.3 | 61.5 | | |
| Total assets increased | 81.1 | 94.9 | | |
| Long-term liabilities decreased | 33.8 | 38.5 | | |
| Total equity increased | 94.6 | 87.2 | | |
| Return on equity increased | 60.8 | 53.8 | | |
| Current ratio increased | 40.5 | 38.5 | | |
| Sales to assets increased | 33.8 | 38.5 | | |
| Super—sales of \$20 million or more (n=208) | | | | |
| Sales increased greater than or equal to 15 percent | 69.6 | 56.0 | | |
| Sales increased greater than or equal to 5 percent, but less than 15 percent | 8.9 | 14.0 | | |
| Sales increased, but by less than 5 percent | 5.7 | 6.0 | | |
| Sales decreased | 15.8 | 24.0 | | |
| Net income before taxes increased | 67.7 | 72.0 | | |
| Total assets increased | 89.9 | 82.0 | | |
| Long-term liabilities decreased | 27.2 | 36.0 | | |
| Total equity increased | 91.8 | 82.0 | | |
| Return on equity increased | 52.5 | 64.0 | | |
| Current ratio increased | 46.2 | 46.0 | | |
| Sales to assets increased | 44.9 | 62.0 | | |

¹ Those in financial data base, n=635.

for 34 percent of planners and 32 percent of the non-planners. More than 85 percent of both medium planners and non-planners had total equity increase.

Return on equity increased for only 41 percent of planners, but for 51 percent of the non-planners. Forty-one percent of medium planners increased current ratio, while 46 percent of non-planners increased it. Asset turnover increased for more medium non-planners than planners.

Large Cooperatives—Sales increased for 82 percent of these planners from 1994 to 1998 and for 87 percent of non-planners (table 24). However, net income increased for 70 percent of planners compared with 62

percent of non-planners. Long-term liabilities decreased for 34 percent of planners and for 39 percent of non-planners. Equity increased for 95 percent of planners and for 87 percent of non-planners.

Return on equity increased for more planners than non-planners, 61 percent to 54 percent, respectively. Current ratio increased for both planners and non-planners, 41 percent to 39 percent, respectively. Asset turnover increased for 34 percent of large planners and 39 percent of large non-planners.

Super Cooperatives—Seventy percent of planners increased sales by 15 percent or more, compared with 56 percent of non-planners. Overall, 84 percent of plan-

Table 25—Change in selected financial indicators, comparing 1994 to 1998 ¹

| | Sales | Income | Assets | L-T Liab | Equity |
|---|-------|--------|--------|----------|--------|
| -----Indicator increased for proportionately more planners than non-planners----- | | | | | |
| Overall | Yes | Yes | Yes | Yes | Yes |
| Farm Supply | Yes | Yes | Yes | No | Yes |
| Marketing | Yes | Yes | Yes | Yes | Yes |
| Service | No | No | No | No | No |
| Small | Yes | Yes | No | No | Yes |
| Medium | Yes | No | Yes | No | Yes |
| Large | No | Yes | No | Yes | Yes |
| Super | Yes | No | Yes | Yes | Yes |

ners and 76 percent of non-planners had some increased sales. Net income increased for 68 percent of planners and for 72 percent of non-planners.

Long-term liabilities decreased for 27 percent of planners and for 36 percent of non-planners. Most of both groups increased equity. Return on equity ratio increased for 53 percent of planners and for 64 percent of non-planners while the current ratio increased for 46 percent of both planners and non-planners. Asset turnover increased for 62 percent of non-planners and for 45 percent of planners.

Summary—Financial Position and Change

Both planners and non-planners were financially healthy in 1998. Their income levels were fairly high and positive and average financial ratios were either strong or relatively healthy.

Marketing cooperatives were largest and service cooperatives the smallest in terms of sales and assets in the three type categories analyzed. Service cooperatives had the highest average profitability. The only cooperative grouping under double digits for the profitability ratio (ROE) was farm supply planners. Service non-planners and marketing planners were the most leveraged and service planners, farm supply non-planners, and marketing non-planners were the least.

The small category of cooperative planners and non-planners was the only size grouping that had average profitability ratios (ROE) below double digits,

but were still healthy. Adequate financial strength was evident among both planning and non-planning cooperatives in all the size categories although profitability, leverage, and efficiency varied.

In comparing 1994 with 1998, more cooperative planners experienced an increase in sales, net income, total assets, and total equity than non-planners (table 25). Also, only a slightly higher proportion of planners than non-planners had an increase in long-term liabilities.

Similar proportion findings for the indicator changes fit marketing cooperative planners and non-planners, but that did not hold completely true for farm supply in that less planners had an increase in long-term liabilities. Opposite proportional results were found for service cooperatives—fewer planners than non-planners experienced increases.

Profitability, as measured by return on equity, increased for proportionally more overall, farm supply, marketing, small, and large planners than non-planners (table 26). Profitability decreased among service, medium, and super cooperative non-planners.

The current ratio increased for proportionately more overall, marketing, service, small, large, and super planners than non-planners. However, fewer farm supply and medium planners than non-planners had the current ratio increase. Fewer planners than non-planners, overall and in every type and size grouping, increased asset turnover.

Table 26—Change in selected financial ratios, comparing 1994 to 1998 ¹

| | ROE | CR | Sales to Assets |
|-------------|---|-----|-----------------|
| | Ratio increased for proportionately more planners than non-planners | | |
| Overall | Yes | Yes | No |
| Farm Supply | Yes | No | No |
| Marketing | Yes | Yes | No |
| Service | No | Yes | No |
| Small | Yes | Yes | No |
| Medium | No | No | No |
| Large | Yes | Yes | No |
| Super | No | Yes | No |

Study Implications

Even with all the attention given to long-range strategic planning in cooperatives in recent years, planning is being conducted by only half the farmer cooperatives in the United States. While this was somewhat surprising, the higher incidence of planning among larger cooperatives was not surprising. Large cooperatives, most regionals with wide and expanding geographic boundaries of service and greater complexity of operations, were expected to be significant planners. More planners were found in the large and super categories of varied types.

The region in which cooperatives operate has little to do with planning incidence, but size is a determining factor. This implies cooperatives are more likely to be strategic planners as they grow in size. However, it was rather surprising to find that many cooperative planners do not formalize their plans into writing. But, a significant majority monitors what it has planned which indicates the importance of following and perhaps adjusting plans.

One explanation for lack of formal plans may be that for many cooperatives, strategic planning goals, strategies, and results get recorded and written into meeting (board, strategic planning, or otherwise) min-

utes and that practice alone acts as the formal documentation of long-range strategic plans. Cooperatives may simply feel it's more important to do the strategic planning to determine a general or implicit direction that is then monitored.

The degree of director involvement in planning provided some interesting findings. Expectations were that many small- and medium-sized cooperatives would have "very" involved directors. Instead, only half of small and slightly more than half of medium cooperatives indicated that type of involvement. However, the high proportion of cooperative planners with directors either "somewhat" or "very" involved indicates that cooperatives are involving directors in the process to some degree. Very few planning cooperatives exclude directors from the strategic planning process.

The average planning interval of cooperative planners of slightly less than a year was not surprising. An annual interval is generally recommended.

Financial analyses indicated a great size difference between planner and non-planner cooperatives, but did not show a significant performance difference in terms of average ROE. Both planners and non-planners had strong profitability. These findings may have to do more with the cooperatives who decided to answer the survey in that those that were more profitable decided to respond to the strategic planning questions.

The fact that cooperative planners had higher current and long-term liabilities to equity ratios and lower asset turnover ratios than non-planners may indicate that planners had leveraged assets to a greater degree and expanded operations.

The mixed results in comparing financial position of cooperative types between planners and non-planners appear to indicate a lack of correlation between planning and financial position. Similarly, the findings that small and medium cooperative planners had higher profitability than non-planners, but non-planners in the large- and super-size groupings had higher profitability than planners seem to show the same lack of correlation. Another explanation may be that cooperatives with an unstable or inadequate financial standing feel the need to plan, while those with stable earnings do not feel they need to plan.

Financial changes when comparing the cooperative's financial position in 1994 with 1998 showed some interesting characteristics. Total assets and equity increased for a greater proportion of planners than non-planners, which suggests that long-range strategic planning brings about desired change. Of course, the

assumption in this study is that the cooperative respondent planners have been conducting their planning at least since 1994. Even with that assumption, care is necessary because information as to what the long-range strategic planning actually entailed was not obtained. It is further assumed that financial progress or positive financial change in terms of sales growth, asset growth, equity growth, and profitability (return to members' equity) are strong underlying reasons for cooperatives to conduct long-range strategic planning.

The finding that all the respondent cooperatives showed a decreased return to members' equity during the timespan signals that little or no progress was made, whether planned for or not. However, fewer planners than non-planners had a decrease in ROE, suggesting that some planning did help.

Implications as to cooperative leverage levels are most difficult to make. This is because planning might entail working toward lowering debt levels or increasing them to expand operations/assets. A cooperative with a high level of debt might try to lower it, while another needing to expand operations might plan to take on additional debt.

Increases in equity among more planners than non-planners implies that planners are working toward increasing equity, but the reverse could be true in some cases. In other words, some cooperative planners may seek to increase equity pay out and revolve-ment to members as part of the strategic plan.

As an example, it would be interesting to be able to distinguish planning because of financial pressure or urgency from that seeking insight and strategic positioning in the future. That could show how well planning worked in each case.

Additional questions need to get at the heart of long-range strategic planning. What are the strategic goals of farmer cooperatives? What major goals do planners want to achieve—financial, structural, operational, positioning, etc.? Why is strategic planning conducted? Are cooperative planners doing what they seek to do; what proportion of goals are met; what strategies are implemented? Are standards of success outlined and monitored? What are the standards? How well does planning work? Does it improve cooperative operations and profitability? Does it better position cooperatives for the future?

Answers to such questions would further advance the understanding of strategic thinking and direction for cooperative leaders, policy makers, researchers, and educators. A clear view of what does or doesn't work and how and when long-range strategic planning should be used would improve the knowledge of planning effectiveness.

This study indicates that nearly half of all farmer cooperatives do not conduct long-range strategic planning. This finding alone begs an important question: Is planning one of the ways to gird farmer cooperatives for future challenges? More research is needed to help cooperatives begin or improve their planning efforts.

Conclusion

Long-range strategic planning in cooperatives has been discussed and promoted at length. Most cooperative and other business leaders believe that it is an extremely important practice given today's complex and rapidly changing business environment.

This study provides a nationwide broad view of long-range strategic planning in farmer cooperatives. The resulting implications are difficult to clearly evaluate, but the degree of planning and specific planning attributes in farmer cooperatives are provided. Analysis of the financial information of the respondent cooperatives provides additional information.

More research is needed to fully understand long-range strategic planning in U.S. farmer cooperatives. A survey seeking similar and yet much more detailed information would increase understanding of the long-range planning efforts of farmer cooperatives and their implications.

Appendix—Summary Points of Major Findings

Incidence of Planning

- Fifty-two percent of farmer cooperatives conduct long-range strategic planning.
- Marketing cooperatives have the highest proportion of respondents conducting strategic planning, ahead of farm supply and service cooperatives, respectively.
- The highest proportions of planners among cooperative structural types are regional and regional-mixed.
- In order, the highest proportion of planners by size are super, large, medium, and small.
- Seventy-four percent of super and 60 percent of large cooperatives plan.
- Most small cooperatives do not conduct strategic planning.
- Seventy percent of large and super farm supply cooperatives and 68 percent of the same size marketing cooperatives are planners.
- Super size cooperatives had the highest proportion of planners, and higher proportions of planners were found still as super cooperatives got larger.
- Most respondents are from the North Central region—58 percent of them are planners.
- Cooperatives in the Intermountain region do the most planning, those in the Southeast do the least.
- Medium cooperatives in the Intermountain region did the most planning—90 percent of those were planners.

Aspects of Planning

- Of those that plan, a 58-percent majority formally write their plans and a larger 74-percent majority actively monitor them.
- A majority of marketing and farm supply planners write their plans, but most service planners do not write their plans.
- A high proportion of both marketing and farm supply planners and a majority of service planners monitor their plans.
- More super cooperative planners write and monitor plans than do large, medium, and small planners.
- More planners in the Pacific and Intermountain regions write and actively monitor their plans than do planners in the other regions.
- Planners in the Northeast region are more lax about writing and monitoring their plans than planners in other regions.
- Super planners in the Great Plains and North Central regions had the highest proportions of plan writers.
- Almost all super planners in the North Central region actively monitor their plans.
- Most planners have directors who are either very involved or somewhat involved in the planning process.
- A slight majority of planners have directors who are "very involved" in the planning process.
- A very small proportion of planners have directors who are "not involved" in strategic planning.
- Planners with the highest proportion of "somewhat involved" directors are small and located in the Northeast.
- Most dairy cooperative planners directors' are "very involved" in the process.
- The average planning interval of planners is 11 months; the maximum is 5 years and the minimum interval is 1 month.
- There wasn't much variation of planning intervals among planners of different types, sizes, and locations.

Planning Degree and Financial Position

- Planners are significantly larger, on average, in terms of total sales, total assets, and other major financial variables.
- Planners and non-planners had near equal relative profitability, but both were at healthy levels.
- Planners are more highly leveraged and have lower asset turnover than non-planners.
- Farm supply planners were more profitable than farm supply non-planners, but were slightly higher leveraged.
- Marketing planners were slightly less profitable than marketing non-planners and more highly leveraged.
- Service planners had relatively lower average profitability than service non-planners, but both groups had high average levels.
- Service planners were less leveraged than service non-planners.
- Service cooperatives had the highest relative profitability on average among the three types of cooperatives, followed by marketing cooperatives, but all three groupings had healthy levels on average.
- Current ratios were fairly strong among all three type groupings of planners, but non-planners of the three groupings had significantly higher ratios than planners.

- Super-size non-planners had the highest average profitability of the four size categories, followed closely by medium planners and large non-planners.
- Small non-planners had the lowest average profitability among the size groupings, followed by small planners.

Planning Degree and Financial Changes

- Sales increased 15 percent or more for 57 percent of the cooperatives that plan while 41 percent of non-planners had sales increase by that much.
- Sales increased for 76 percent of planners while 24 percent of planners had sales decrease.
- Sales increased for 68 percent of non-planners and decreased for 32 percent.
- Net income before taxes increased for 63 percent of planners and for 54 percent of non-planners.
- Total assets increased for most planners and non-planners (86 and 81 percent, respectively).
- Long-term liabilities increased for 70 percent of planners and 68 percent of non-planners.
- A high proportion of planners and non-planners had equity increase (90 and 82 percent, respectively).
- Return on equity increased for less than a majority of planners and non-planners (49 and 44 percent, respectively).
- Asset turnover decreased for both planners and non-planners.

Appendix Notes

1. Cooperative type or function

Type and segment classifications are made according to a cooperative's major business activity. Marketing cooperatives derive most of their total dollar volume from the sale of members' farm products. These cooperatives were segmented into commodity groups of dairy, fruit and vegetable, grain and oilseed, and other marketing (cotton, livestock, poultry, nut, sugar, dry bean, rice, miscellaneous marketing cooperatives) depending upon which accounts for most of the cooperative's business volume. Farm supply cooperatives derive most of their business volume from the sale of farm production supplies. These cooperatives handle a wide variety of supplies, farmstead equipment, and building materials. Many also handle farm and home items such as heating oil, lawn and garden supplies and equipment, and food. Service cooperatives provide specialized business operations of farmers, ranchers, or cooperatives such as cotton ginning and other services (trucking, storing, drying, artificial insemination, livestock shipping). Many cooperatives handle multiple commodities and provide both marketing and farm supply services, as well as facilities and equipment used to perform these services. These associations were classified according to the predominant commodity or function, as indicated by their business volume.

2. Survey-Strategic Planning Question

Does your cooperative conduct long-range strategic planning? NO ____ YES ____

a. If "YES," are the strategic plans put into a formal written document? YES ____ NO ____

b. How involved is your board of directors in long-range strategic planning?

VERY INVOLVED _____ SOMEWHAT INVOLVED _____ NOT INVOLVED _____

c. Is the strategic plan actively monitored? YES ____ NO ____

d. How often are the plans revised? MONTHS _____

3. Study Limitations

The major limitations to this study are the assumptions that coincide with the survey instrument and financial implications. The major assumption is that cooperative respondents have a full understanding of what long-range strategic planning is all about and thus, were correct in their indication of whether they did or did not conduct it. Of course, surveys do not always define every component of a question.

The other major assumption is for the financial change section of the study. This relates to the length of time that

cooperatives have been conducting strategic planning. It is assumed that the cooperative respondents who indicated that they conduct long-range strategic planning have been doing it at least 5 years back from 1998. It is also assumed that financial progress or change is a major goal of strategic planning in farmer cooperatives. Overall, this study provides some important information on long-range strategic planning in farmer cooperatives. The range of data collection was extensive and provides a window into farmer cooperative strategic planning activity on a national basis.

Further research is needed to clarify the extent of long-range strategic planning and its implications to farmer cooperatives. Well-defined questions about strategic planning could provide a wealth of information in these areas.

Appendix table 1—Number of cooperatives surveyed on questions on strategic planning, and respondents, by type, 1998

| Cooperative type or function ¹ | Number of Cooperatives | | Response Rate |
|--|------------------------|--------------------------|---------------|
| | Surveyed ² | Respondents ³ | |
| | -----Number----- | | Percent |
| Dairy | 168 | 53 | 31.5 |
| Fruit and vegetable | 184 | 91 | 49.5 |
| Grain and oilseed ⁴ | 869 | 406 | 46.7 |
| Other marketing ⁵ | 167 | 62 | 37.1 |
| Farm supply | 1,101 | 554 | 50.3 |
| Cotton gin | 237 | 81 | 34.2 |
| Other service ⁶ | 90 | 35 | 38.9 |
| | — — — | — — — | — — |
| Total | 2,816 | 1,282 | 45.5 |

¹ See appendix note 1 for description of type/function categories.

² Number of cooperatives sent questionnaires with strategic planning questions.

³ Number of cooperatives who responded to questionnaire questions.

⁴ Excludes cottonseed.

⁵ Includes cotton, livestock, poultry, nut, sugar, dry bean, rice, and miscellaneous marketing cooperatives.

⁶ Includes artificial insemination, storage, transportation, livestock shipper, rice drier, and other service.

Appendix table 2—Number of cooperatives surveyed and response to questions on strategic planning, by region, 1998

| Region ¹ | Number of Cooperatives | | Response Rate |
|---------------------|------------------------|--------------------------|---------------|
| | Surveyed ² | Respondents ³ | |
| | -----Number----- | | Percent |
| Dairy | 168 | 53 | 31.5 |
| Pacific | 267 | 121 | 45.3 |
| Intermountain | 145 | 64 | 44.1 |
| Great Plains | 905 | 371 | 41.0 |
| Southeast | 338 | 147 | 43.5 |
| North Central | 1,026 | 536 | 52.2 |
| Northeast | 135 | 43 | 31.8 |
| Total | 2,816 | 1,282 | 45.5 |

¹ States included in each region: Pacific—CA, OR, WA, AK, and HI. Intermountain—AZ, NM, CO, UT, NM, ID, WY, and MT. Great Plains—ND, SC, NE, KS, OK, and TX. Southeast—AR, LA, MS, AL, GA, FL, SC, NC, TN, KY, VA, and WV. North Central—MN, IA, MO, IL, WI, IN, OH, and MI. Northeast—MD, DC, DE, PA, NY, NJ, CT, RI, MA, VT, NH, and ME.

² Number of cooperatives sent questionnaires with strategic planning questions.

³ Number of cooperatives who responded to questionnaire questions.

Appendix table 3—Degree of long-range strategic planning by type, 1998

| Cooperative type or function ¹ | Planners | | Non-planners | | Total ² | |
|--|----------|---------|--------------|---------|--------------------|---------|
| | No. | Percent | No. | Percent | No. | Percent |
| All respondents | 673 | 52.5 | 609 | 47.5 | 1,282 | 100.0 |
| Dairy | 21 | 39.6 | 32 | 60.4 | 53 | 4.1 |
| Fruit and vegetable | 39 | 42.9 | 52 | 57.1 | 91 | 7.1 |
| Grain and oilseed ³ | 250 | 61.6 | 156 | 38.4 | 406 | 31.7 |
| Other marketing ⁴ | 39 | 62.9 | 23 | 37.1 | 62 | 4.8 |
| Farm supply | 287 | 51.8 | 267 | 48.2 | 554 | 43.2 |
| Cotton gin | 22 | 27.2 | 59 | 72.8 | 81 | 6.3 |
| Other service ⁵ | 15 | 42.9 | 20 | 57.1 | 35 | 2.7 |

¹ See appendix note 1 for explanation of type/function categories.

² Category total number and percent of all respondents.

³ Excludes cottonseed.

⁴ Includes cotton, livestock, poultry, nut, sugar, dry bean, rice, and miscellaneous marketing cooperatives.

⁵ Includes artificial insemination, storage, transportation, livestock shipper, rice drier, and other service.

Appendix table 4—Strategic planning attributes of cooperative planners by type, 1998

| Type/size ¹ | Formally Write Plans | | Don't Formally Write Plans | | Actively Monitor Plans | | Don't Actively Monitor Plans | |
|-------------------------------------|-------------------------|------|-------------------------------|------|---------------------------|------|---------------------------------|------|
| | No. | Per. | No. | Per. | No. | Per. | No. | Per. |
| All respondents (n=673) | 387 | 57.5 | 286 | 42.5 | 495 | 73.6 | 178 | 26.4 |
| Dairy (n=21) | 8 | 38.1 | 13 | 61.9 | 11 | 50.0 | 11 | 50.0 |
| Fruit and veg. (n=39) | 20 | 51.3 | 19 | 48.7 | 30 | 76.9 | 9 | 23.1 |
| Grain and oil ² (n=250) | 147 | 58.8 | 103 | 41.2 | 184 | 73.6 | 66 | 25.7 |
| Other marketing ³ (n=39) | 23 | 59.0 | 16 | 41.0 | 32 | 82.1 | 7 | 17.9 |
| Cotton gin (n=22) | 7 | 31.8 | 15 | 68.2 | 11 | 50.0 | 11 | 50.0 |
| Other service ⁴ (n=15) | 5 | 33.3 | 10 | 66.7 | 9 | 60.0 | 6 | 40.0 |
| Farm supply (n=287) | 177 | 61.7 | 110 | 38.3 | 212 | 73.9 | 75 | 26.1 |

¹ See appendix note 1 for explanation of type/function categories. Size categories given for overall cooperative types: farm supply and all marketing; all service cooperatives left out due to small number of data.

² Excludes cottonseed.

³ Includes cotton, livestock, poultry, nut, sugar, dry bean, rice, and miscellaneous marketing cooperatives.

⁴ Includes artificial insemination, storage, transportation, livestock shipper, rice drier, and other service.

Appendix table 5—Directors' involvement in cooperative strategic planning, by type, 1998

| Category ¹ | Directors Very Involved | | Directors Somewhat Involved | | Directors Not Involved | |
|------------------------------------|----------------------------|---------|--------------------------------|---------|---------------------------|---------|
| | No. | Percent | No. | Percent | No. | Percent |
| United States (n=673) ² | 394 | 58.5 | 268 | 39.8 | 12 | 1.8 |
| Type | | | | | | |
| Dairy (n=21) | 17 | 81.0 | 4 | 19.0 | | |
| Fruit and veg (n=39) | 23 | 59.0 | 16 | 41.0 | | |
| Grain and oil (n=250) | 148 | 59.2 | 99 | 39.6 | 4 | 1.6 |
| Other marketing (n=39) | 20 | 51.3 | 17 | 43.6 | 2 | 5.1 |
| Farm supply (n=287) | 164 | 57.1 | 118 | 41.1 | 5 | 1.7 |
| Cotton gin (n=22) | 14 | 63.6 | 7 | 31.8 | 1 | 4.5 |
| Other service (n=15) | 8 | 53.3 | 7 | 46.7 | | |

¹ See previous tables for explanations of region, size, and type.

² Respondents who do long-range strategic planning.

Appendix table 6—Strategic planning interval of cooperative planners, by type, 1998

| Category ¹ | Planning interval (months) | | |
|------------------------|----------------------------|----------------------|--------------------|
| | Average | Maximum ² | Standard Deviation |
| United States (n=673) | 11.4 | 60 | 6.3 |
| Type | | | |
| Dairy (n=21) | 9.6 | 18 | 4.3 |
| Fruit and veg (n=39) | 10.6 | 24 | 3.9 |
| Grain and oil (n=250) | 11.1 | 60 | 6.4 |
| Other marketing (n=39) | 10.7 | 48 | 8.0 |
| Farm supply (n=287) | 10.6 | 60 | 3.9 |
| Cotton gin (n=22) | 13.1 | 48 | 10.8 |
| Other service (n=15) | 11.3 | 36 | 7.9 |

¹ See previous tables for explanations of region, size, and type.

² The minimum planning interval was 1 month in all cases.

Appendix table 7—Selected average cooperative statistics of respondents, 1998

| | Planners | Non-planners | All respondents |
|----------------------------------|----------|--------------|-----------------|
| Full-time employees 1998 | 94 | 26 | 68 |
| Full-time employees 1997 | 92 | 26 | 66 |
| Full-time employees 1996 | 97 | 26 | 70 |
| Part-time employees 1998 | 41 | 19 | 33 |
| Part-time employees 1997 | 48 | 18 | 37 |
| Part-time employees 1996 | 48 | 17 | 36 |
| Voting members 1998 | 1,328 | 648 | 1,068 |
| Voting members 1997 | 1,347 | 677 | 1,089 |
| Voting members 1996 | 1,359 | 686 | 1,100 |
| Have branches (no.) ² | 343 | 194 | 537 |

¹ Those in financial data base, n=592. Data presented are means unless otherwise noted.

² Number of cooperatives who indicated they have branch locations.

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