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Cooperative Unification: Highlights From 1989 To Early 1999

Abstract

Cooperative Unification: Highlights From 1989 To Early 1999

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This report describes cooperative unification activities. It discusses unification as a means of strategic positioning for cooperatives, given changing industry trends and conditions, and identifies the implications of unification and potential subsequent strategies. Highlights of unification activities, most of them among well-known cooperatives, are described for the 10-year period, January 1989 - April 1999. Selected activities are cataloged in the appendix, listed by date, naming the cooperatives involved with a brief description of what the unification entailed.

Keywords: unification, merger, consolidation, acquisition, strategic direction

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Preface

Unification activities of agricultural cooperatives recently have been making headlines, largely due to the size of some of the partners involved. Cooperatives of all sizes have been unifying, but the spotlight has been enhanced by the activity among large regional cooperatives. In some cases, merger partners have been other large cooperatives and in others, smaller local cooperatives were brought into a large regional fold. Across the nation, smaller cooperatives continue to consolidate in various agricultural sectors.

Unification often **improves industry** strategic positioning and answers the need for growth, the lifeblood of all businesses. Unification opens opportunities for new strategic directions: horizontal integration, vertical integration, capacity expansion, scale economies, synergies and efficiencies, etc.

Cooperative leaders must understand the implications of unification and the impact that such activity has on their industry and their cooperative position in it. Highlights of selected major unification activity are provided in this report, covering the last 10 years. The listing is not an exhaustive compilation, but rather views some of the notable unification activities across the Nation. The listing is summarized as to the types of unification activity that took place by the cooperatives involved. The main source was USDA's Rural Cooperatives magazine (formerly Farmer Cooperatives). For more recent (much of 1998 and 1999) unification activities, various news sources were used.

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Highlights

Unifications (mergers, consolidations, and acquisitions) have changed the agricultural cooperative landscape. Cooperatives of all sizes and types have been uniting over the years, but, more recently, large-scale unifications are forging a higher form of structural change.

The reason for the increased unification activity is not surprising. Cooperatives are being forced to examine alternative strategic directions for remaining prominent. External trends and conditions and industry change are dictating that cooperatives evaluate their organizations regarding their traditional position and functions. Cooperatives are planning, adjusting, and positioning to meet future organizational goals. Depending on circumstances and position, cooperatives have three strategic directions to contemplate: internal change, unification, and ventures and agreements (strategic alliances). Unification is a difficult path to choose, but many cooperatives regard it as their best choice.

Cooperatives striving to grow and achieve stronger industry position through unification are often presented with opportunities to employ other strategies for growth and operational improvement. Some of the major reasons for, or byproducts of, unification are vertical integration, horizontal integration, scale economies, capacity expansion, and synergies and efficiencies.

Unification is also necessary for consolidating fragmented industries. Many cooperatives have taken that route to gain new opportunities in such industries to better serve members. Most commodity and service sectors of agriculture-dairy, farm supply, grain, livestock, fruit and vegetable, and finance-have seen unification activity. Some cooperatives are getting larger and larger and covering vast areas. Dairy Farmers of America is often cited. If the **Farmland/Cenex Harvest States** consolidation occurs, a massive regional cooperative will result. Such consolidation and changing industry structure raise questions:

- how large can cooperatives become on a nationwide basis and still be effective organizations that are well represented and well governed by member producers?
- will producer-members be better served, or will the dilution of joined cooperative cultures and the resulting broad governing bodies produce a watered down level of member-owner control?
- how effective is unification for industries and their participants? Will unification improve the remaining cooperatives and their member services?
- how will large-scale unifications affect other cooperatives (local and regional) and various cooperative partnerships (e.g., Land **O'Lakes** joint feed venture with Cenex Harvest States and GROWMARK) in this industry or related industries?

Cooperative leaders must keep abreast of these activities occurring with the widespread unifications and what they mean to their cooperative, industry, industry position, and service to members.

Highlights

Statistical tracking by Rural Business-Cooperative Service (**RBS**) indicates 777 cooperative unifications from 1989 through 1997. Of those, 66 percent were mergers or consolidations and 34 percent were acquisitions.

Fifty-one selected unifications for the 1 O-year period, January 1989 through April 1999, are tabulated and cataloged. Most involved dairy cooperatives. Here are some **highlights**:

- Merger forming Dairy Farmers of America (DFA) combining Mid-America Dairymen, Milk Marketing, Inc. (MMI), Western Cooperative Dairymen, Inc. (WCDI), and Associated Milk Producers Inc. (**AMPI**, southern division).
- Formation of Cenex Harvest States from the unification of CENEX and Harvest States.
- Potential merger of Farmland Industries and Cenex Harvest States.
- Consolidation of Land **O'Lakes** and Countrymark.
- Unification of Land **O'Lakes** and Dairymen's Cooperative Creamery.
- Purchase of Gold Kist farm supply operations by Southern States Cooperative.
- Purchase of SF Services by Farmland Industries.
- Purchase of Agripac by Pro-Fat.
- Merger of 21 st Century Genetics, **Noba**, and Genex under the Cooperative Resources International (CRI) umbrella.
- Purchase of a grape subsidiary of Tree Top, Inc., by **Welch's**.
- Purchase by **GROWMARK** of the Canadian cooperative, United Co-Operatives of Ontario.
- Merger of Atlantic Dairy Cooperative with Land **O'Lakes** (LOL).
- Financial institution mergers involving **CoBank**, St. Paul Bank, Springfield Farm Credit Bank, and Springfield Bank for Cooperatives.
- Acquisition of 22 local cooperatives by **Riceland Foods**.
- Merger of Indiana Farm Bureau Cooperative Association and Countrymark Cooperative.

Cooperative Unification: Highlights From 1989 To Early 1999

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Editor's note—Dr. Joseph Knapp, then administrator of USDA's Farmer Cooperative Service, wrote in 1965: "To merge—or not to merge. This is the problem confronting a number of farmer cooperatives today. Times have changed since many existing farmer cooperatives were formed. We now have fewer and larger farms, better roads, better means of communication, and better transportation methods and equipment. It is possible for a cooperative to serve farmers effectively over a much wider territory than even a decade ago. Moreover, larger cooperatives serving larger areas can provide more extensive services and afford better management."

Introduction

The cooperative community and agricultural industry it represents have changed considerably in the 38 years since the late Dr. Knapp viewed them. Today, unifications remain in the forefront of cooperative restructuring. Large regional cooperatives are covering wider geographical areas. Traditional marketing and membership boundaries have fallen by the wayside under the weight of unifications.

Who would have imagined 38 years after Dr. Knapp's observations that Dairy Farmers of America, Land O'Lakes, Cenex Harvest States, among others, would be as large and expansive as they are? Indeed, some of the recent unification activities of large cooperatives have redefined the service, governance, and operational boundaries in ways that once would not have been feasible for a farmer cooperative. Recent major unifications have clearly redefined and altered the scope of agricultural markets in the United States and the world.

This report, which focuses on unification activities of cooperatives during the past 10 years, is a fol-

lowup to RBS Service Report 57 (November 1998), *Cooperative Restructuring, 1989-1999*, that cataloged numerous restructuring activities—unifications, joint ventures, agreements, expansions, contractions, revampings—of agricultural cooperatives.

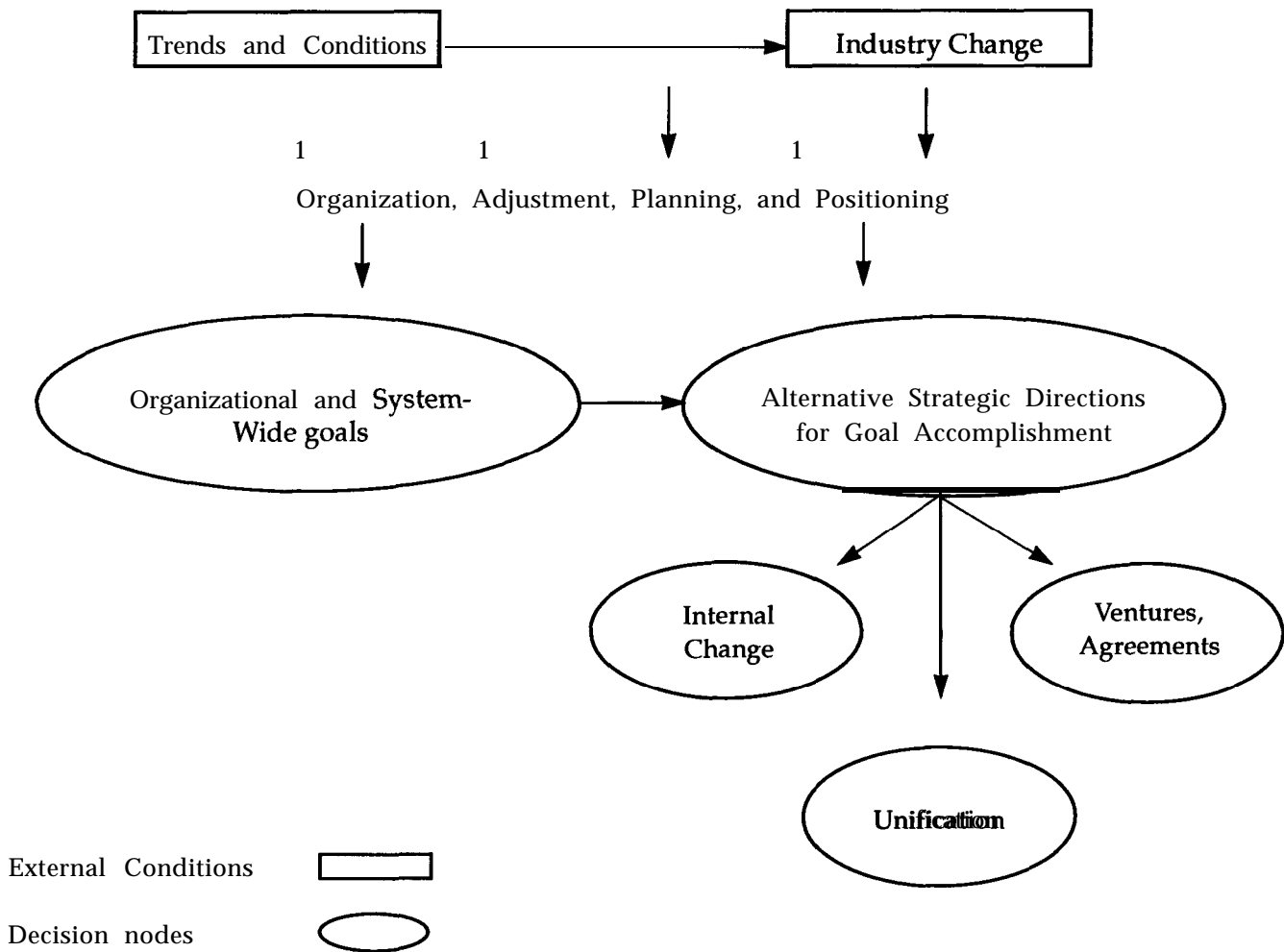
Unifications—mergers, consolidations, and acquisitions—have gained greater prominence in agricultural news due to the significant involvement of large, well-known regional cooperatives. They are unifying in what appears to be geographic and/or operational-type hopscotch patterns. Land O'Lakes, GROW-MARK, Dairy Farmers of America, Cenex Harvest States, Farmland Industries, Cooperative Resource International, Southern States, and others have been actively involved in considerable unifications. Similarly, smaller cooperatives are consolidating across the country, but at a more moderate pace, linking with partners in nearby or adjacent operational areas.

This report begins by discussing unification as a means of strategic positioning for cooperatives to attain goals, given changing industry conditions and trends. The implications follow—the strategies that cooperatives use with unification and subsequent questions and issues that must be continually assessed. RBS data for cooperatives removed from its mailing list because of unifications are then provided. The report summarizes selected unifications of agricultural cooperatives from January 1989 through April 1999 (cataloged in the appendix).

Unification-Strategic Positioning

Industry conditions often dictate strategic positioning or restructuring as illustrated in figure 1. Firms must evaluate their strategic position because of these factors. The figure shows the emergence of trends and

Figure 1 Industry Dictated Strategic Positioning



conditions that cause an industry to change or consider change. This activity creates situations that require organizations to adjust, plan, and position themselves in the changing environment. Depending on the industry and cooperative in question, certain strategic directions will be more effective than others. They will also vary by cooperatives as they seek to achieve goals.

Figure 1 shows cooperatives having three directional choices. They can (1) make internal changes to improve structure, efficiencies, and operations, (2) unify with other cooperatives or companies, or (3) develop marketing agreements, joint ventures, strategic alliances, or other working business relationships with other cooperatives or companies. This report focuses on unification activity, often the hardest strategic choice a cooperative can make. Unification alters

cooperative culture, internal and external structure, governance, asset base, and membership boundaries, and often involves a drastic change in operations and overall organizational and governance structure.

While unification creates major changes, it is not a new concept. Looking over at least the past 10 years, it is clear that cooperatives have been making unification choices for some time. However, more recent activities have involved larger cooperatives and expanded the presence of nationwide cooperatives with broad expanses of membership. These unifications are intriguing. What do they mean? Why are some cooperatives making the choice?

Unification implications are many, although varied, depending on the industry and cooperatives involved. The following section identifies some of the

implications that can be expected from unification. Some strategic and thought-provoking questions and issues are also identified.

Strategic Implications

Unification, often conducted to achieve stronger industry position, can provide cooperatives with opportunities to use new strategies. Figure 2 illustrates cooperative strategic positioning and potential growth channels that often result from unification. Flowing from unification are a variety of probable strategies that come into play. Unification develops a strategic position that will often propel the surviving cooperative into one or more potential strategy channels: vertical integration; horizontal integration; scale economies; capacity expansion; and synergies and efficiencies.

Figure 2 signifies that unification can create a surviving cooperative that:

- participates in two or more vertically adjacent industries (vertical integration);
- expands an existing line of business and amassing resources or bargaining power to share market risks by accumulating volume required to realize scale economies in product procurement, sales, transportation, and distribution (horizontal integration and scale economies);
- substantially increases assets and operational base resulting in greater capacity and improved use of resources (capacity expansion); and/or
- collapses specific facets of operations into more efficiently managed and operated central functions (synergies, efficiencies).

Examples of such strategies during unifications are prevalent. For instance, the numerous mergers involving Mid-America Dairymen, subsequently leading to the formation of Dairy Farmers of America, brought about horizontal integration, economies of size/scale, vertical integration involving value-added products, and more efficient use of capacity production. Those, in turn, created significant growth for the cooperatives involved and formed a cooperative of significant size and scope.

In today's environment, growth is one of the critical unification goals. Economies of size, more market prominence, and membership enhancement are all growth factors that cooperatives strive to achieve. Vilstrup, Cobia, and Ingalsbe (Cooperatives in Agriculture, Chapter 20) contend that growth is considered a sign of a healthy, successful business, pointing out that advantages stem from economies of size and the ability to achieve marketing and bargaining power, political power, legislative influence, and financial strength.

The development of large regional cooperative organizations, however, raises questions regarding member governance and service:

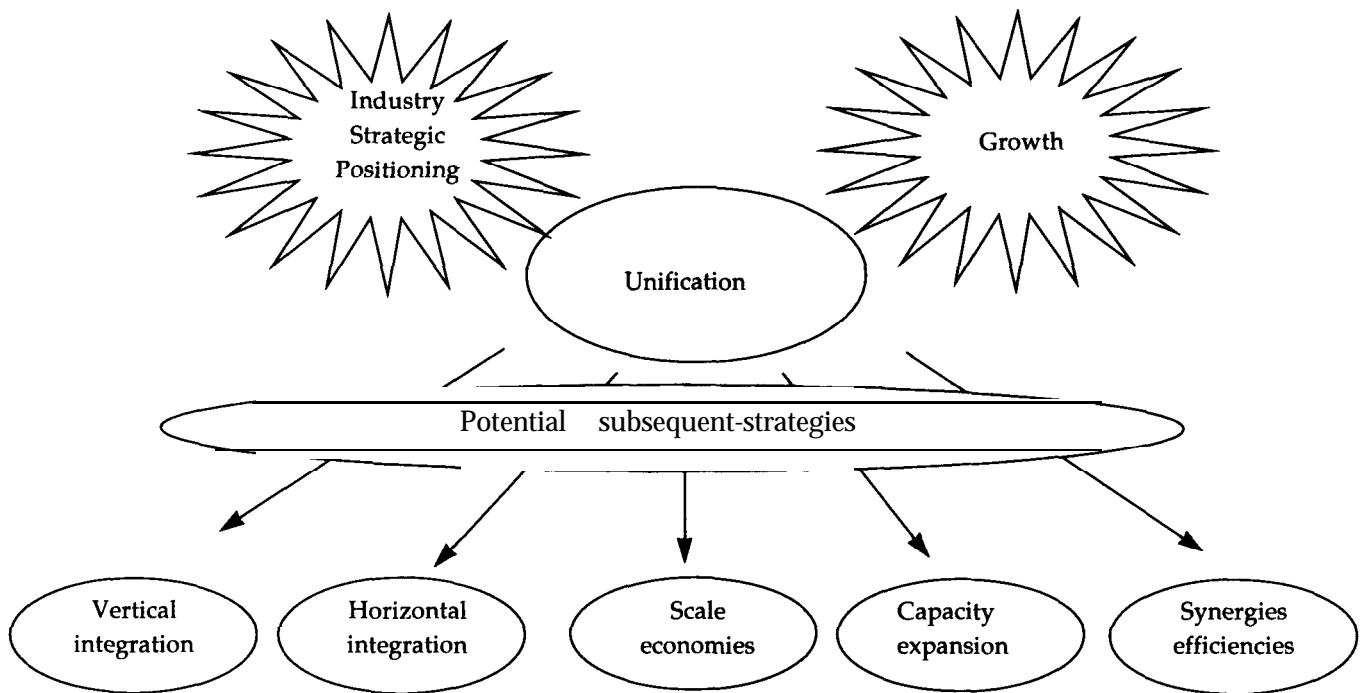
- How large can cooperatives become on a nationwide basis and still be effective organizations that are well represented and well governed by member owners?
- Will producer members be better served, or will the dilution of joined cooperative cultures and the resulting broad governing bodies water down the level of member-owner control?

In other words, will cooperative cultures be diluted as cooperatives grow into larger and more widespread organizations, crossing broad geographic boundaries? Will the transformed cooperatives have less member representation and governance? And, will those mega-cooperatives be stronger and better able to serve members?

The ongoing and fast structural change in agricultural industries clouds the answer to these questions. Clearly, some agricultural markets need to be consolidated for higher member benefits. Some are fragmented by too many competing organizations, given the number of producers involved.

It is often contended that overcoming fragmentation can be a significant strategic opportunity, and that once consolidation barriers are overcome, the structure of an industry can be improved for those that consolidate. The structures of agricultural industries in dairy, farm supply, and cattle, for instance, are changing due to consolidation. The artificial insemination industry has seen considerable consolidation. Once an industry with a large number of stud organizations, it has now consolidated into four cooperatives and a select number of private firms. The dairy industry, overall, continues to see consolidation. Though fragmentation in that industry still applies in certain areas, Dairy

Figure 2— Strategy Potential of Unification



Farmers of America and Land O'Lakes, for instance, continue to gain large-scale prominence. The number of players in the industry has shrunk.

Consolidations in the farm supply industry also are prevalent: Land O'Lakes and Countrymark, CENEX and Harvest States, and now the prospect of a unified Farmland and Cenex Harvest States.

Indeed, unification activity among quite a few cooperatives has been impressive. The changing structure of certain agricultural industries cannot be ignored. However, overcoming fragmentation and seeing industries consolidate, perhaps toward the "rule of three" (it asserts that there is only room for two or three major competitors in an industry sector—the companies that can supply the volume and service needed to support demand), invites more questions:

- How effective is unification for industries and their participants? Will they improve along with the member services of the remaining cooperatives?
- How will large-scale unifications affect other cooperatives (local and regional and various

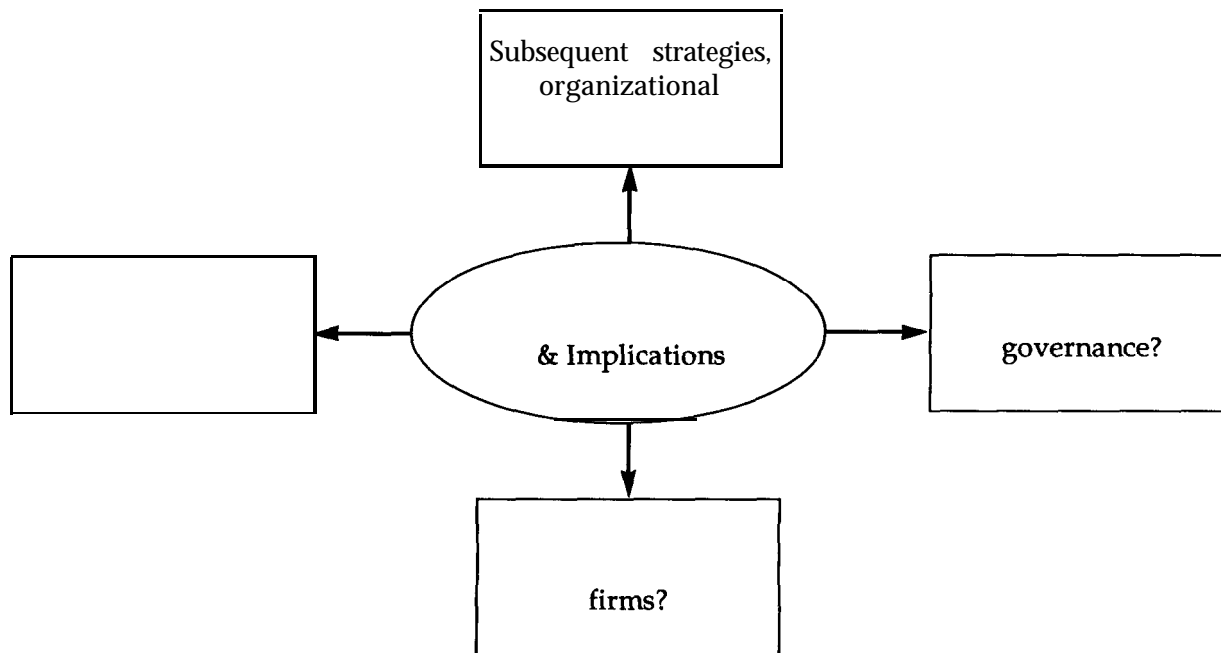
cooperative partnerships (e.g., Land O'Lakes' joint feed venture with Cenex Harvest States and GROWMARK) in this industry or related industries?

The structural changes taking place will pressure existing cooperatives with comparatively slight industry involvement or market share. It may force them to consider unification or other courses of action. The impact of such pressure must be carefully weighed. Continuing to serve producer members in the most efficient and beneficial way, given changing structures, should be the ultimate goal of all remaining coopera-

Figure 3 summarizes the potential impacts and implications of unification. Given significant change via unification, there are a number of unknowns to contemplate. What will be the impact on:

- member service and governance,
- other cooperatives and firms,

Figure 3— Strategic Implications (Questions) of Unification



- industry and industry performance, and
- subsequent strategy employment and organizational/operational change?

Cooperative leaders must keep attuned to unifications affecting their cooperative and their industry and what impact these structural changes have on the organizations and services to members. The following sections highlight some of the cooperative unifications during the past 10 years.

Unifications are expected to continue, and to further alter the structure and scope of agricultural industries. Questions as to the effectiveness of further consolidation arise. The answers won't be easy to assess, but time and a keen eye on the impacts of such unification activity will eventually produce a clearer picture. Research and/or analyses beyond merely describing unification activities are needed to gain a greater understanding of how unification is impacting industries and of its effect on cooperative cultures and operations.

RBS Statistics

Figure 4 graphs unification activities derived from removals from the RBS mailing list of coopera-

tives from 1989 to 1997 (see appendix table 1 for the data contained in the chart). Each year, farmer cooperatives are dropped from the mailing list because of mergers, consolidations, acquisitions, dissolutions, etc. The unifications included in figure 4 are those cooperatives that indicated that they merged or consolidated with, or were acquired by, another cooperative(s). The trend shows unification activity peaked at 135 in 1991. Other high years were 1992 (107) and 1995 (90).

During the study period, RBS documented 777 unifications. Of those, 65.8 percent were identified as being mergers and consolidations, and 34.2 percent were acquisitions (appendix table 1)

Selected Unifications

Selected unifications show the scope of activity. Tables 1 and 2 summarize those described in the appendix by month and year.

Summary

This section summarizes the unifications described in the appendix. In some of the text, identifying numbers given in parentheses correspond to the

Figure 4-- Unifications per RBS Mailing List Removals

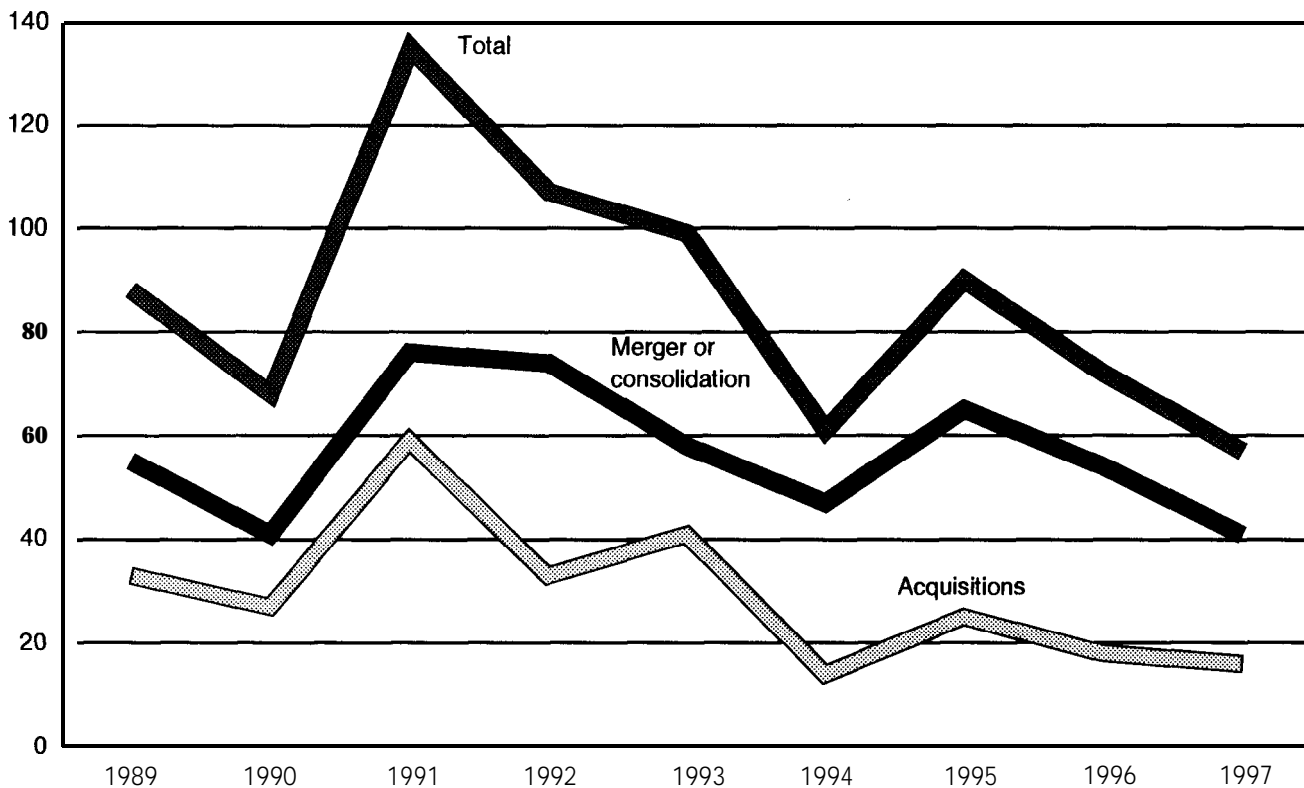


Table 1- Selected unification activities, by year and type, 1989 through early 1999*

	Totals	D	S	G	FV	L	F
1999	8	2	1	1	1	2	1
1998	9	3	5	1			
1997	4	3*				1	
1996	4	1			1	2	
1995	9	4	1		1	2	1
1994	5	3		1	1		
1993	2				1	1	
1992	5	3		1***	1		
1991	1		1				
1990	3	1	1		1		
1989	1						1
Totals	51	20**	9	4**	7	8	3

. Numbers correspond to activities listed in Table 2 and appendix listing.

. * One of the unifications was a DHIA activity.

. ** Counted as 1 were the 22 local cooperatives acquired by Riceland Foods in 1992

D = dairy, S = farm supply, G = grain, FV = fruit and vegetable, L = livestock, F = finance.

Table 2— Selected unifications of agricultural cooperatives, 1989 through early 1999

#	Type	Cooperative(s)	State	Action	State	Year
1	S	Farmland, Cenex Harvest States	MO MN	Discussing full merger	MO MN	1999
2	L	21 st Century Genetics, Noba, Genex	WI OH, NY	Merged to form Genex, a subsidiary of CRI	WI	1999
3	L	Central Livestock	MN	Merged into CRI	WI	1999
4	G	Northwest Grains Co-operative Terminal, Prairie States Cooperative	ND	Merging to form Prairie States Terminal	ND	1999
5	F	St. Paul Bank for Cooperatives	MN	Merging into CoBank , ACB	c o	1999
6	FV	AgriPac , Inc.	OR	Bought by Pro-Fat	NY	1999
7	D	Maryland Virginia Milk Producers Association	VA	To merge with Carolina Virginia Milk Producers	NC	1999
8	D	San Joaquin Dairymen, Danish Creamery, California Milk Producers	CA	Exploring merger	CA	1999
9	D	California Gold Dairy Products	CA	Merging into DFA	MO	1998
IO	D	Darigold Farms	WA	Plans to acquire Echo Spring Dairy	OR	1998
11	S	Southern States Cooperatives	VA	Purchased farm supply from Gold Kist	GA	1998
12	G	Cando Farmers Elevator	ND	Merging with Cando Farmers Union Oil	ND	1998
13	S	Countrymark	IN	Merging with LOL	MN	1998
14	S	Farmers Petroleum Cooperative	MI	Merging with Farmland Industries	MO	1998
15	D	Dairyman's Cooperative Creamery	CA	Merging with LOL	MN	1998
16	S	Farmland Industries	MO	Purchased SF Services	AR	1998
17	S	CENEX	MN	Merged with Harvest States Cooperatives	MN	1998
18	L	Michigan Livestock Exchange	MI	Merged with Southern States Cooperatives	VA	1997
19	D	MMI, AMPI , Western Dairymen	OH, WI,CO	Merged with Mid-Am to form Dairy Farmers of America	MO	1997
20	D	NE DHIA	NY	Merged with Dairylea Cooperative	NY	1997
21	D	Atlantic Dairy Cooperative	PA	Merged with LOL	MN	1997
22	L	Equity Livestock	WI	Acquired Midwest Livestock	WI	1996

Continued

Table 2— Selected unifications of agricultural cooperatives, 1989 through early 1999 (continued)

#	Type	Cooperative(s)	State	Action	State	Year
23	D	Fort Collins Milk Producers	CO	Joined Western Dairymen	CO	1996
24	L	Eastern AI, Atlantic Breeders, LABC	NY. PA LA	Merged to form Genex Cooperative	NY	1996
25	FV	Naturipe Berry Growers	CA	Acquired Ag Mark Produce	FL	1996
26	D	Foremost Farms	WI	Acquired Morning Glory	WI	1995
27	FV	Blue Chelan, Trout, Inc.	WA	Merged to form Trout-Blue Chelan	WA	1995
26	D	Eastern Milk Producers	c o	Merged with MMI	OH	1995
29	L	Dairylea Cooperative	NY	Purchased Empire Livestock	NY	1995
30	D	Southern Milk Sales	AL	Merged with Mid-Am	MO	1995
31	D	Coble Dairy	NC	Merged with Mid-Am	MO	1995
32	S	GROWMARK	IL	Purchased United Co-operatives of Ontario	Ontario	1995
33	F	CoBank, Farm Credit Bank, Springfield Bank for Cooperatives	c o MA MA	Merged to form CoBank, ACB	c o	1995
34	L	Noba, Inc.	OH	Merged into CRI	WI	1995
35	FV	Pro-Fat	NY	Purchased Curtis Burns Foods	NY	1994
36	D	Dairymen, Inc	KY	Merged with Mid-Am	MO	1994
37	D	Gulf Dairy	LA	Merged with Mid-Am	MO	1994
36	G	Consumers Co-op, Farmers Union Coop Elevator	c o	Merged to form Great Plains Cooperative	c o	1994
39	D	Allen Dairy	ID	Merged with Prairie Farms Dairy	IL	1994
40	FV	Wenoka Sales	WA	Merged with Majestic Valley Produce	WA	1993
41	L	21st Century Genetics, WI DHIC	WI	Merged and formed CRI	WI	1993
42	D	Dairymen's Creamery	ID	Merged with Darigold Farms	WA	1992
43	D	A-G Cooperative	WI	Merged with Mid-Am	MO	1992
44	G	22 Riceland affiliated cooperatives	AR	Acquired by Riceland Foods	AR	1992
45	D	Chaseburg Cooperative Creamery	WI	Merged with Tri-State Milk Cooperative	WI	1992

Continued

Table 2-- Selected unifications of agricultural cooperatives, 1989 through early 1999 (continued)

#	Type	Cooperative(s)	State	Action	State	Year
46	FV	Fruita Consumers Cooperative	CO	Bought United Fruit Growers	CO	1992
47	S	Indiana Farm Bureau, Cooperative Countrymark	IN	Merged to create Countrymark Cooperative	IN	1991
48	D	Greenwood Milk Producers	WI	Merged with LOL	MN	1990
49	s	Monroe Service, Randolph Service	IL	Merged to form Gateway FS	IL	1990
50	FV	Welch's (National Grape Cooperative)	NY	Bought Tree Top subsidiary U.S. Grape	WA	1990
51	F	Jackson Bank, Spokane Bank	MS WA	Merged with National Bank for Cooperatives	CO	1989

corresponds to number in unification listing of appendix.

numbering of each activity listed in table 2 and the appendix. Readers may want to read certain descriptions for additional information.

Locations

To provide a general overview of where unifications have been occurring across the Nation during the past 10 years, figure 5 maps the locations of the selected unification activities included in table 2 and cataloged in the appendix. All 10 years are commingled. Some dots represent more than one activity. No correlation can be made between the markings, i.e., what cooperative locations are linked through unification with other cooperative locations.

Given this depiction, cooperative unifications occurred in a broad and scattered pattern across the United States, most of it in Washington State, California, the Midwest, the Mid-South, and parts of the East.

Type of Activity

Unification listings are labeled by a code letter in parentheses identifying the type of unification activity described. Code letters consist of the following:

- (D) – Dairy
- (S) – Farm supply
- (L) – Livestock
- (G) – Grain
- (FV) – Fruit and/or vegetable
- (F) – Finance

The code letter does not necessarily indicate the cooperatives involved by their type, but rather by the type of operational activity described by the unification. In some cases, the activity might actually have crossover implications. For example, a grain activity may also be a farm supply activity, and vice versa.

Table 1 provides the number and type of the selected unification activities cataloged. Fifty-one activities are listed, headed by 20 dairy unifications, 9 in farm supply, 7 in fruit and vegetable, and 8 in livestock. Four cooperative activities occurred in grain and three involved finance (CoBank and its counterparts).

Dairy—Mid-America Dairyman of Missouri unified with Dairymen Inc. (36) of Kentucky and a number of relatively small dairy cooperatives (43, 37, 36, 31, 30) prior to forming Dairy Farmers of America in 1997 (19). Milk Marketing, Inc. of Ohio and Eastern Milk Producers of New York merged in 1995 (28) and the resulting cooperative subsequently teamed with Mid-America Dairymen, AMP1 Southern Region, and WCDI of Colorado to form Dairy Farmers of America (DFA) in 1997. Recently, California Gold Dairy Products voted to merge with DFA (9).

Land O'Lakes (LOL) was involved in significant activity, pulling Atlantic Dairy of Pennsylvania (21) and Dairyman's Cooperative Creamery of California (15) into its fold. LOL also unified on the farm supply side, acquiring Countrymark of Indiana in 1998 (13). A significant potential unification event not listed was

Figure 5—Locations of Cooperatives Involved in Selected Unifications



LOL's talks with AG Processing that were later terminated. Greenwood Milk Producers of Wisconsin joined LOL in 1990 (48).

Darigold expanded its presence in the Northwest by adding Dairymen's Creamery Association of Idaho in **1992 (42)** and acquiring Echo Spring Dairy of Oregon in 1998 (11).

On the East coast, Maryland and Virginia Milk Producers is merged with Carolina Virginia Milk Producers (7) in early 1999 while Florida Dairy Farmers and Tampa Independent Dairy Farmers merged to form Southeast Milk, Inc., in Florida (10).

The nation's third largest dairy cooperative may be formed in California if merger talks succeed among San Joaquin Dairymen, Danish Creamery Association, and California Milk Producers (8).

Farm Supply and Grain—A major unification in farm supply occurred by combining CENEX and Harvest States to form Cenex Harvest States Cooperatives (17). Farmland Industries had two

significant activities in 1998—a merger with Farmers Petroleum Cooperative of Michigan (14) and the acquisition of SF Services of Arkansas (16). And topping those activities are the unification talks between Farmland Industries and Cenex Harvest States (1).

Southern States purchased Gold Kist's retail farm supply business in 1998 (6) and greatly expanded its marketing territory into the Southeastern States. In another major acquisition, LOL purchased Countrymark's primary farm supply businesses in 1998 (13). An interesting linkage was **GROWMARK's** purchase of a Canadian cooperative, United Cooperatives of Ontario (32).

In 1992, **Riceland Foods** acquired 22 of its local member grain drying cooperatives (44). Great Plains Cooperative in Colorado was formed from the merger of two Colorado grain cooperatives, making it one of the largest cooperatives in Colorado (38).

Livestock-The livestock industry has seen considerable unification during the lo-year period. Both a farm supply and a dairy cooperative were involved-Southern States of Virginia merged with Michigan Livestock Exchange (18), and Dairylea Cooperative acquired Empire Livestock, both operating in the State of New York (29).

Furthermore, a significant merger took place among three artificial insemination cooperatives to form Genex (24). It also joined Cooperative Resources International (CRI), a holding cooperative developed in 1993 from the partial merger of 21st Century Genetics (artificial insemination cooperative) and Wisconsin DHIC, a dairy herd improvement cooperative (41). Noba Inc., of Ohio joined CRI in 1995 (34). CRI unification continued when Central Livestock of Minnesota joined the fold (3), and the three AI subsidiaries (21st Century Genetics, Noba, and Genex) merged, resulting in just one AI subsidiary, Genex (2), under the CRI umbrella.

Among livestock marketing cooperatives in Wisconsin, Equity Livestock acquired Midwest Livestock, substantially increasing the size of the surviving organization (22).

Fruit and Vegetable—Cross-Nation unifications occurred in the fruit an vegetable category. Welch's (owned by National Grape Co-operative) of Massachusetts purchased Washington-based U.S. Grape, a subsidiary of Tree Top, Inc., in 1990 (50). Naturipe of California purchased Florida Berries in 1996 (25). Among regional activity, Blue Chelan and Trout cooperatives, both in Washington State, merged to form Trout-Blue Chelan in 1995 (27), Pro-Fat acquired Curtice Burns, both in New York, in 1994 (35), and Fruita bought United Fruit, both in Colorado (46).

Finance--Three consolidations took place in the cooperative finance arena. In 1989, the Jackson Bank for Cooperatives in Mississippi and the Spokane Bank for Cooperatives in Washington merged into the National Bank for Cooperatives (51). In 1995, CoBank, the Springfield Farm Credit Bank, and the Springfield Bank for Cooperatives merged to form CoBank, Agricultural Credit Bank (33). Then, early this year (1999), the St. Paul Bank for Cooperatives, the last of the former district banks, merged with CoBank, ACB (5). CoBank became the parent lending institution for the entire Farm Credit System.

Appendix

Selected Unification Listings

Unification listings are organized by date (month and year reported) and are numbered for reference. The code letter in parentheses identifies the unification activity described (see text). Descriptions were gleaned from various news sources and from USDA's Rural Cooperatives magazine (formerly Farmer Cooperatives). Those from outside the magazine have an asterisk (*) next to the heading.

April 1999

1. (S) Farmland, Cenex Harvest States Work Toward Consolidation*

Farmland Industries, Inc., Kansas City, MO, and Cenex Harvest States Cooperatives, St. Paul, MN, announced plans to explore a complete combination of the two agricultural cooperatives. The resulting cooperative would create an agricultural giant with \$20 billion in annual revenue. Both boards of directors have approved the talks leading to the proposed unification.

2. (L) CRI AI Subsidiaries Consolidated*

Delegates representing members of Cooperative Resources International (CRI), Shawano, WI, approved the merger of the separate AI subsidiaries-21st Century Genetics, Shawano, WI; Noba, Tiffin, OH; and Genex, Ithaca, NY; into one subsidiary, Genex.

3. (L) Central Livestock Joins CRI*

Delegates representing members of CRI approved the consolidation of Central Livestock Association, St. Paul, MN, into CRI, Shawano, WI. Central Livestock joins AgSource and Genex as subsidiaries of CRI.

March 1999

4. (G) Northwest Grain and Prairie States to Merge*

Northwest Grain Co-operative Terminal, Williston, ND, will merge with Prairie States Cooperative, Zahl, ND, to form Prairie States Terminal. The consolidation involves a combined membership of 1,800 producers, who overwhelmingly approved the combination. Northwest Grain operates grain-

marketing terminals in five communities. Prairie States is a full-service cooperative with programs in grain, fertilizer, fuel, and chemicals.

5. (F) CoBank, ACB, St. Paul Bank Agree To Merge*

Pending shareholders approval, CoBank, ACB, Denver, CO, and St. Paul Bank (MN) will form a bank with \$22 billion in assets. Both banks are part of the \$84 billion U.S. Farm Credit System. The St. Paul Bank has \$2.3 billion in assets and serves 600 agricultural cooperatives and rural utility customers in the upper Midwest. CoBank, ACB, has \$20 billion in assets, finances agricultural exports, and serves 2,000 agricultural cooperatives, rural utility systems, and farm credit associations. The merger will create the nation's largest Farm Credit System bank.

February 1999

6. (FV) Pro-Fat Cooperative Completes Acquisition of Agripac*

Pro-Fat Cooperative, Inc., Rochester, NY, and its wholly owned subsidiary, Agrilink Foods, Inc., has acquired the frozen food business of Agripac, Inc., Salem, OR. Agripac had approximately \$130 million in annual sales. Pro-Fat will operate the business through its subsidiary, Pro-Fat Acquisition II, Inc. Agrilink will provide the subsidiary with management and administrative services.

January 1999

7. (D) Maryland and Virginia Milk Producers To Merge With Carolina Virginia Milk Producers*

Maryland and Virginia Milk Producers Association, Inc., Reston, VA, the largest dairy cooperative in Virginia, plans to merge with Carolina Virginia Milk Producers Association, Charlotte, NC. Directors of both cooperatives approved the consolidation plan. The new cooperative would serve more than 1,550 dairy farmers in 11 States and market about 3 billion pounds of milk a year.

8. (D) Three California Cooperatives Explore Merger*

Three California dairy cooperatives are contemplating a merger that would create one of the largest milk-producing associations in the Nation. The trio-San Joaquin Valley Dairymen, Los Banos, Danish Creamery Association, Fresno, and California Milk Producers, Artesia-represent 700

dairymen and 44 percent of the State's milk production. The merger would make the cooperative the State's largest and the nation's third biggest with an estimated revenue of nearly \$2 billion.

December 1998

9. (D) California Gold To Merge with DFA

Members of California Gold Dairy Products, Petaluma, CA, the Nation's 12th-largest milk marketing cooperative, have voted overwhelmingly to join Dairy Farmers of America (DFA), Kansas City, MO. California Gold's 330 members in California and Nevada produce 2.5 billion pounds of milk annually, about half of which is marketed as fluid.

10. (D) Florida Dairy Cooperatives Merge

Florida Dairy Farmers Association and Tampa Independent Dairy Farmers Association have merged to form Southeast Milk Inc. Headquartered in Belleview, FL, Southeast Milk is the only Florida-based dairy cooperative. Its 253 members have a combined annual milk volume of some 2.8 billion pounds, or about 90 percent of the milk produced in the State.

October 1998

11. (D) Darigold To Purchase Echo Spring Dairy

Darigold Farms, a major dairy cooperative in the Pacific Northwest (Seattle, WA), agreed to purchase Echo Spring Dairy, an Oregon-based company that offers a full line of fluid milk products, cottage cheese, and sour cream. Darigold Farms has been a major supplier to Echo Spring, providing about 85 percent of its milk needs. The purchase will combine Echo Spring's 105 workers with Darigold's 1,300 employees.

12. (S) Southern States/Gold Kist Deal Complete*

Southern States Cooperative, Inc., of Richmond, VA, has purchased of the wholesale and retail farm supply business from Gold Kist Inc. of Atlanta, GA. By early November, Southern States expects to have its signs on 100 former Gold Kist retail farm supply stores as well as peanut and grain buying stations, cotton gins, fertilizer plants, feed mills and crop protection distribution centers in South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, and Texas.

September 1998

13. (S) Countrymark, LOL Members Approve Purchase*

Members of Land O'Lakes, Inc. (LOL), Minneapolis, MN, and Countrymark Cooperative, Inc., Indianapolis, IN, approved LOL's acquisition of Countrymark's primary farm supply businesses. Ninety percent of the members of the two organizations supported the acquisition which will fold Countrymark's seed, agronomy, and feed businesses into LOL, expanding LOL's market territory and membership deep into the eastern Midwest, and make it the third-largest commercial feed manufacturer in the U.S. The acquisition also includes Countrymark's petroleum distribution business and involves establishing joint ventures with Countrymark and GROWMARK, Inc., in feed, seed, and petroleum.

July 1998

14. (S) Farmland and Farmers Petroleum Propose Merger*

Farmland Industries, Inc., of Kansas City, MO, plans to merge with Farmers Petroleum Cooperative, Inc., of Lansing, MI. Farmers Petroleum, which has 4,100 members, is owned by Michigan farm cooperatives, individual farmers, and the Michigan Farm Bureau. Petroleum continues to be a major business unit for Farmland. Under the merger, Farmland will operate Farmers Petroleum's five retail facilities.

May 1998

15. (D) Land O' Lakes, Dairyman's Creamery Merger Plan Approved*

Members of Land O'Lakes of Minneapolis, MN, and Dairyman's Cooperative Creamery Association of Tulare, CA, approved a merger that will make LOL a \$5 billion national cooperative. LOL will beef up its presence in the West. The two cooperatives have a long history together. Dairyman's has been making butter for LOL for 15 years.

16. (S) Farmland To Buy SF Services*

SF Services of North Little Rock, AR, whose small-town farm supply stores produced sales of \$623 million in 1997, has been purchased by Farmland

Industries, Inc., of Kansas City, MO. Arkansas has at least 83 SF-affiliated stores. Another 420 locations are scattered through east Texas, Mississippi, Louisiana, and Oklahoma, with some locations in Alabama and Kansas. The sale required approval by 126 store-owning members of SF.

March 1998

17. (S) CENEX, Harvest States Members Approve Unification

The members of CENEX, Inc., and Harvest States Cooperatives, both of St. Paul, MN, overwhelmingly approved unification to form CENEX Harvest States Cooperatives, one of the nation's largest farmer-owned cooperatives. The unification will take effect June 1, 1998. About 88 percent of CENEX members and 91 percent of Harvest States members favored the merger. Their businesses span the full range of food production from farm supplies to processing and marketing to consumer products.

November/December 1997

18. (L) Southern States, Michigan Livestock Eye Merger

Michigan Livestock Exchange at East Lansing and its subsidiaries, which have 60,000 members and sales that topped \$700 million in 1996, will become the livestock marketing division of Southern States Cooperative based at Richmond, VA, under a proposed merger.

September/October 1997

19. (D) Dairy Farmers of America Formed

Members of four leading U.S. dairy marketing cooperatives (Mid-America Dairymen, Milk Marketing Inc., AMP1 Southern Region, and WDCI) have voted to form Dairy Farmers of America at Kansas City, MO. The new cooperative will handle about 21 percent of the nation's milk supply; serve 22,000 members in 42 States; will have combined sales of nearly \$7 billion; and will market more than 32.5 billion pounds of milk (1996).

March/April 1997

20. (D) Dairylea, DHIA Combining Operations

Cooperative Dairy One Inc., has been formed from the merger of Northeast Dairy Herd Improvement Association, Ithaca, NY, and Dairylea Cooperative, Inc., of Syracuse, NY. It's mission is to bring about needed changes in the dairy industry.

21. (D) Atlantic Dairy, Land O'Lakes Merge

Members of two of the Nation's leading dairy marketing cooperatives have approved the merger of Atlantic Dairy Cooperative (ADC), of Philadelphia, PA, with LOL of Minneapolis, MN. The merger solidifies a 17-year relationship between the two cooperatives. ADC's administrative operations at Southampton, PA, will be maintained, as will its field staff and the staff of its Holly Milk manufacturing operation. ADC will adopt LOL's governance system and its members will join LOL.

July/August 1996

22. (L) Equity Livestock Acquires Midwest in Wisconsin

The largest livestock marketing cooperative in Wisconsin, Equity Cooperative Livestock Sales Association at Baraboo, has become the dominant cooperative of its type in the State with its purchase of Midwest Livestock Producers of Francis Creek.

May/June 1996

23. (D) WDCI, Fort Collins Milk Producers Unify

Fort Collins (CO) Milk Producers Association, a dairy marketing cooperative with seven members who produce 2 million pounds of milk annually, has joined Western Cooperative Dairyman, Inc., of Thornton, CO.

March/April 1996

24. (L) Livestock Breeding Cooperatives (Atlantic Breeders, Eastern AI, LABC) Merge

Members of Atlantic Breeders Cooperative of Lancaster, PA, Eastern A.I. Cooperative, Ithaca, NY, and Louisiana Animal Breeders Cooperative, Baton Rouge, LA, overwhelmingly approved merger plans to form Genex Cooperative. The pro-

posal also made Genex a subsidiary of Cooperative Resources International, an AI holding cooperative based at Shawano, WI. The three cooperatives had been working together since 1986 in a partnership called Federated Genetics.

25. (FV) Naturipe Acquires Florida Berries

Greater timely access to markets in the East and Southwest will be achieved through an agreement between Naturipe Berry Growers of Watsonville, CA, and Ag Mark Produce, Inc., of Plant City, FL. Berries grown in Florida will be marketed under the Naturipe label. The Florida source will allow Naturipe, a berry-marketing cooperative, to serve the eastern markets at a lower cost during a time when California supplies are limited.

October 1995

26. (D) Foremost Farms To Buy Morning Glory

Foremost Farms USA, Baraboo, WI, has announced plans to acquire the Morning Glory Farms Region of Associated Milk Producers, Inc. (AMPI), Shawano, WI-one of San Antonio-based AMPI's three regions. Both cooperatives have facilities and members concentrated in Wisconsin and northern Illinois. Foremost Farms was created last year by the 1994 consolidation of Wisconsin Dairies Cooperative and Golden Guernsey Dairy Cooperative.

September 1995

27. (FV) Washington Apple Co-ops (Blue Chelan, Trout) Merge

Washington's largest grower-owned apple cooperative was formed Sept. 1 when two apple cooperatives-Blue Chelan Inc., and Trout, Inc.-merged. The new association, Trout-Blue Chelan, Inc., represents about 300 growers and will pack 5 million boxes of fruit worth \$70 million annually.

May 1995

28. (D) MMI and Eastern Milk Approve Merger

The nation's third largest dairy cooperative has been created by delegates voting to merge Eastern Milk Producers Cooperative, Syracuse, NY, and Milk Marketing, Inc. (MMI), Strongsville, OH. The new cooperative will retain the **MMI** name and

incorporate Eastern's cow logo into the new logo. The new cooperative has 9,000 farm family members in an area stretching from Indiana to Vermont. It will process 7 billion pounds of milk worth \$1 billion, annually. More than 95 percent of the voting members of each cooperative approved the merger.

29. (L) Dairylea Acquires Empire Livestock

Dairylea Cooperative Inc., Syracuse, NY, has assumed ownership and control of the assets of Empire Livestock Marketing Cooperative, Ithaca, NY. Dairylea plans to operate Empire as a fully autonomous subsidiary. Dairylea has been providing administrative services for Empire since the early 1990s. Empire is the largest livestock marketing organization in the Northeast, operating nine markets across New York State.

March 1995

30. (D) Southern Milk Sales Merges with Mid-Am

Southern Milk Sales (SMS), Montgomery, AL, merged with Mid-America Dairymen, Inc., Springfield, MO. Mid-Am has managed SMS operations on a contract basis for the past 3 years. Coordination of marketing programs was the goal when the management contract was established with full merger to follow.

February 1995

31. (D) Coble Dairy To Merge with Mid-Am

Members of Coble Dairy, Lexington, NC, voted unanimously to merge with Mid-America Dairymen, Inc., Springfield, MO. The recent merger of Mid-Am and Dairymen, Inc., and their subsequent aggressive marketing program and strong position in Class I fluid milk market in the Southeast prompted the merger. It provides Coble with the opportunity to preserve members' equity and market milk profitably in the future.

32. (S) Canadian, U.S. Co-ops (UCO, GROWMARK) Join Forces

GROWMARK, Inc., Bloomington, IL, has purchased the assets of United Co-operatives of Ontario-the largest farm supply and marketing cooperative in the Canadian province-for \$34 million. Despite geographic differences, the agri-

culture of Ontario and of the Midwest are compatible because they have strong roots in cooperation among farmers.

33. (F) CoBank, Springfield Banks To Consolidate

Stockholders of CoBank, the Farm Credit Bank of Springfield (MA), and the Springfield Bank for Cooperatives have overwhelmingly approved their consolidation to form CoBank, ACB (Agricultural Credit Bank). The new bank will be based in Denver, CO. The merger is intended to present a significant opportunity for all the banks to improve service to customer-owners, strengthen financial performance, and achieve strategic business objectives. The consolidated bank will act as a wholesale lender to the Farm Credit Association serving cooperatives and associations in eight States of the First Farm Credit district.

34. (L) Noba Joins CRI*

Noba, Inc., an artificial insemination cooperative in Tiffin, OH, merged into Cooperative Resources International (CRI), Shawano, WI. Noba becomes the third subsidiary of CRI and joins 21st Century Genetics and Wisconsin DHIC.

December 1994

35. (FV) Pro-Fat Completes Acquisition of Curtice Burns

Pro-Fat Cooperative, Inc., a 700-member agricultural marketing cooperative at Rochester, NY, has completed its acquisition of Curtice Burns Food, Inc. It will become a wholly-owned subsidiary of Pro-Fat. Both will continue to operate under two separate boards. The two had been partners in a joint venture in which Pro-Fat was the primary supplier of fruits and vegetables processed by Curtice Burns.

November 1994

36. (D) Mid-Am, DI Merger Receives Justice Approval

The merger of Mid-America Dairymen, Inc., of Springfield, MO, and Dairymen, Inc., of Louisville, KY, has been approved by the U.S. Justice Department, clearing the way for the cooperatives to file required merger certification papers with the States of Kansas and Kentucky, respectively, where the cooperatives are chartered. With more

than 92 percent of Mid-Am's 360 delegates voting, 93.4 percent favored the merger. The new cooperative will continue to use the Mid-Am name. The merger will combine Mid-Am's 14,000 members with DI's 3,000 members in an organization that will cover much of the United States.

June 1994

37. (D) Gulf Dairy To Merge with Mid-Am

Gulf Dairy Association, Kentwood, LA, has voted to merge operations with Mid-America Dairymen, Inc., Springfield, MO. Gulf Dairy will operate as a sub-region within Mid-Am's existing Southern Division. Also, Highland Dairy-Mid-Am's joint venture with Prairie Farms Dairy Inc., Carlinville, IL, has acquired Gilt Edge Dairy, a subsidiary of the Dean Milk Co. in Norman, OK. Prairie Farms manages Hiland while Mid-Am supplies the raw milk.

April 1994

38. (G) Colorado Co-ops Join Forces

Members of Consumers Co-op, Inc., and Farmers Union Co-op Elevator, both in Wray, CO, have consolidated their operations. Eighty percent of the members voting favored unification. The new cooperative, known as Great Plains Cooperative, Inc., will be one of the largest in Colorado.

February 1994

39. (D) Prairie Farms, Allen Dairy Merge

Allen Dairy, Fort Wayne, ID, has merged with Prairie Farms Dairy, Inc., Carlinville, IL. Allen Dairy processes 130 million pounds of fluid milk annually and has about 100 members.

October 1993

40. (FV) Wenoka Announces Merger

Wenoka Sales, the marketing division of the Wenatchee (WA) Okanogan Cooperative Federation, has merged into a new company, Majestic Valley Produce, also headquartered in Wenatchee. Majestic will market for Wenatchee's six warehouses plus three other packing sheds. Six of the nine members of Majestic are cooperatives.

February 1993

41. (D) 21st Century Genetics, Wisconsin DHIC Merge to Form CRI*

Cooperative Resources International (CRI), a holding cooperative, formed by 21st Century Genetics, an artificial insemination cooperative from Shawano, WI, and Wisconsin DHIC (WDHIC), Verona, WI. Several operations from both cooperatives are combined under the new holding cooperative.

May 1992

42. (D) Dairymen's Creamery Association Merges with Darigold

Dairymen's Creamery Association (DCA), Caldwell, ID, has merged with Darigold Farms at Seattle, WA, retroactive to Dec. 1, 1991, when DCA members approved the combination. The 76-year-old DCA has been serving dairy farmers in northern Idaho and eastern Washington State. The merger is the latest in a number of new changes for Darigold in the past few years. It recently opened a new manufacturing plant in Sunnyside, WA.

43. (D) Mid-Am, A-G Cooperative Consolidate

A-G Cooperative in Arcadia, WI, has consolidated with Mid-America Dairymen, Inc., Springfield, MO. The addition of AG's members and state-of-the-art cheese plant and whey processing center is expected to fill a void in Mid-Am's Northern Division. Consolidation assured continuation of the plant at Arcadia and market security for members through Mid-Am.

February 1992

44. (G) Twenty-two Riceland Co-ops Acquired

Riceland Foods, Inc., Stuttgart, AR, has acquired 22 affiliated local grain-drying cooperatives. Nearly 6,000 members of the affiliates participated in the vote, with 94 percent favoring the move. The total package cost Riceland about \$48 million including obligations to redeem \$34 million in equities and \$13.6 million in long-term debt. Current and former members received \$11.6 million in redemptions of the dryer's certificates of equity. Members saw immediate benefits in the form of lower drying charges and the freedom to deliver grain to the nearest facility. Over the next 5

years, Riceland plans to invest \$30 million for improvements. The former affiliate boards will be continued to provide marketing advice to Riceland, collect and distribute earnings derived from grain origination, and redeem members' allocated equity.

January 1992

45. (D) Wisconsin Dairy Co-ops (Tri-State Milk, Chaseburg Coop Creamery) Merge

Two Wisconsin dairy cooperatives have agreed to merge. The move allows both Tri-State Milk Cooperative at West Salem and Chaseburg Cooperative Creamery Company to continue their operations. The surviving Tri-State, which previously had no processing facility, will supply milk to Chaseburg so its cheese plant can operate more efficiently.

46. (FV) Fruita Buys United Fruit Growers

Fruita Consumers Cooperative Association, Inc., Fruita, CO, will acquire United Fruit Growers, Palisade, CO. United will continue to operate under its branch manager. Its retail operations at East Valley will expand to handle farm production supplies. The fruit packing and marketing functions will be continued. New contracts and additional fruit growers will be sought.

September 1991

47. (S) Indiana Farm Bureau, Countrymark Merge*

Indiana Farm Bureau Cooperative Association, Indianapolis, IN, and Countrymark, Inc., Indianapolis, IN, merged to form Countrymark Cooperative.

November 1990

48. (D) Greenwood Co-op Joins LOL

Members of Greenwood (WI) Milk Products Cooperative voted to join Land O' Lakes, Inc. (LOL), at Minneapolis and thereby relinquish the Class A member status they had held for the past 25 years. Greenwood will become LOL's seventh major plant and first in central Wisconsin. It provides a strategic link between LOL's Minnesota service area and members of its Lake to Lake subsidiary in eastern Wisconsin.

October 1990

49. (S) Illinois Co-ops Form Gateway FS

Two southwestern Illinois cooperatives-Monroe Service Company and Randolph Service Company-have merged to form Gateway FS, a grain marketing and farm supply cooperative at Red Bud, adjacent to the cooperative's grain elevator. Combined volume of the new cooperative will be \$73 million. The new operation will have 100 employees and facilities at 14 locations in adjoining Monroe and Randolph counties. Gateway is expected to save \$200,000 a year after its first year of consolidation by eliminating duplicate insurance, audits, annual meetings, and personnel.

April 1990

50. (FV) Welch's Completes U.S. Grape Purchase

Assets and operations of U.S. Grape, Sunnyside, WA, have been transferred from Tree Top, Inc., an apple-processing cooperative at Selah, WA, to Welch's. Sale of the former Tree Top subsidiary to Welch's was formally completed earlier this year. Facilities were closed and offered for sale. Stored juices were transferred to Welch's facility at Grandview, WA. The 51 grape growers, who had contracted more than 1,000 acres of vineyards to U.S. Grape, became members of National Grape Co-operative that owns Welch's.

January 1989

51. (F) Jackson, Spokane Join National Bank for Cooperatives

The addition of the Jackson and Spokane Banks for Cooperatives gives the new National Bank for Cooperatives (NBC) a base of about 2,400 stockholders, \$11.3 billion in assets, and \$8.8 billion in loans outstanding, based on June 30, 1988 figures. Stockholders in the Jackson and Spokane districts approved the merger with NBC and stockholders in the eight other districts, both by number and equity, and the Central Bank also approved it for cooperatives in Denver.

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Appendix table 1- **Unifications shown in RBS cooperative list, 1991-97***

	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total
<i>Numbers</i>										
consolidations	55	41	76	74	58	47	65	54	41	511
Acquisitions	33	27	59	33	41	14	25	18	16	266
Total	88	68	135	107	99	61	90	72	57	777
<i>Percentage of total</i>										
Merges and consolidations	62.5	60.3	56.3	69.2	63.7	77.0	72.2	75.0	71.9	65.8
Acquisitions	37.5	39.7	43.7	30.8	36.3	23.0	27.8	25.0	28.1	34.2

* The actual change may have occurred a year or more earlier. The year-to-year variation is partially due to the reporting mechanism.

U.S. Department of Agriculture

Rural Business-Cooperative Service

Stop 3250

Washington, D.C. 20250-3250

Rural Business-Cooperative Service (**RBS**) provides research, management, and educational assistance to cooperatives to strengthen the economic position of farmers and other rural residents. It works directly with cooperative leaders and Federal and State agencies to improve organization, leadership, and operation of cooperatives and to give guidance to further development.

The cooperative segment of RBS (1) helps farmers and other rural residents develop cooperatives to obtain supplies and services at lower cost and to get better prices for products they sell; (2) advises rural residents on developing existing resources through cooperative action to enhance rural living; (3) helps cooperatives improve services and operating efficiency; (4) informs members, directors, employees, and the public on how cooperatives work and benefit their members and their communities; and (5) encourages international cooperative programs. RBS also publishes research and educational materials and issues *Rural Cooperatives* magazine.

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