

COOPERATIVE STATISTICS 2012



United States
Department of
Agriculture

Rural Business-Cooperative Programs

Service Report 74

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ON THE COVER

Ethanol plants such as this have become a common sight in rural America, especially in Corn Belt states, where there is a ready supply of grain to convert into ethanol and a market for distillers' grains as cattle feed.

ABSTRACT

A survey of 2,238 U.S. farmer, rancher, and fishery cooperatives ending their business year during calendar year 2012 showed a record business volume, net income, and total assets. Gross business volume was \$235 billion, while net business volume was \$202 billion and net income totaled \$6.1 billion. These cooperatives had more than \$82 billion in assets, \$52 billion of liabilities, and \$30 billion in equity. Cooperatives were a major employer in rural areas, with 129,000 full-time workers and 56,000 part-time or seasonal employees. Business volume

by commodity is reported for all cooperatives. Number of cooperatives, cooperative memberships, and number of employees are classified according to whether the business is a marketing, supply, or service cooperative. Trends in cooperative numbers, memberships, employees, business size, sales volume, net income, assets, liabilities, and net worth are reported.

Keywords: cooperatives, statistics, business volume, employees, memberships, balance sheet, income statement, financial ratios.

COOPERATIVE STATISTICS, 2012

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Service Report 74

November 2013

PREFACE

Cooperative statistics are collected annually to provide information on the progress and trends among the Nation's farmer, rancher and fishery cooperatives. These statistics are used for research, technical assistance, education, planning, and public policy. The collection, analysis, and dissemination of cooperative statistics by the United States Department of Agriculture (USDA) are authorized by the Cooperative Marketing Act of 1926.

This report provides aggregate information on the number, membership, business volume, net income, basic balance sheet items, and full-time and part-time and seasonal employees of cooperatives for business years ending in calendar year 2012. Cooperatives are classified by principal product marketed and major function. Both gross (includes inter-cooperative business) and net (excludes inter-cooperative business) dollar volumes are reported.

Statistics for 2012 were compiled on a State and national basis. The information was collected by a

mail survey of all organizations identified by USDA Rural Development's Cooperative Programs as farmer, rancher, or fishery cooperatives. Information was requested for the 2012 business year.

USDA's Cooperative Programs conducts an annual census to gain accurate information for assistance purposes. Information obtained from individual cooperatives is combined with data from other cooperatives to maintain confidentiality.

Statistics for all cooperatives were derived by estimating data for non-respondents and combining this information with respondent data. Data from respondents and other sources accounted for 92 percent of the total gross sales of farmer, rancher, and fishery cooperatives in 2012.

USDA depends on the response to its annual survey to develop a detailed and comprehensive set of statistics on cooperatives. The time and effort taken to provide information and the timeliness with which it is furnished are greatly appreciated.

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HIGHLIGHTS

There are 2,238 U.S. farmer, rancher, and fishery cooperatives, according to the 2012 survey of marketing, supply, and service cooperatives by USDA Rural Development's Cooperative Programs. This was the highest sales, income, and asset year for those cooperatives, surpassing the previous records set in 2011. The farm economy saw sales increases of at least 4 percent for feed grains, oilseeds, fruits and nuts, tobacco, livestock, and poultry and eggs, while sales declined at least 5 percent for rice, cotton, vegetables, and dairy products. Farm production expenses had double-digit increases for feed and seed, while crop protectants, fertilizer, and fuel sales increased 9, 6, and 2 percent, respectively.

- Total gross business volume (includes inter-cooperative business) handled by cooperatives was \$235 billion; net business (excludes inter-cooperative business) was \$202 billion. Both are records exceeding 2011 by \$18 billion and \$15 billion, respectively.
- Net income before taxes (NIBT) was \$6.1 billion, which includes inter-cooperative dividends and refunds of \$899 million. This exceeds the 2011 record NIBT by \$0.7 billion, while dividends and refunds trail the 2009 record by \$0.6 million.
- Cooperative memberships were 2.1 million, down 168,566 from 2011.
- Cooperatives employed 129,000 full-time and 56,000 part-time and seasonal employees. Full-time employee numbers were down 1,600 from 2011, while part-time and seasonal employee numbers were up by 3,300.
- Gross value of products marketed by cooperatives was \$138 billion, with a net value (after eliminating duplication from inter-cooperative business) of \$132 billion. Both gross and net marketings were up over 5 percent from 2011. Grain and oilseed marketings were up over \$7 billion, while dairy product marketings decreased about \$0.5 billion.
- Gross value of supplies handled by cooperatives was \$92 billion, with a net value of \$65 billion. Net supply sales were up \$7 billion primarily due to rising energy prices and widespread drought increasing feed ingredient prices. Fertilizer, feed, and petroleum all had increases of at least \$1 billion in net sales.
- Receipts for services related to marketing farm products and supplies, plus other income, totaled \$4.7 billion, up over \$200 million from 2011.
- Cooperatives had \$83 billion in combined assets, a record amount, exceeding the 2011 high of \$79 billion. Net assets, after eliminating inter-cooperative investments, were \$78 billion. Inter-cooperative investments included those in CoBank.
- Total liabilities increased \$1.7 billion, to \$53 billion.
- Net worth, or member and patron equity, was \$30 billion. Member and patron equity financed 36 percent of total assets, up from 35 percent in 2011.

Table A: Comparison of 2012 and 2011 Cooperative Statistics

	2012	2011	Change
Number of cooperatives	2,238	2,299	-61
Memberships (millions)	2.1	2.3	-0.1
Gross business volume (billion \$)	234.8	216.8	17.9
Net business volume (billion \$)	201.6	187.0	14.63
Net income before taxes (billion \$)	6.1	5.4	0.69
Total assets (billion \$)	82.9	79.4	3.52
Net worth (billion \$)	30.0	28.2	1.83
Full-time employees (thousand)	129.2	130.8	-1.63
Part-time and seasonal employees (thousand)	56.0	52.7	3.34

Cooperative Statistics, 2012

Sarah Ali and E. Eldon Eversull

I. DEFINITION OF A COOPERATIVE

USDA considers four major criteria in identifying farmer, rancher, and fishery cooperatives:

- (1) Membership is limited to persons producing agricultural and aquacultural products and to associations of such producers;
- (2) Cooperative members are limited to one vote regardless of the amount of stock or membership capital owned, or the cooperative does not pay dividends on stock or membership capital in excess of 8 percent a year or the legal rate in the State, whichever is higher;
- (3) Business conducted with non-members may not exceed the value of business conducted with members;
- (4) The cooperative operates for the mutual interest of members by providing member benefits on the basis of patronage.

These criteria may result in larger or smaller numbers of farmer, rancher, and fishery cooperatives than found in lists or directories of State agencies or cooperative councils. Year-to-year comparisons with specific commodity groups reflect any differences in lists and classifications in State and Federal data.

Classification of Cooperatives

Cooperative Programs classifies each cooperative under one of the following major functions: marketing, supply, or service. For example, fertilizer cooperatives are classified as supply cooperatives, wool pools are classified as marketing cooperatives, and transportation cooperatives are classified as service cooperatives.

Marketing cooperatives derive most of their total dollar volume from the sale of members' products. Those cooperatives are further classified into 1 of

13 commodities or commodity groups, depending upon which accounts for most of its business volume. Cooperative Programs may reclassify a cooperative into a different commodity category if its primary business volume changes significantly.

Supply cooperatives derive most of their business volume from the sale of production supplies, machinery and equipment, and building materials. Many also handle farm, ranch, and home items, such as heating oil, lawn and garden supplies and equipment, and food.

Service cooperatives provide specialized services related to the business operations of farmers, ranchers, or cooperatives, such as trucking, storing, or drying.

Many cooperatives handle multiple commodities and provide marketing and supply services, as well as the facilities and equipment used to perform these services. These associations are classified according to the predominant commodity or function, as indicated by business volume.

Prior year data has been revised in this report. Some revisions correct errors; others are due to new information. For instance, 128 cooperatives that had not responded in 2011 included with their 2012 surveys annual reports that also had 2011 information.

Organizational Membership Structures

Cooperative Programs further classifies marketing, supply, and service cooperatives into three organizational structures according to membership. The membership structures used are centralized, federated, and mixed.

Centralized Cooperatives

Of the 2,238 cooperatives in 2012, 2,181 were centralized organizations, mostly local cooperatives with individual farmer, rancher, or fishery members. Centralized cooperatives usually serve a local area or community, county, or several counties. Most usually perform a limited number of initial marketing functions. Most supply sales are at the retail level. A few centralized cooperatives, principally

Figure 1: Cooperatives in the United States, 2003-2012

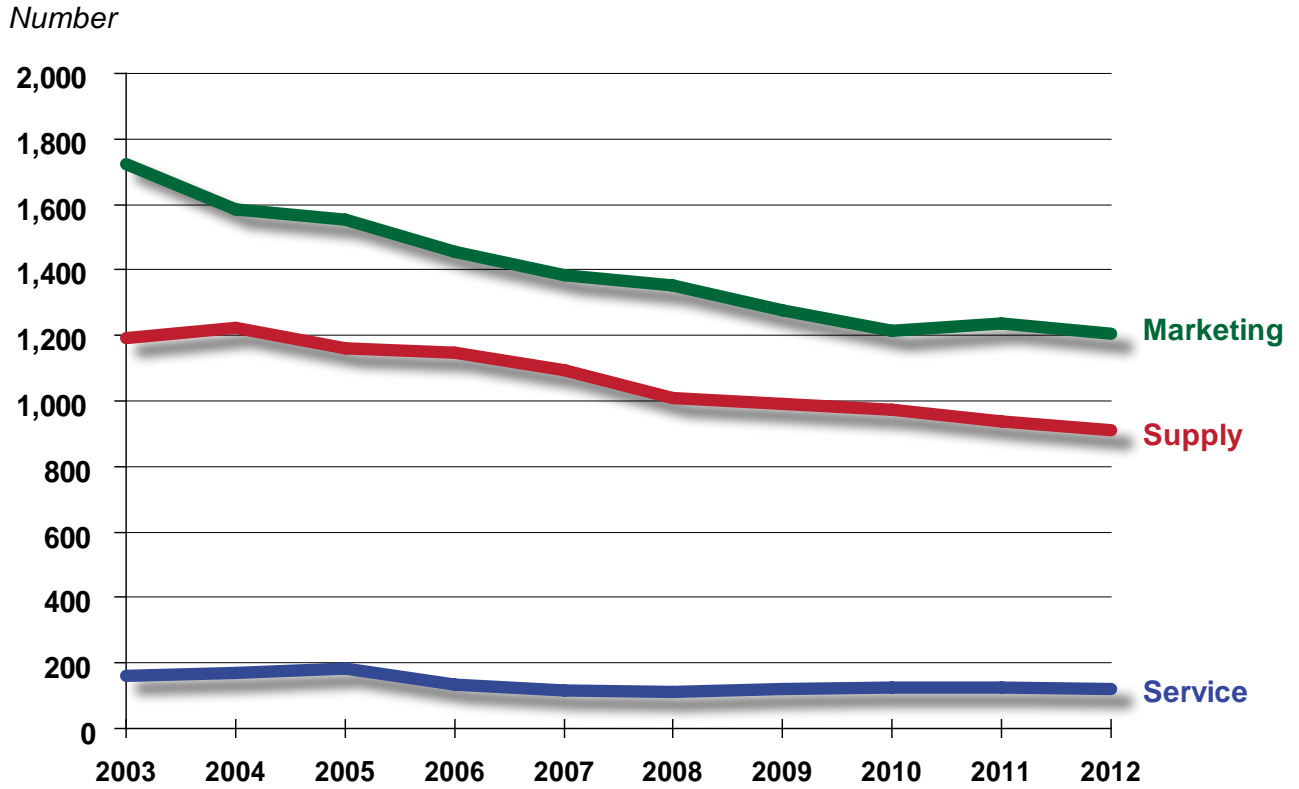
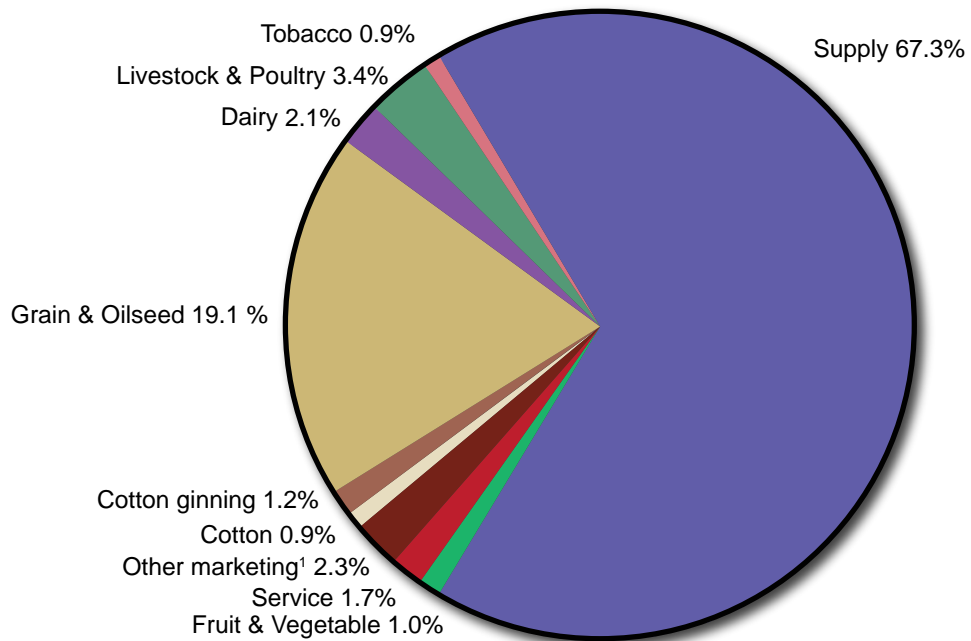


Figure 2: Distribution of Memberships, by Type of Cooperative, 2012



Percentages are based on 2.1 million total memberships.

¹ Includes dry bean and pea, wool and mohair, rice, sugar, fishery, and other product marketing cooperatives.

Table 1: Number of cooperatives and memberships, by major business activity, 2012

Major business activity	Cooperatives <i>Number</i>	Memberships <i>Thousands</i>
Bean and pea (dry edible)	5	1.9
Cotton	12	18.8
Cotton ginning	151	25.4
Dairy	133	45.1
Fish	39	5.4
Fruit and vegetable	143	21.0
Grain and oilseed ¹	493	403.3
Livestock	88	70.9
Nut	19	9.7
Poultry ²	11	0.5
Rice	12	10.7
Sugar ³	26	8.8
Tobacco	6	18.8
Wool and mohair	43	9.5
Other marketing ⁴	25	5.5
Total marketing	1,206	655.4
Artificial insemination	13	52.9
Total supplies	911	1,420.7
Other services ⁵	98	35.8
Rice dryers	4	0.2
Storage	6	0.1
Transportation	13	0.4
Total service	121	36.5
Total	2,238	2,112.6

¹ Cooperatives primarily handling grains and oilseeds, excluding cottonseed.

² Cooperatives primarily handling eggs, turkeys, ratite, squab, and related products.

³ Cooperatives primarily handling sugar beets, sugarcane, honey, and related products.

⁴ Cooperatives primarily handling forest products, hay, hops, seed marketed for growers, nursery stock, bioenergy, coffee, and other farm products not classified separately. Also includes manufactured food products and resale items marketed by cooperatives.

⁵ Cooperatives primarily providing grading, testing, auctions, hulling, seed development, crop scouting, farmer markets, and other services.

regionals, operate over multistate areas and provide more vertically integrated services, such as processing products or manufacturing feed.

Bargaining associations also have centralized organizational structures. They derive all or most of their business volume from negotiating with distributors, processors, and other buyers and sellers

over price, quantity, grade, terms of sale, and other factors involved in marketing products. Only a few bargain to purchase supplies. While the primary function of such an association is to bring buyers and sellers together to contract for the sale of members' products, many bargaining associations now perform additional functions.

For example, dairy bargaining associations at one time only negotiated price. Now, many perform additional functions, such as physically handling part of the milk for spot sales. Like other dairy marketing cooperatives, these cooperatives represent their members at Federal or State milk marketing order hearings.

Federated Cooperatives

The 38 federated cooperatives—two or more member associations organized to market products, purchase production supplies, or perform bargaining functions—often operate at points quite distant from their headquarters. Members are usually local cooperatives, although some are interregional associations with regional cooperative members.

Mixed Cooperatives

The 19 mixed cooperatives have individual farmer, rancher, or fishery members and autonomous cooperative members. These cooperatives use a combination of centralized and federated structures. They serve large geographic areas, with members in many States, and provide a variety of integrated services.

II. 2012 STATISTICS

Cooperatives' total gross business volume for 2012 was \$235 billion. Net business volume was \$202 billion, while net income before taxes (NIBT) was \$6.1 billion. This was the highest sales volume and income for these cooperatives, exceeding records set in 2011.

Cooperative sales increases were driven by increased sales in the overall farm economy. Overall, there were sales increases of at least 4 percent for feed grains, oilseeds, fruits and nuts, tobacco, livestock, and poultry and eggs, while sales declined at

Table 2: Number of cooperatives, by major function and State, 2012

Function	Marketing	Supply & service	Total
<i>State</i>		<i>Number</i>	
Alabama	9	42	51
Arizona	8	0	8
Arkansas	11	23	34
California	80	36	116
Colorado	11	17	28
Florida	20	10	30
Georgia	7	7	14
Hawaii	7	6	13
Idaho	16	8	24
Illinois	76	39	115
Indiana	10	24	34
Iowa	65	30	95
Kansas	58	33	91
Kentucky	7	24	31
Louisiana	10	23	33
Maryland	4	9	13
Massachusetts	3	5	8
Michigan	22	22	44
Minnesota	100	99	199
Mississippi	19	33	52
Missouri	19	40	59
Montana	19	26	45
Nebraska	34	21	55
New York	41	13	54
North Carolina	8	4	12
North Dakota	72	78	150
Ohio	27	14	41
Oklahoma	31	24	55
Oregon	19	14	33
Pennsylvania	24	15	39
South Dakota	37	35	72
Tennessee	4	59	63
Texas	145	41	186
Utah	5	7	12
Virginia	16	35	51
Washington	35	23	58
West Virginia	5	8	13
Wisconsin	65	66	131
Wyoming	5	5	10
Other States ¹	52	14	66
United States	1,206	1,032	2,238

¹ Includes States with fewer than three cooperatives for any function. States with at least three cooperatives were: Alaska, 5; Connecticut, 6; Delaware, 3; Maine, 22; New Jersey, 11; New Mexico, 9; South Carolina, 3; and Vermont, 3.

least 5 percent for rice, cotton, vegetables, and dairy products. Farm production expenses had double-digit increases for feed and seed, while crop protectants, fertilizer, and fuel sales increased 9, 6, and 2 percent, respectively.

Cooperative marketing sales were led by a 13-percent sales gain for grain and oilseed cooperatives, which was a \$7 billion increase. Supply sales grew by 5 percent over 2011, with fertilizer leading the gain with an increase of \$2 billion. Petroleum product sales grew more than \$1.5 billion; feed, \$0.9 billion; and crop protectants, \$0.6 billion.

In 2012, agricultural cooperatives had 2.1 million members, with a record \$83 billion in assets and \$30 billion in equity. Cooperatives remained a major employer in rural areas, using 129,000 full-time workers.

Number of Cooperatives

The 2012 survey counted 2,238 marketing, supply, and service¹ cooperatives, compared with 2,299 in 2011. Of the 2,238 cooperatives, 1,206 primarily marketed products, 911 primarily handled production supplies, and 121 provided services related to marketing or purchasing activities (table 1, appendix figure 1).

The proportion of marketing, supply, and service cooperatives to the total number of cooperatives remained virtually unchanged from 2011. About 54 percent of cooperatives are marketing cooperatives, 41 percent are supply cooperatives, and 5 percent are service cooperatives (figure 1 and appendix table 1).

There was a net decrease of 61 associations (3 percent) from 2011 to 2012, largely reflecting a continuing trend involving merger, acquisition, or dissolution. The largest decrease was 32 grain and oilseed cooperatives, while farm supply cooperatives decreased by 28.

Cooperatives are added to the list every year, usually based on press releases from the cooperative or

¹ Services include trucking, storage, crop drying, livestock shipping, and similar services affecting the form, quality, or location of products and supplies. They do not include credit, electric, telephone, or other such services not directly related to marketing or supply activities.

Table 3: Number¹ of cooperatives, memberships,² and gross and net sales by State, 2012³

State	Head- quartered in State	Member- ships	Business volume		State	Head- quartered in State	Member- ships	Business volume	
			Gross ⁴	Net ⁵				Gross ⁴	Net ⁵
	<i>Number Thousands</i>		<i>\$Millions</i>			<i>Number Thousands</i>		<i>\$Millions</i>	
BEAN AND PEA, DRY EDIBLE					FISH				
United States	5	1.9	174.76	171.04	Maine	15	0.7	67.52	67.52
COTTON⁶					Other States	24	4.8	121.06	121.06
Texas	4	7.9	650.33	650.33	United States	39	5.4	188.58	188.58
Other States	8	10.9	2,012.45	2,008.50	FRUIT AND VEGETABLE				
United States	12	18.8	2,662.78	2,658.83	Arizona	3	0.8	76.73	36.30
COTTON GINNING⁶					California	33	10.7	2,822.16	2,070.32
Alabama	3	0.1	7.38	7.38	Florida	12	0.9	871.90	271.40
Arizona	4	0.1	31.48	31.48	Hawaii	4	0.1	7.71	7.71
Arkansas	3	1.8	33.16	16.13	Michigan	10	0.8	855.55	764.03
California	13	0.6	87.82	41.41	Minnesota	4	0.1	0.64	0.64
Louisiana	3	0.2	18.85	11.22	New Jersey	4	0.4	202.88	120.39
Mississippi	10	0.3	96.88	94.92	New York	7	0.5	78.05	77.92
Oklahoma	10	4.2	3.86	3.85	Oregon	10	0.9	530.36	510.50
Texas	100	17.7	192.08	190.65	Pennsylvania	4	0.3	427.53	427.53
Other States	5	0.4	33.33	25.03	Texas	4	0.1	99.88	87.58
United States	151	25.4	504.84	422.06	Washington	10	2.1	830.13	815.31
DAIRY					Other States	38	3.3	963.00	433.93
California	3	0.9	6,208.72	6,117.97	Foreign ⁷	0	0.1	246.87	126.53
Idaho	3	0.1	450.27	450.27	United States	143	21.0	8,013.37	5,750.09
Illinois	3	1.6	1,785.33	1,784.44	GRAIN AND OILSEED⁸				
Iowa	4	2.3	1,655.98	1,607.30	Colorado	6	3.5	219.77	219.54
Minnesota	23	6.5	3,607.08	3,543.55	Illinois	70	52.7	6,623.26	6,622.13
New Mexico	4	0.1	680.70	676.24	Indiana	6	3.6	937.66	937.66
New York	29	3.1	2,825.28	2,454.26	Iowa	55	67.9	11,456.27	11,305.83
Pennsylvania	11	2.1	1,493.54	1,314.15	Kansas	58	64.3	4,236.35	4,229.04
Wisconsin	22	10.0	5,390.30	5,133.85	Minnesota	57	31.4	9,802.83	9,772.76
Other States	31	18.5	17,567.98	16,942.82	Mississippi	3	2.4	388.14	388.14
Foreign ⁷	0	0.0	143.31	140.50	Missouri	13	13.8	1,740.61	1,215.46
United States	133	45.1	41,808.48	40,165.36	Montana	4	0.7	876.45	876.45
					Nebraska	30	52.5	5,792.29	5,786.28

Continued next page

¹ Includes centralized and federated cooperatives and those with mixed organizational structures. Headquartered in the State listed.

² Includes voting farmer-members, but not nonvoting patrons. (Duplication in these membership figures occurs because many farmers belong to more than one cooperative.) Memberships include members of cooperatives not headquartered in the State listed. Totals may not add due to rounding.

³ Data covering operations of cooperatives for fiscal years ended in 2012. States listed are those with more than two cooperatives or where disclosure was not a problem.

⁴ Gross business volume includes sales between cooperatives.

Gross sales include sales of cooperatives not headquartered in the State listed. Totals may not add due to rounding.

⁵ Net business volume excludes sales between cooperatives. Net sales include sales of cooperatives not headquartered in the State listed. Totals may not add due to rounding.

⁶ Cottonseed sales of meal are included in feed sales, whereas oil sales are included in other marketing sales.

⁷ Includes memberships, marketing, and sales in other countries.

⁸ Excludes oilseed meal and oil. Oilseed meal is included in feed sales, whereas oil sales are included in other marketing sales.

Table 3: Number¹ of cooperatives, memberships,² and gross and net sales by State, 2012³*(continued)*

State	Head- quartered in State	Member- ships	Business volume		State	Head- quartered in State	Member- ships	Business volume	
			Gross ⁴	Net ⁵				Gross ⁴	Net ⁵
	Number	Thousands	\$Millions			Number	Thousands	\$Millions	
GRAIN AND OILSEED (continued)					SUGAR (continued)				
North Dakota	57	22.3	4,822.09	4,821.64	Foreign ⁷	0	0.1	3.47	3.47
Ohio	21	19.8	2,529.26	2,529.04	United States	26	8.8	6,297.18	5,339.09
Oklahoma	18	13.7	283.69	283.69	TOBACCO				
South Dakota	37	24.7	4,235.04	4,234.51	Tennessee	3	10.8	3.82	3.82
Texas	26	9.8	887.95	887.95	Other States	3	8.0	115.72	115.72
Washington	13	8.0	1,524.27	1,524.27	United States	6	18.8	119.53	119.53
Other States	19	12.3	4,314.22	4,291.97	OTHER MARKETING¹¹				
Foreign ⁷	0	0.0	2,798.00	2,798.00	Minnesota	9	4.7	1,706.33	1,612.25
United States	493	403.3	63,468.13	62,724.36	Other States	59	10.3	4,310.10	3,996.47
LIVESTOCK					United States	68	15.0	6,016.43	5,608.72
North Dakota	6	0.6	24.27	24.27	TOTAL MARKETING				
West Virginia	4	0.2	2.46	2.46	Alabama	9	2.6	398.21	398.21
Wisconsin	36	45.2	489.08	489.08	Alaska	5	3.0	12.64	12.64
Other States	42	24.9	3,503.43	3,503.43	Arizona	8	1.4	996.08	916.49
United States	88	70.9	4,019.25	4,019.25	Arkansas	11	12.3	1,884.61	1,825.97
NUT					California	80	19.3	11,195.62	10,304.00
California	11	4.2	1,018.65	1,016.03	Colorado	11	4.7	904.77	904.55
Other States	8	5.4	86.72	86.72	Florida	20	1.5	2,297.69	1,686.04
Foreign ⁷	0	0.1	0.00	0.00	Georgia	7	2.3	714.04	674.69
United States	19	9.7	1,105.37	1,102.74	Hawaii	7	0.4	8.93	8.93
POULTRY⁹					Idaho	16	3.6	1,582.74	736.51
California	3	0.1	404.11	404.11	Illinois	76	55.7	8,667.64	8,665.63
Other States	8	0.5	1,050.37	1,050.37	Indiana	10	6.3	1,986.61	1,957.36
United States	11	0.5	1,454.48	1,454.48	Iowa	65	73.3	14,689.26	14,455.92
RICE					Kansas	58	66.0	5,281.72	5,245.43
California	3	0.8	319.86	319.86	Kentucky	7	12.4	695.39	681.80
Texas	4	0.5	57.68	57.68	Louisiana	10	4.2	1,010.79	996.04
Other States	5	9.4	1,177.58	1,177.58	Maine	20	1.5	143.36	142.82
United States	12	10.7	1,555.13	1,555.13	Massachusetts	3	0.4	455.33	237.63
SUGAR¹⁰					Michigan	22	8.4	3,226.72	3,049.86
Idaho	5	0.6	852.95	6.72	Minnesota	100	46.5	18,368.09	18,171.89
Louisiana	3	0.6	220.62	220.62	Mississippi	19	6.3	1,035.59	1,029.55
Minnesota	3	2.5	2,218.35	2,210.57	Missouri	19	19.2	5,800.27	5,268.12
Wyoming	3	0.5	20.99	20.99	Montana	19	1.6	1,020.99	1,020.11
Other States	12	4.5	2,980.80	2,876.72	Nebraska	34	55.3	7,487.24	7,480.04
					New Jersey	9	1.5	297.92	195.02
					New Mexico	8	0.7	707.99	703.53
					New York	41	4.0	3,199.65	2,828.50
					North Carolina	8	2.0	732.90	697.95
					North Dakota	72	25.9	6,098.15	6,085.87
					Ohio	27	23.2	3,486.09	3,438.82
					Oklahoma	31	21.5	703.61	683.54
					Oregon	19	6.8	2,903.91	2,816.30
					Pennsylvania	24	3.4	1,927.13	1,747.74
					South Dakota	37	26.1	4,900.07	4,886.95

⁹ Includes eggs, turkeys, ratite, squab, and related products.¹⁰ Includes sugar, sugarcane, sugar beets, honey, maple syrup, molasses, and sorghum.¹¹ Includes forest products, hay, hops, seed marketed for growers, nursery stock, biofuels, coffee, wool and mohair, and other marketings not classified separately. Also includes manufactured food products and resale items marketed by cooperatives.

Table 3: Number¹ of cooperatives, memberships,² and gross and net sales by State, 2012³*(continued)*

State	Head- quartered in State	Member- ships	Business volume		State	Head- quartered in State	Member- ships	Business volume	
			Gross ⁴	Net ⁵				Gross ⁴	Net ⁵
	Number Thousands		\$Millions			Number Thousands		\$Millions	
TOTAL MARKETING <i>(continued)</i>					Pennsylvania			151.14	98.28
Tennessee	4	12.5	198.18	153.79	South Dakota			566.74	340.97
Texas	145	39.6	4,421.03	4,266.83	Tennessee			185.10	113.48
Utah	5	2.6	235.42	208.43	Texas			100.57	59.63
Vermont	3	1.1	571.80	571.80	Utah			18.11	14.68
Virginia	16	3.4	613.71	558.74	Virginia			37.58	30.70
Washington	35	11.6	4,524.46	4,497.50	Washington			567.33	367.61
West Virginia	5	1.0	19.39	17.13	West Virginia			2.38	2.09
Wisconsin	65	55.8	7,995.00	7,307.92	Wisconsin			521.62	282.91
Wyoming	5	0.9	99.62	99.62	Wyoming			2.94	1.83
Other States	11	3.5	1,286.14	1,191.46	Other States			119.00	79.13
Foreign ⁷	0	0.4	3,359.90	3,209.66	United States			11,100.03	7,170.26
United States	1,206	655.4	138,146.41	132,037.36					

SUPPLIES PROVIDED**CROP PROTECTANTS¹²**

Alabama			134.00	47.34
Arkansas			346.62	125.66
California			53.37	38.82
Colorado			44.70	33.11
Florida			60.63	21.20
Georgia			131.41	36.53
Idaho			79.33	41.55
Illinois			1,273.08	968.75
Indiana			351.93	237.67
Iowa			2,050.38	1,523.30
Kansas			352.88	259.51
Kentucky			92.10	75.32
Louisiana			153.31	58.30
Maryland			19.41	14.91
Massachusetts			1.11	0.34
Michigan			54.16	30.75
Minnesota			820.39	556.62
Mississippi			207.94	48.44
Missouri			235.53	169.00
Montana			332.03	152.79
Nebraska			715.53	478.99
New York			56.82	23.02
North Dakota			500.41	357.50
Ohio			277.74	191.21
Oklahoma			54.77	34.92
Oregon			427.94	253.40

FEED¹²

Alabama			87.36	51.20
Arkansas			68.29	61.82
California			570.01	427.27
Colorado			128.82	107.73
Florida			143.54	113.39
Georgia			87.25	65.81
Idaho			696.94	493.81
Illinois			608.67	487.12
Indiana			284.01	234.35
Iowa			2,642.17	2,302.93
Kansas			340.39	279.50
Kentucky			111.87	92.37
Louisiana			120.21	91.10
Maryland			81.99	68.34
Massachusetts			9.66	8.51
Michigan			221.15	176.83
Minnesota			1,767.02	1,460.18
Mississippi			193.80	148.37
Missouri			473.43	365.89
Montana			95.98	22.07
Nebraska			536.48	412.69
New York			99.61	76.95
North Dakota			207.95	158.95
Ohio			403.31	355.11
Oklahoma			183.17	143.15
Oregon			245.14	134.64
Pennsylvania			179.86	137.59
South Dakota			493.65	329.15
Tennessee			333.04	210.05
Texas			697.00	528.51
Utah			181.32	174.08
Virginia			230.19	208.52
Washington			233.91	119.47

¹² Headquartered in State and membership values are not collected for individual supply products; rather, they are collected for total supplies.

Continued next page

Table 3: Number¹ of cooperatives, memberships,² and gross and net sales by State, 2012³*(continued)*

State	Head- quartered in State	Member- ships	Business volume		State	Head- quartered in State	Member- ships	Business volume	
			Gross ⁴	Net ⁵				Gross ⁴	Net ⁵
	<i>Number</i>	<i>Thousands</i>	<i>\$Millions</i>			<i>Number</i>	<i>Thousands</i>	<i>\$Millions</i>	
FEED (continued)					PETROLEUM^{12, 13}				
West Virginia			360.42	258.15	Alabama			11.68	11.68
Wisconsin			636.58	549.92	Arkansas			209.86	199.07
Wyoming			13.70	11.57	California			4.10	4.10
Other States			897.44	642.98	Colorado			960.04	503.91
Foreign ⁷			368.17	255.05	Florida			7.15	4.63
United States			15,033.47	11,765.11	Georgia			677.25	226.07
FERTILIZER¹²					Idaho			766.89	355.12
Alabama			108.78	104.53	Illinois			3,710.79	2,532.44
Arkansas			149.63	140.57	Indiana			1,536.89	1,081.25
California			219.00	219.00	Iowa			2,505.43	1,823.85
Colorado			85.26	75.98	Kansas			2,238.14	1,487.72
Florida			78.81	49.38	Kentucky			151.83	129.57
Georgia			89.48	74.37	Louisiana			14.25	13.74
Idaho			41.04	41.04	Maryland			186.64	143.70
Illinois			2,086.54	1,601.97	Massachusetts			0.03	0.03
Indiana			754.65	706.85	Michigan			917.55	397.53
Iowa			3,205.65	2,366.39	Minnesota			2,149.94	1,727.93
Kansas			682.80	676.88	Mississippi			14.13	14.13
Kentucky			254.89	215.68	Missouri			2,341.69	1,709.35
Louisiana			37.28	31.71	Montana			1,018.71	789.95
Maryland			49.16	42.65	Nebraska			2,117.60	1,478.51
Massachusetts			18.98	9.46	New York			3.70	2.17
Michigan			113.09	108.33	North Dakota			2,128.17	1,690.34
Minnesota			1,429.11	1,228.83	Ohio			510.16	449.93
Mississippi			35.35	35.20	Oklahoma			1,475.14	747.01
Missouri			787.85	545.98	Oregon			837.15	507.74
Montana			462.47	270.44	Pennsylvania			15.84	11.79
Nebraska			1,373.13	1,167.75	South Dakota			1,275.98	790.87
New York			61.70	31.41	Tennessee			915.89	356.24
North Dakota			623.45	618.11	Texas			346.66	305.76
Ohio			716.92	620.82	Utah			627.77	197.45
Oklahoma			152.08	134.09	Virginia			1,104.69	580.83
Oregon			570.19	378.16	Washington			879.16	586.35
Pennsylvania			116.97	65.81	West Virginia			37.18	31.19
South Dakota			850.65	655.16	Wisconsin			1,789.86	1,297.19
Tennessee			385.88	286.72	Wyoming			756.26	448.92
Texas			117.93	116.54	Other States			98.82	84.08
Utah			41.93	41.90	Foreign ⁷			619.76	187.39
Virginia			178.85	153.38	United States			34,962.79	22,909.52
Washington			596.93	404.25	SEED¹²				
West Virginia			15.70	13.42	Alabama			47.69	32.81
Wisconsin			908.44	660.96	Arkansas			78.51	54.50
Wyoming			13.13	13.13	California			30.23	17.35
Other States			264.64	200.98	Colorado			28.26	11.88
Foreign ⁷			2.08	1.04	Florida			4.35	2.63
United States			17,680.43	14,108.88					

¹³ Includes all types of petroleum products and lubricants as well as bioenergy fuels such as ethanol and biodiesel.

Table 3: Number¹ of cooperatives, memberships,² and gross and net sales by State, 2012³*(continued)*

State	Head- quartered in State	Member- ships	Business volume		State	Head- quartered in State	Member- ships	Business volume	
			Gross ⁴	Net ⁵				Gross ⁴	Net ⁵
	Number	Thousands	\$Millions			Number	Thousands	\$Millions	
SEED (continued)					OTHER SUPPLIES (continued)				
Georgia			25.24	16.66	Iowa			379.77	310.29
Idaho			24.38	13.75	Kansas			127.67	109.34
Illinois			703.95	417.00	Kentucky			120.28	85.34
Indiana			254.57	122.54	Louisiana			28.04	21.98
Iowa			789.00	411.75	Maryland			33.26	28.80
Kansas			212.96	110.17	Massachusetts			7.54	7.40
Kentucky			65.47	48.19	Michigan			111.17	91.54
Louisiana			34.42	20.62	Minnesota			422.28	377.40
Maryland			13.52	10.27	Mississippi			43.91	37.75
Massachusetts			0.37	0.22	Missouri			135.17	86.12
Michigan			35.67	16.69	Montana			109.05	101.25
Minnesota			710.71	398.92	Nebraska			168.95	151.70
Mississippi			50.25	26.32	New York			36.22	27.37
Missouri			157.01	105.35	North Dakota			557.35	537.39
Montana			40.76	36.18	Ohio			94.44	71.57
Nebraska			303.77	191.04	Oklahoma			62.20	48.07
New York			16.49	2.92	Oregon			286.48	279.47
North Dakota			354.37	187.31	Pennsylvania			27.60	21.63
Ohio			238.83	135.95	South Dakota			161.01	149.78
Oklahoma			14.68	11.19	Tennessee			278.34	193.16
Oregon			50.66	47.53	Texas			126.32	108.55
Pennsylvania			10.38	5.76	Utah			124.47	101.67
South Dakota			423.21	219.99	Virginia			221.19	190.16
Tennessee			195.71	111.55	Washington			264.04	217.01
Texas			71.08	47.70	West Virginia			34.09	30.34
Utah			7.34	5.08	Wisconsin			502.21	474.91
Virginia			43.73	37.64	Wyoming			58.58	54.92
Washington			84.00	79.15	Other States			254.51	174.48
West Virginia			6.45	5.26	Foreign ⁷			26.84	14.99
Wisconsin			340.69	196.91	United States			7,598.01	5,698.50
Wyoming			3.35	1.77					
Other States			56.50	39.47					
United States			5,528.58	3,200.01					
OTHER SUPPLIES^{12, 14}					SUPPLY				
Alabama			56.13	51.86	Alabama	41	28.2	445.64	299.41
Arkansas			81.23	65.19	Arkansas	23	26.5	934.14	646.82
California			247.66	230.82	California	13	13.4	1,124.36	937.36
Colorado			95.24	82.57	Colorado	15	17.7	1,342.32	815.18
Florida			64.34	42.08	Florida	6	10.5	358.82	233.30
Georgia			75.27	33.86	Georgia	5	15.3	1,085.91	453.30
Idaho			70.26	50.84	Idaho	6	7.5	1,678.84	996.11
Illinois			254.03	165.34	Illinois	38	63.4	8,637.06	6,172.62
Indiana			1,850.88	871.55	Indiana	22	38.7	5,032.94	3,254.21
					Iowa	29	32.3	11,572.40	8,738.50
					Kansas	32	35.9	3,954.84	2,923.12
					Kentucky	24	184.8	796.45	646.47
					Louisiana	18	5.8	387.50	237.44
					Maryland	9	40.5	383.98	308.68
					Massachusetts	3	3.1	37.68	25.98

¹⁴ Includes building materials, containers and packaging supplies, machinery and equipment, meats and groceries, automotive supplies, hardware, chicks, and other supplies not separately classified.

Continued next page

news items, but this probably leads to under-counting. Some cooperatives had been dropped from the list earlier but were added back when USDA was informed that they were still in operation. Most drops occur when two or more cooperatives merge their operations. It is much easier to drop a cooperative from the list than to add one, because undelivered mail is usually returned. If a new address is not found, the cooperative is dropped.

Cooperative numbers based on function (marketing, supply, or service) and State are shown in table 2. Texas had the most marketing cooperatives with 145, while Minnesota was second with 100. Minnesota had the most supply and service cooperatives with 99, followed by North Dakota with 78.

Many cooperatives operate branches to better serve their members. Most branches are owned by the cooperative, but some are leased. A number of the branches are formerly independent cooperatives that served a local community. For economic or other reasons, many were acquired by, or merged with, other cooperatives, and are operated as branches that serve members and patrons at outlying locations.

Grain and oilseed and supply cooperatives oper-

Table 4: Cooperatives' number of full-time employees, 2012-2008

Commodity	2012	2011	2010	2009	2008
<i>Thousands</i>					
Bean & pea (dry edible)	0.2	0.2	0.2	0.2	0.2
Cotton	2.3	2.2	1.8	1.4	1.7
Cotton ginning	1.1	1.1	1.1	1.1	1.1
Dairy	21.0	20.8	18.9	16.1	23.8
Fish	0.7	0.7	0.7	0.7	0.7
Fruit and vegetable	13.2	13.5	13.3	13.6	16.1
Grain and oilseed	21.5	24.3	22.4	25.7	21.0
Livestock	0.6	0.6	0.6	0.7	0.7
Nut	1.1	1.1	0.3	0.3	0.3
Poultry	1.7	2.0	2.0	1.7	1.7
Rice	2.3	2.5	2.4	2.5	2.6
Sugar	5.8	5.7	5.5	5.7	5.9
<u>Other marketing</u>	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>	<u>0.8</u>	<u>1.9</u>
Total marketing	72.3	75.2	70.1	70.6	77.8
Total supplies	55.7	54.4	57.6	50.3	46.3
<u>Total services</u>	<u>1.2</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>
Total	129.2	130.9	129.0	122.2	125.4

Figure 3: Cooperative Memberships by Function, 2003-2012

Million

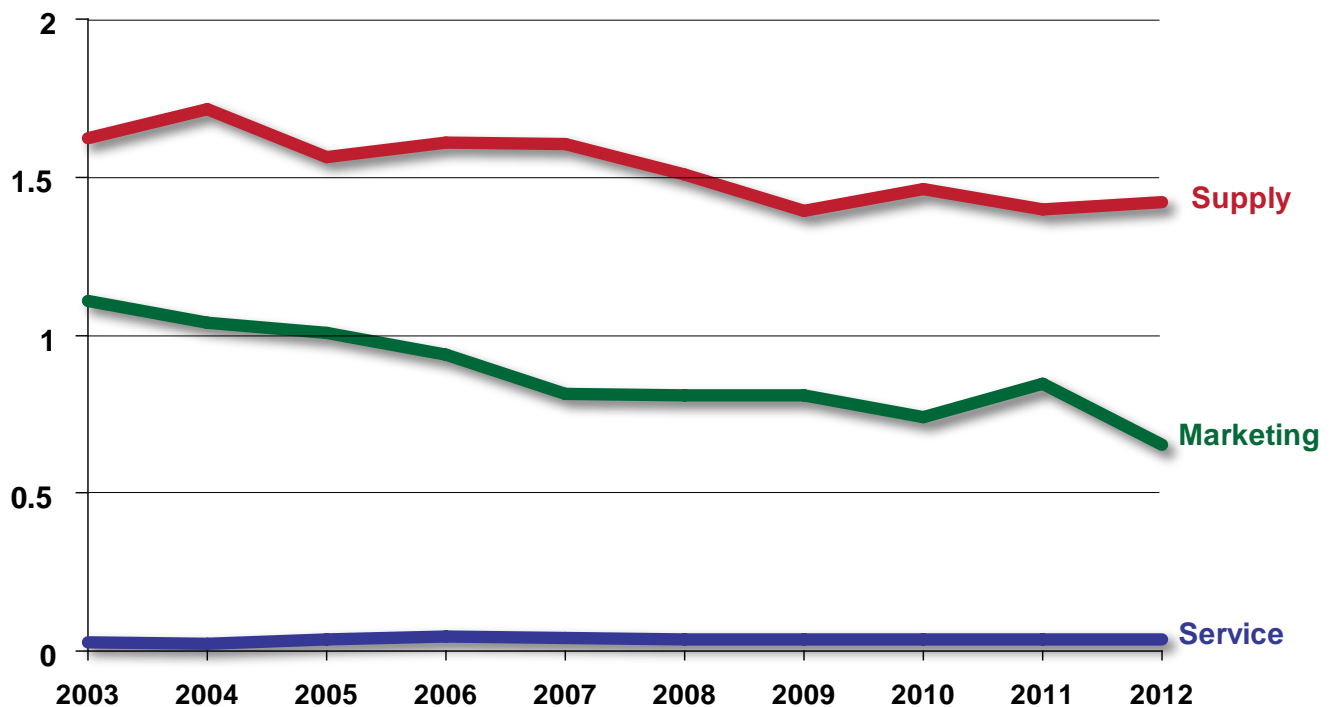


Table 5: Full-time and part-time and seasonal employees of cooperatives, by cooperative type, 2012-2011¹

Principal product(s) marketed or major function	Total employees		Full-time		Part-time & seasonal	
	2012	2011	2012	2011	2012	2011
Products marketed			<i>Thousands</i>			
Bean & pea (dry edible)	0.2	0.2	0.2	0.2	0.0	0.0
Cotton	2.5	2.6	2.3	2.2	0.2	0.4
Cotton ginning	3.6	3.9	1.1	1.1	2.5	2.8
Dairy	22.0	21.7	21.0	20.8	1.0	1.0
Fish	0.9	0.9	0.7	0.7	0.2	0.2
Fruit & vegetable	29.3	29.5	13.2	13.5	16.1	16.0
Grain & oilseed	32.2	31.7	21.5	24.3	10.6	7.3
Livestock and poultry	3.7	3.6	2.3	2.6	1.4	1.1
Rice	2.6	2.7	2.3	2.5	0.3	0.2
Sugar	11.0	11.3	5.8	5.7	5.2	5.6
Other marketing ²	3.0	3.0	1.8	1.8	1.2	1.2
Total marketing	111.0	111.0	72.3	75.2	38.7	35.8
Total supplies	72.3	70.5	55.7	54.4	16.5	16.1
Total services	2.0	2.1	1.2	1.3	0.8	0.8
Total	185.2	183.6	129.2	130.8	56.0	52.8

¹ Totals may not add due to rounding.

² Includes nut, tobacco, wool, and other product marketing cooperatives.

ated over 6,000 branches—2,140 and 3,900 respectively. Both grain and oilseed and supply cooperatives averaged about 4 branches per cooperative.

Memberships

Memberships in marketing, supply, and service cooperatives were an estimated 2.1 million in 2012, down 169,000 from 2011 (table 3). There were membership increases in 2011, in 2010 and in 2004, but generally memberships have been declining as has the number of U.S. farms. About 67 percent of the memberships were in supply cooperatives, while 19 percent of the memberships were in grain and oilseed cooperatives (appendix table 2, figure 2). Dairy cooperative memberships were only 2 percent of the total, but accounted for 20 percent, or \$40 billion, of cooperatives' net business volume in 2012.

Memberships in cooperatives dropped from 2.8 million in 2003 to 2.1 million in 2012 (figure 3).

The long term decline largely reflects the decreasing number of farms, farmers, and ranchers in the United States (appendix figure 2). Many farmers and ranchers are members of more than one cooperative, and each membership is counted. Consequently, the number of memberships has long exceeded the number of farms, but now they are slightly less. Duplication in membership cannot be eliminated with current reporting methods.

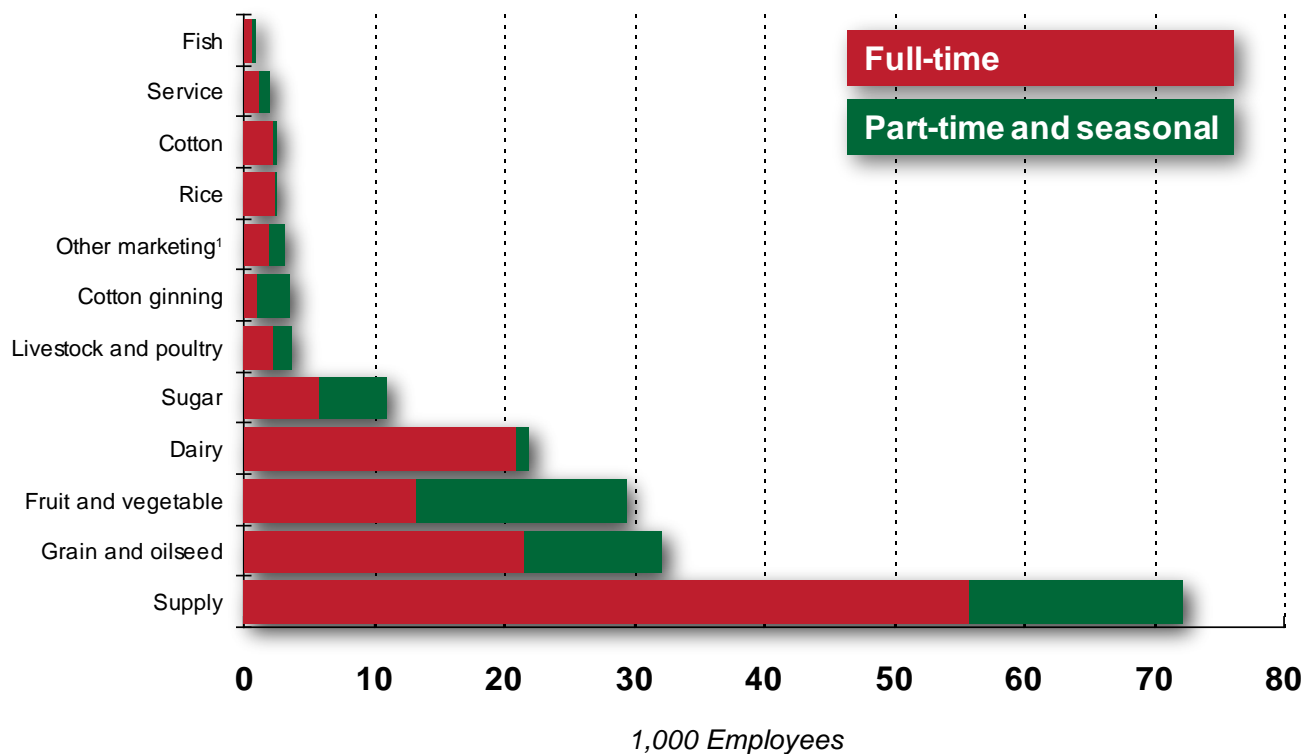
Member classification depends on the type of cooperative used and may not be related to the member's product(s) marketed or supplies purchased. For example, a member may market only one of the products handled by the cooperative; another may use a cooperative classified in the marketing group to purchase one or more supply items. Therefore, a member's business with a cooperative, may not be in the group that represents the cooperative's major business volume (the criterion for classifying cooperatives in this report). The membership, however, will be included arbitrarily in that classification.

During the past decade, membership in marketing cooperatives declined about three times faster than in supply cooperatives. Memberships in marketing cooperatives dropped 41 percent while supply cooperatives decreased 12 percent. Service cooperatives increased memberships by more than 7,000 during the same time period.

Employees

Cooperatives had an estimated 129,000 full-time employees in 2012, a decrease of about 1,600 from 2011 (table 4). With sales increasing over the last 3 years, it appears that some cooperatives have added employees, especially part-time and seasonal em-

Figure 4: Full-Time and Part-Time and Seasonal Employees, by Cooperative Type, 2012



¹ Includes dry bean and pea, nut, tobacco, wool and mohair, and other product marketing cooperatives.

ployees as they increased by more than 3,000 from 2011. Grain and oilseed cooperatives added more than 3,300 part-time and seasonal employees and decreased their full-time employees by about 2,800.

In 2012, cooperatives employed an estimated 185,000 full-time and part-time and seasonal employees (table 5), about 1,600 more employees than in 2011. Among marketing cooperatives, grain and oilseed had the most employees (32,200), followed by those co-ops that primarily handle fruits and vegetables (29,300) and dairy (22,000).

By type, marketing cooperatives had 111,000 full-time and part-time and seasonal employees (60 percent of total); supply cooperatives had 72,300 (39 percent); and service cooperatives had 2,000 (1 percent).

Figure 4 shows the number of full-time and part-time and seasonal employees by type of cooperative for 2012. Supply, grain and oilseed, fruit and vege-

table, and dairy cooperatives used the most employees; fish cooperatives had the fewest. Dairy, rice, cotton, and fish cooperatives had the smallest proportion of part-time and seasonal employees to total employees. Cotton ginning and fruit and vegetable cooperatives had more than half of their employees as part-time and seasonal employees, while about 47 percent of sugar cooperatives employees were part-time and seasonal.

Cooperatives used 56,000 part-time and seasonal employees in 2012, up more than 3,000, or 6 percent, from 2011. Grain and oilseed cooperatives increased their use of part-time and seasonal employees in 2012 by an additional 3,300.

In 2012, marketing cooperatives reported having 38,700 part-time and seasonal employees, or 69 percent of the total for all categories. Marketing cooperatives averaged 32 part-time and seasonal employees per co-op. Fruit and vegetable coopera-

Table 6: Cooperatives and memberships, by gross business volume, 2012¹

Sales volume group (million \$)	Cooperatives		Dollar volume		Memberships ²	
	Number	Percent of total	Gross ³ (billion \$)	Percent of total	Number (1,000)	Percent of total
Less than 5.0	749	33.5	1.24	0.5	190	9.0
5 - 9.9	276	12.3	2.03	0.9	142	6.7
10 - 14.9	174	7.8	2.14	0.9	89	4.2
15 - 24.9	203	9.1	4.01	1.7	144	6.8
25 - 49.9	266	11.9	9.26	3.9	224	10.6
50 - 99.9	197	8.8	13.76	5.9	186	8.8
100 - 199.9	128	5.7	17.85	7.6	179	8.5
200 - 499.9	138	6.2	32.61	13.9	325	15.4
500 - 999.9	76	3.4	28.96	12.3	159	7.5
1,000 and more	31	1.4	122.91	52.4	476	22.5
Total ⁴	2,238	100.0	234.77	100.0	2,113	100.0

¹ Business volume includes revenues from marketing plus the value of products bargained for or handled on a commission basis, supply sales, service receipts, and other income.

² Includes number of farmers, ranchers, and fishermen eligible to vote for directors. Does not include memberships held by other cooperatives, such as local cooperative memberships in regional cooperatives.

³ Includes inter-cooperative business volume.

⁴ Total may not add due to rounding

tives, with 16,100, accounted for about 29 percent of all part-time and seasonal employees used by cooperatives. Supply cooperatives had 16,500 part-time and seasonal employees, an average of 18 per cooperative.

Most types of marketing cooperatives operated with more employees than did supply cooperatives. For example, sugar cooperatives averaged 423 employees; rice, 214; cotton, 209; and supply cooperatives, 79 (figure 5).

Business Size

As measured by annual gross business volume, most cooperatives are relatively small and serve local areas. Some actively seek regional, national, and even international markets to increase business volume. Although few in number, larger cooperatives account for much of cooperatives' business volume. They have grown in size partly from mergers, consolidations, and acquisitions. From 2003 to 2012, there were 1,054 fewer cooperatives with

less than \$25 million in sales, while there were 206 cooperatives that moved up into the sales group of more than \$25 million in sales. The sales group of \$200 million to \$499.9 million had the most growth, increasing from 39 cooperatives in 2003 to 138 in 2012 (table 6).

In 2012, 54 percent of all cooperatives reported a business volume of less than \$15 million. However, they accounted for less than 2.5 percent of the total gross dollar volume (figure 6). About 11 percent of cooperatives reported a business volume

of at least \$200 million, but they accounted for 79 percent of the total sales.

Business Volume

Total gross business volume of the 2,238 marketing, supply, and service cooperatives for 2012 was \$234.8 billion (table 7), up about \$18 billion from \$216.8 billion in 2011. Historically, gross business volume fell from a record \$128 billion in 1996 to \$112 billion in 2002. However, this has not been a steady decline. Some years saw increases to \$120 billion while other years fell to \$115 billion or less (appendix table 3, appendix figure 4). The historical high in 1996 was almost matched in 2006, then was eclipsed in 2007 through 2012.

Grain and oilseed cooperatives had a gain of more than \$7 billion while dairy cooperatives had a decrease of \$0.5 billion, due mainly to \$2/hundredweight lower milk prices. Higher energy costs and drought reduced supplies of feed grains and oilseeds, and their subsequent price increases were

Table 7: Cooperatives' gross and net business volumes by commodity, 2012 & 2011¹

Commodity	Gross volume		Net volume	
	2012	2011	2012	2011
Products marketed	<i>Billion \$</i>			
Bean & pea (dry edible)	.175	.167	.171	.164
Cotton	3.168	4.104	3.081	3.976
Dairy	41.808	42.310	40.165	40.666
Fish	.189	.252	.189	.252
Fruit & vegetable	8.013	7.803	5.750	5.574
Grain & oilseed ²	63.468	56.028	62.724	55.279
Livestock	4.019	4.364	4.019	4.231
Nut	1.105	.912	1.103	.909
Poultry ³	1.454	1.302	1.454	1.302
Rice	1.555	1.558	1.555	1.558
Sugar	6.297	5.717	5.339	4.757
Tobacco	.120	.251	.120	.251
Wool & mohair	.005	.005	.005	.005
Other marketing ⁴	6.011	6.268	5.604	5.827
Total marketing	138.146	131.041	132.037	124.751
Supplies purchased:				
Crop protectants	11.100	9.704	7.170	6.592
Feed	15.033	13.416	11.765	10.473
Fertilizer	17.680	14.938	14.109	11.935
Petroleum	34.963	31.209	22.910	20.319
Seed	5.529	4.860	3.200	2.898
Other supplies ⁵	7.598	7.237	5.698	5.570
Total supplies	91.903	81.363	64.852	57.787
Services & other income ⁶	4.724	4.441	4.724	4.441
Total business	234.774	216.845	201.614	186.979

¹ Gross includes and net excludes inter-cooperative business. Totals may not add due to rounding.

² Excludes cottonseed. Cottonseed oil is included in other marketings whereas cottonseed meal is included in feed.

³ Includes eggs, turkeys, ratite, squab, and related products.

⁴ Includes cotton ginning, coffee, forest products, hay, hops, seed marketed for growers, nursery stock, ethanol, other farm products not separately classified, and sales of products not received directly from member patrons. Also includes manufactured food products and resale items marketed by cooperatives.

⁵ Includes artificial insemination, building materials, containers and packaging supplies, machinery and equipment, meats and groceries, automotive supplies, hardware, chicks, and other supplies not separately classified.

⁶ Includes trucking, storage, grinding, application, locker plants, and other related items. Services include charges related to marketing or purchasing, but not included in the volume reported for those activities, plus other income and extraordinary items.

the main cause of supply sales increases. Petroleum products led the gain, with an increase of almost \$4 billion. Fertilizer sales increased by almost \$3 billion, feed by \$1.6 billion, and crop protectants by \$1.4 billion.

Total net business volume of cooperatives in 2012 was up over \$14 billion from 2011 (net sales equal gross sales minus sales between cooperatives). The net volume for 2012 was \$202 billion, compared to \$187 billion in 2011. The net sales breakdown was \$132 billion from products marketed, \$65 billion from supply sales, and \$5 billion from services performed and other income sources. The \$202 billion was the highest total ever (appendix table 4, appendix figure 5). There have been a number of fluctuations in net business volume during the past two decades. Net volume dropped to around \$100 billion in 1999 and stayed there until the current upward trend started in 2003, then soared, due to increased grain and oilseed prices and energy costs, from 2007 through 2012. Adjusted for inflation² (where 1991 = 100), net business volume was \$102 billion in 2003 and increased to \$168 billion in 2008, before falling to \$147 billion in both 2009 and 2010. It then increased to \$187 billion in 2011 and \$202 billion in 2012 (figure 7).

The difference between actual and real net business volume in 2012 was \$11 billion. The real net business volume was lower than the actual value in 2012 because prices paid for production inputs increased more than prices received for farm products. The index for prices received for all farm commodities from 2003 to 2012 rose 85 points, while the index for prices paid for farm production items increased 87 points. This narrowed the gap between actual and real cooperative net business volume when adjusted by prices paid and prices received for farm production.

Net volume of products marketed increased 6 percent from 2011. Net marketing business volume accounted for 65 percent of net cooperative sales in 2012, a decrease of 1 percentage point from 2011.

² Marketing sales were deflated by the index of producer prices received for "all farm products" (1991 = 100). Supply sales and service receipts and other income were deflated by the index of prices paid by farmers for "production items," excluding interest, taxes, and wages (1991 = 100).

Figure 5: Average Full-Time and Part-Time and Seasonal Employees, 2012

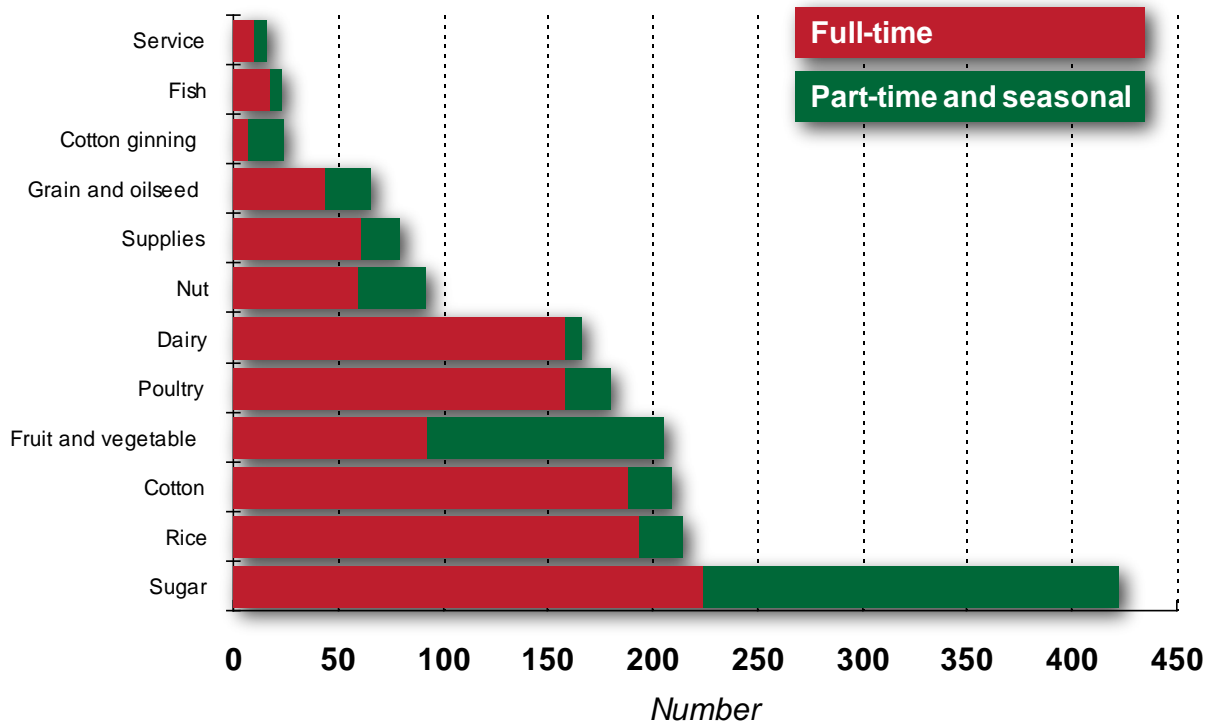


Figure 6: Distribution of Cooperatives and Volume, by Size, 2012

Percent

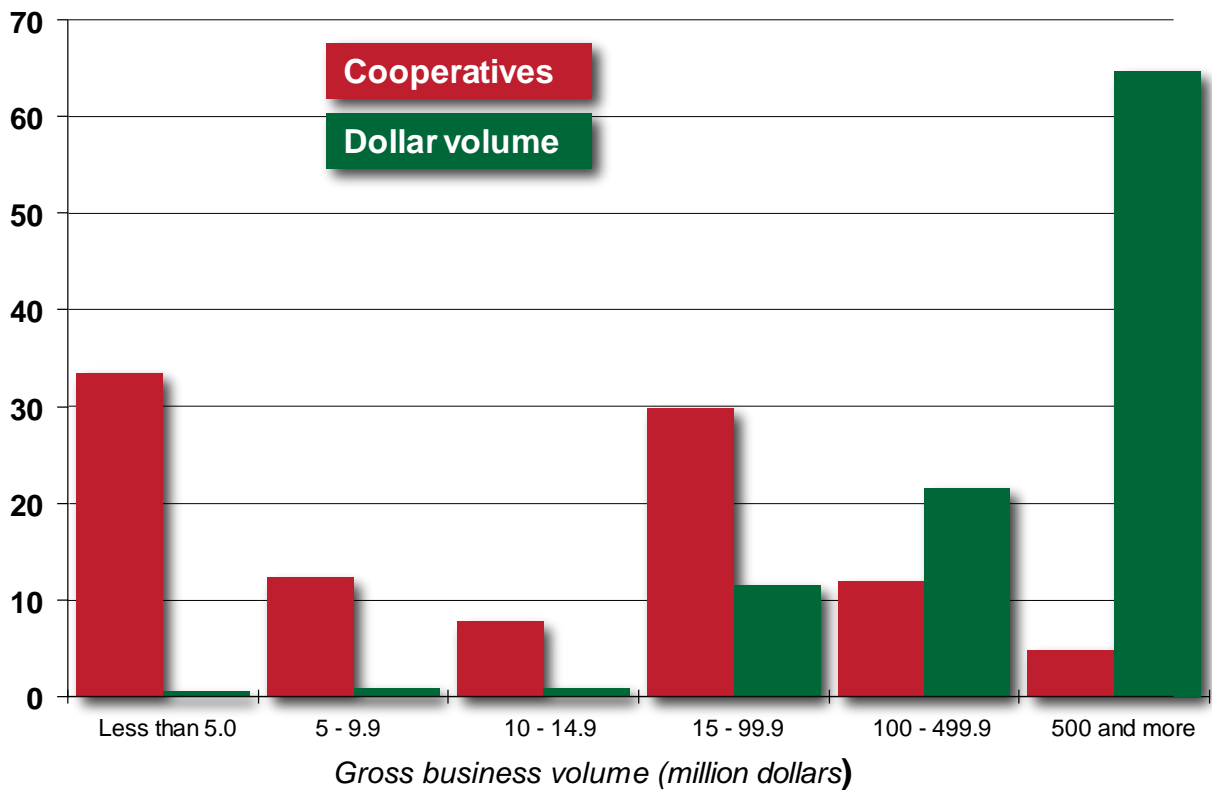
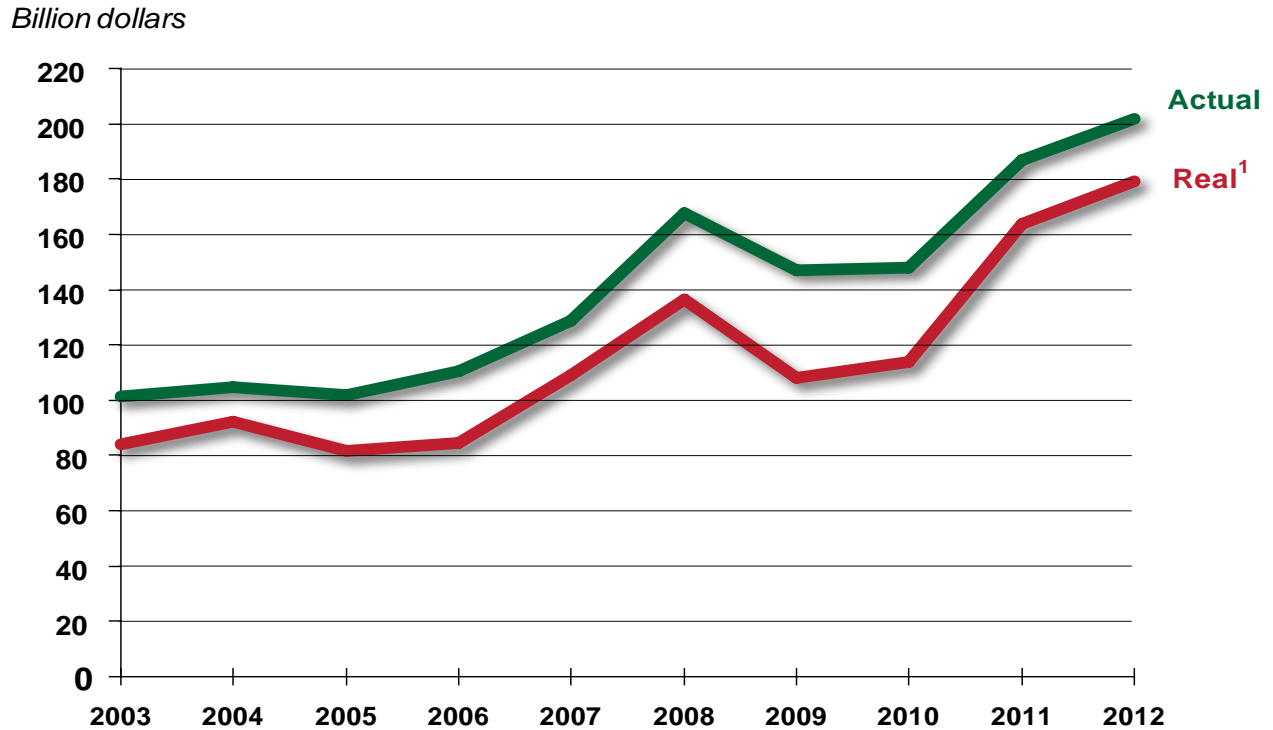
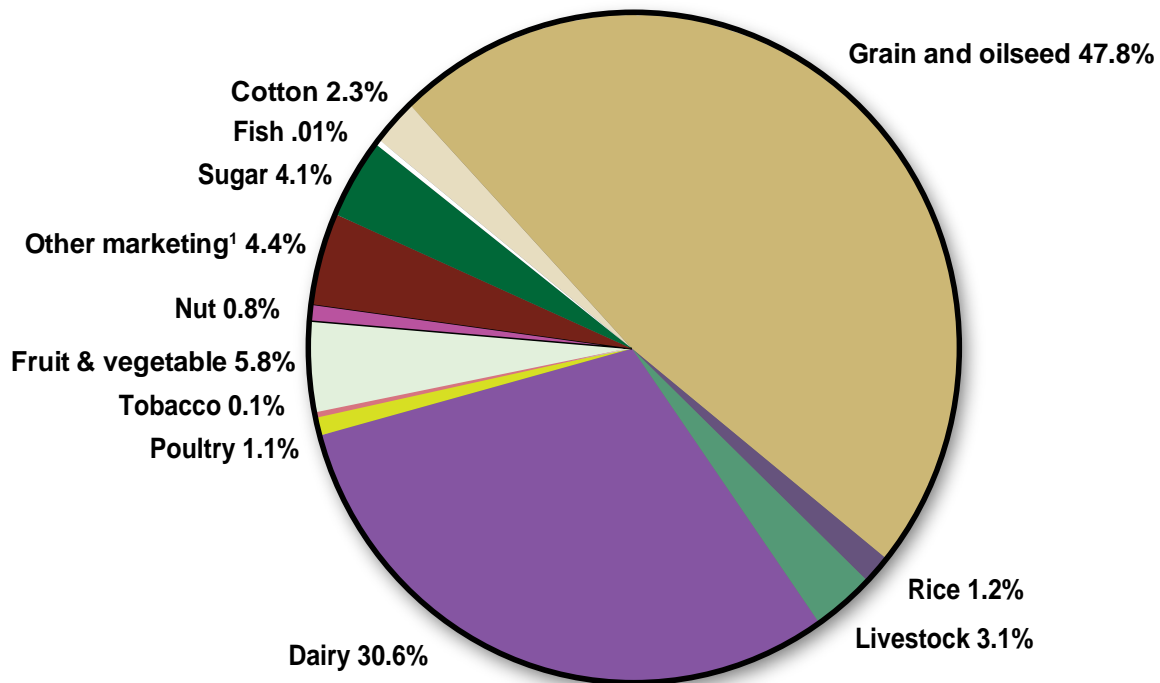


Figure 7: Cooperatives' Net Business Volume, Actual and Adjusted, 2003-2012



¹ Actual sales were adjusted for price change based on 1991 = 100.

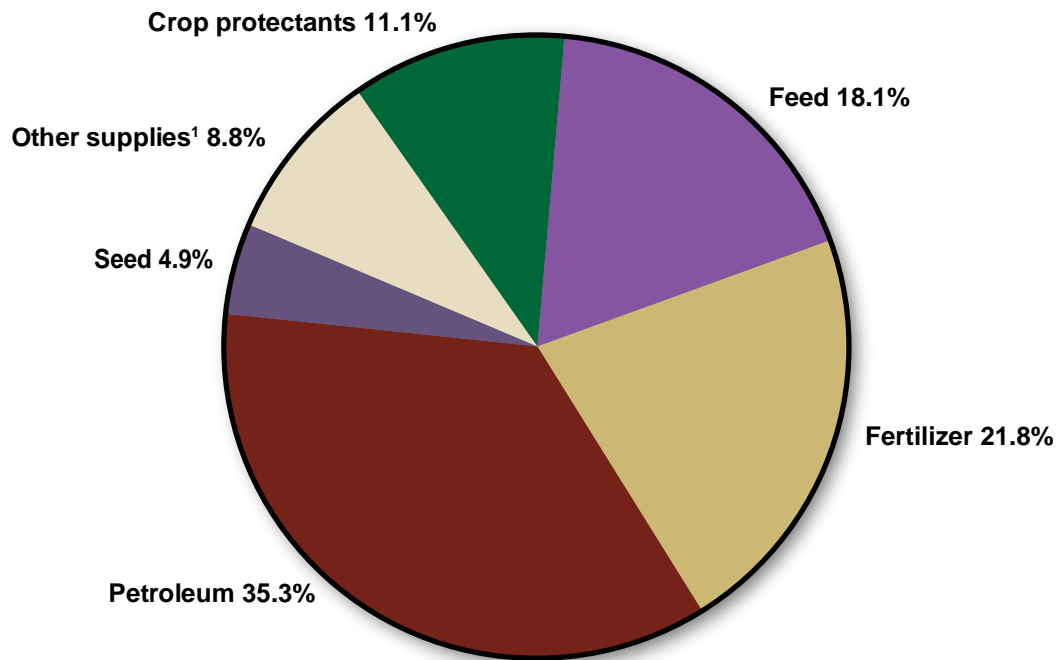
Figure 8: Relative Importance of Products Marketed by Cooperatives, 2012



Percentages are based on a total net marketing business volume of \$132 billion.

¹ Includes wool and mohair, dry beans and peas, and other product marketing.

Figure 9: Relative Importance of Supplies Handled by Cooperatives, 2012



Percentages are based on a total net supply business volume of \$65 billion.

¹ Includes building materials, tires, batteries and accessories, equipment, animal health products, pet food, semen, hardware, food, clothing, and other.

Figure 10—Cooperatives' Net Sales of Selected Commodities, 2003-2012

Billion dollars

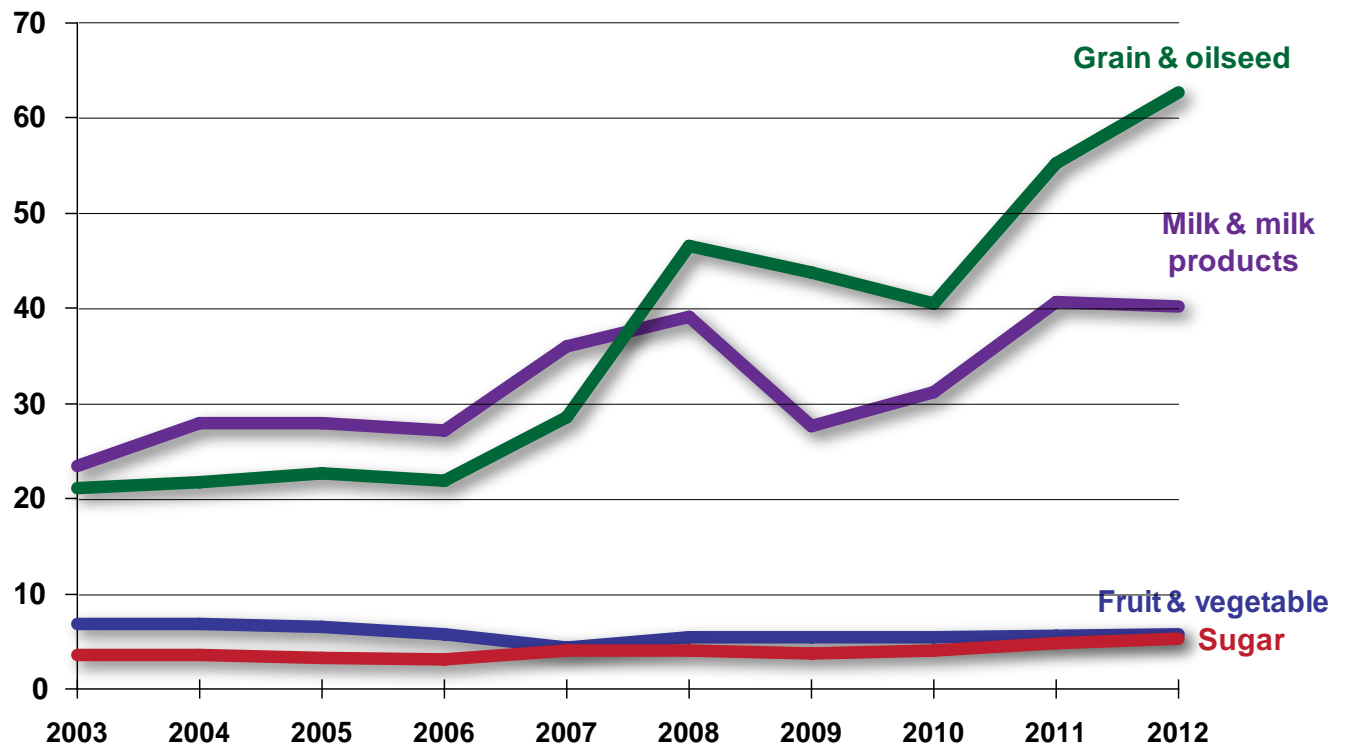


Table 8: Combined assets of cooperatives, 2012¹

Principal product(s) marketed and major function	Co-ops ²	Assets of own operations	Investments in other co-ops ³	Total assets	Investments in other co-ops as percent of total
Products marketed	No.	Billion \$		Percent	
Cotton	12	1.056	.016	1.071	1.5
Cotton ginning	151	.449	.075	.524	14.3
Dairy	133	8.562	.135	8.697	1.5
Fish	39	.082	.000	.082	0.0
Fruit & vegetable	143	4.641	.096	4.738	2.0
Grain & oilseed	493	18.885	1.562	20.447	7.6
Livestock & poultry	99	.750	.013	.763	1.7
Rice	12	.985	.011	.996	1.1
Sugar	26	3.722	.032	3.754	0.9
Other marketing ⁴	98	1.710	.031	1.742	1.8
Total marketing	1,206	40.843	1.971	42.815	4.6
Total supplies	911	36.985	2.727	39.712	6.9
Total services	121	.382	.036	.418	8.6
Total	2,238	78.211	4.734	82.945	5.7

¹ Totals may not add due to rounding.

² Many cooperatives have multi-product and multi-functional operations. Most are classified according to predominant commodity or function as indicated by business volume.

³ Also includes investments in CoBank.

⁴ Includes dry edible bean and pea, nuts, tobacco, wool, and other marketing.

Figure 8 illustrates the leading products marketed by cooperatives based on net marketing business volume. Grain and oilseed led with 48 percent of sales, followed by dairy with 31 percent, and fruit and vegetable with 6 percent.

Net supply volume of \$65 billion was \$7 billion higher than 2011 and accounted for 32 percent of the total net business volume. The leading production goods handled by cooperatives in terms of supply net business volume were petroleum at 35 percent, fertilizer at 22 percent, and feed at 18 percent (Figure 9). Petroleum and fertilizer sales both increased by more than \$2 billion over 2011 sales, while feed sales grew by \$1 billion.

Receipts for services provided by marketing, supply, and service cooperatives, plus other income, increased by about \$280 million. Service receipts and other income represented 2 percent of total net business volume.

Marketing sales of four major commodity groups—grain and oilseed, dairy, fruit and vegetable, and sugar—were up from 76 percent of marketing sales in 2003 to 87 percent in 2012 (figure 10). Grain and oilseed sales increased by \$42 billion, mainly due to price increases. Dairy sales increased by \$17 billion, while sugar sales grew by \$2 billion. Net volume among commodity groups was highest in 2012 for grain and oilseed at \$63 billion (compared to \$21 billion in 2003), followed by dairy with \$40 billion.

Feed and fertilizer are important farm inputs for supply cooperatives (figure 11), but petroleum was especially important in 2012, accounting for \$8 billion more in sales than either feed or fertilizer. The combination of petroleum, feed, and fertilizer sales accounted for 75 percent of cooperatives' total supply sales in 2012 and 71

percent in 2003.

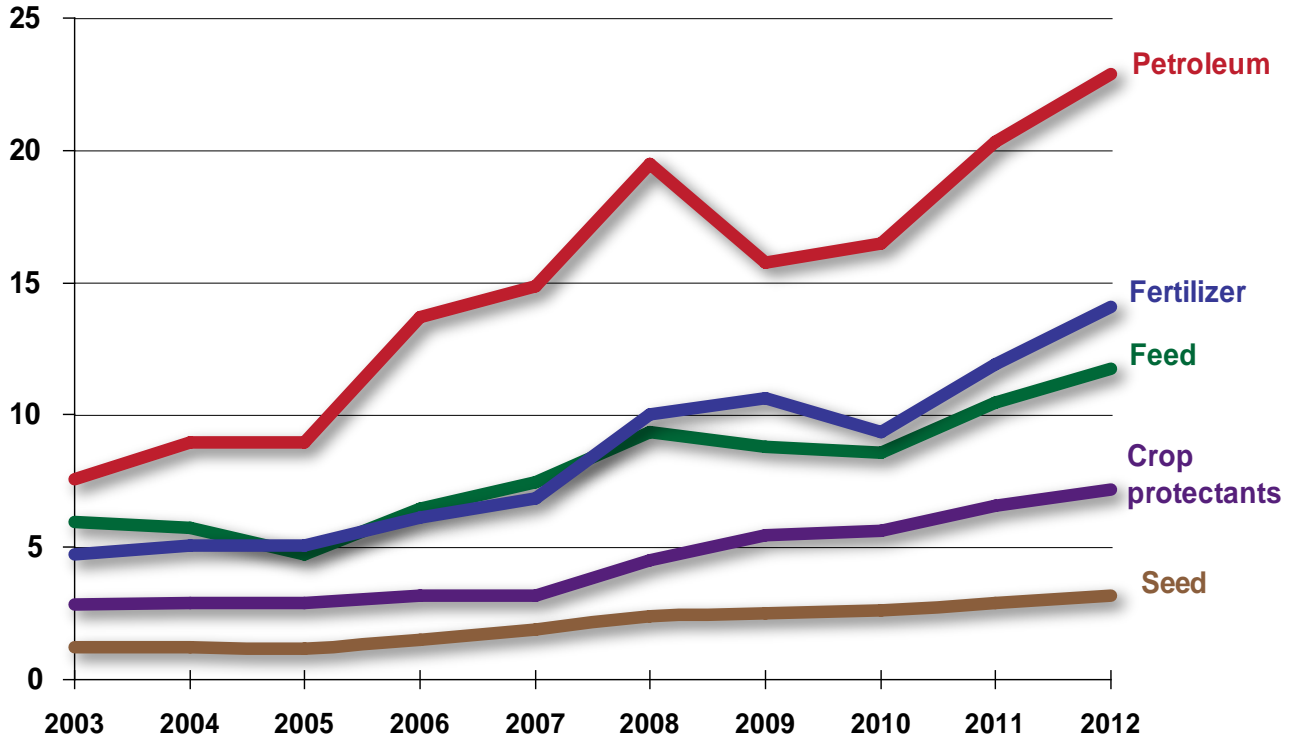
Gross and net business volumes by State are presented in table 3. Sales are allocated to the State in which the product marketed was originated and the supplies were sold. Iowa led all States with \$27 billion in gross business volume, and it ranked second for net business volume, at \$23.8 billion. Minnesota was second, with \$26 billion in gross business, but led the Nation with \$24.7 billion in net cooperative business volume.

Balance Sheet

The balance sheet of a cooperative states its financial position at the end of a 12-month fiscal year. It represents the cooperative's assets, liabilities, member equity, and their mutual relationships. Combined assets for all cooperatives were a record \$83 billion in 2012—about \$3.5 billion higher than the

Figure 11: Cooperatives' Net Sales of Selected Supplies, 2003-2013

Billion dollars



previous record of \$79.4 billion set in 2011 (table 8). Total assets of cooperatives, excluding inter-cooperative investments, increased by \$3 billion from 2011, to \$78 billion. Cooperatives' total assets grew from \$46 billion in 2003 to \$83 billion in 2012 (appendix table 5 and figure 12).

In 2003, 9 percent, or \$4.1 billion, of total assets was invested in other cooperatives, including Co-Bank. In 2012, these investments were \$4.7 billion, down \$0.6 billion from 2003. This represented 5.7 percent of total assets, about 3 points lower than a decade ago.

Of the \$83 billion in total assets, marketing cooperatives accounted for \$43 billion, about the same as 2011. Grain and oilseed cooperatives had about \$20 billion in assets, more than double the assets of dairy cooperatives (\$8.7 billion) and more than four times the assets of fruit and vegetable cooperatives (\$4.7 billion). All three of these types of marketing cooperatives have less combined assets than supply cooperatives (\$40 billion).

Table 9 compares common-size balance sheets for six sizes of cooperatives (for all types and sizes, see appendix table 6). Common-size balance sheets

present all accounts as a percentage of total assets, allowing comparison between different sizes and types of cooperatives.

Current Assets

Current assets are generally comprised of cash and cash equivalents, accounts and notes (with short-term maturities) receivable, inventories, and prepaid expenses. Current assets were about 63 percent for all sizes of cooperatives, down from 65 percent in 2011. Smaller cooperatives—especially service, most sugar, bioenergy, and cotton ginning cooperatives—had smaller levels of current assets. Grain and oilseed, livestock, dry bean and pea, and larger cooperatives tended to have higher levels of current assets.

Investments and Other Assets

Investments were most often in other cooperatives and CoBank. “Other assets” is a catch-all category in this study and contains a wide variety of items. Investments ranged from 9 percent of all assets for small cooperatives up to 13 percent for cooperatives with sales of \$5 million to \$15 million. The

Table 9: Common size analysis by cooperative size, 2012

Cooperative sales size	All sizes	≥ \$500 million	From \$100 to \$500 million	From \$15 to \$100 million	From \$5 to \$15 million	< \$5 million
Balance sheet						
			<i>Percent of total assets</i>			
Current assets	63.47	64.68	63.35	60.55	53.97	53.32
Other assets	8.44	10.15	7.08	3.28	7.58	7.79
Investments	5.66	3.11	8.00	11.41	13.41	8.88
PP&E ¹ (net)	22.43	22.05	21.57	24.76	25.04	30.01
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	46.28	46.61	48.16	44.65	34.25	28.05
Total liabilities	64.00	68.12	62.02	54.11	43.47	39.75
Allocated equity	23.11	23.14	18.81	26.80	38.18	44.16
Retained earnings	12.90	8.74	19.17	19.09	18.34	16.09
Total equity	36.00	31.88	37.98	45.89	56.53	60.25
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Income statement						
			<i>Percent of total sales</i>			
Total sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	91.35	91.96	90.91	89.47	86.61	85.18
Gross margin	8.65	8.04	9.09	10.53	13.39	14.82
Service and other income	1.47	0.85	1.92	3.01	6.44	16.05
Gross revenue	10.12	8.90	11.00	13.54	19.84	30.87
Expenses						
Wages	3.74	3.15	4.27	5.34	7.89	12.24
Depreciation	0.91	0.78	1.01	1.29	1.69	2.31
Interest	0.43	0.40	0.48	0.44	0.57	0.70
Other	2.97	2.33	3.55	4.68	7.43	13.20
Total expenses	8.05	6.67	9.31	11.74	17.58	28.44
Net operating margins	2.07	2.23	1.69	1.80	2.26	2.43
Patronage income	0.39	0.14	0.72	0.95	1.94	1.80
Non-operating income	0.18	0.04	0.48	0.44	0.47	0.05
Net income before taxes	2.64	2.41	2.90	3.19	4.66	4.62
Taxes	0.24	0.20	0.36	0.27	0.20	0.05
Net income	2.40	2.21	2.54	2.93	4.46	4.57
Ratios						
			<i>Percent or number</i>			
Current	1.37	1.39	1.32	1.36	1.58	1.90
Debt-to-asset	0.64	0.68	0.62	0.54	0.43	0.40
Debt-to-equity	1.78	2.14	1.63	1.18	0.77	0.66
Retained-earnings-to-equity	35.82	27.43	50.47	41.60	32.45	26.70
Equity-to-assets	36.00	31.88	37.98	45.89	56.53	60.25
Adjusted-equity-to-assets	67.02	59.72	73.26	82.92	85.97	83.74
Return-on-assets	8.53	8.63	8.17	8.52	9.92	7.31
Return-on-member-equity	28.90	29.35	32.64	25.65	22.13	14.22
Extra value index +2	10.52	11.01	9.75	10.05	10.39	6.33
Extra value index +5	8.51	9.22	7.55	7.56	7.82	3.82
Extra value index +10	5.15	6.23	3.89	3.42	3.52	-0.37

¹ Property, plant, and equipment

Table 10: Combined balance sheet data of cooperatives, 2012¹

Principal product(s) marketed and major function	Co-ops	Total assets	Total liabilities	Net worth
Products marketed	No.	Billion dollars		
Cotton	12	1.07	.66	.41
Cotton ginning	151	.52	.22	.30
Dairy	133	8.70	6.04	2.66
Fish	39	.08	.05	.03
Fruit & vegetable	143	4.74	3.30	1.44
Grain & oilseed	493	20.45	13.55	6.90
Livestock & poultry	99	.76	.49	.27
Rice	12	1.00	.67	.33
Sugar	26	3.75	2.25	1.50
Other marketing ²	98	1.74	.81	.93
Total marketing	1,206	42.81	28.04	14.78
Total supplies	911	39.71	24.77	14.94
Total services	121	.42	.16	.26
Total	2,238	82.94	52.97	29.98

¹ Totals may not add due to rounding.

² Includes dry edible bean and pea, nut, tobacco, wool, cottonseed, and other marketing.

largest cooperatives accounted for 3 percent of investments. Investments were larger for supply cooperatives than most marketing cooperatives.

All but the largest intrastate supply cooperatives generally purchase their inputs from regional (multistate) supply cooperatives, hence the large investments in other cooperatives. Large dairy, smaller fresh fruit and vegetable, service (except dairy service and fresh fruit and vegetable service), cotton, fish, poultry, nut, tobacco, rice, sugar, and most livestock cooperatives all had low investments levels—often less than 4 percent of all assets.

Property, Plant, and Equipment

Net property, plant, and equipment (net PP&E) are tangible assets used by a cooperative's operations. PP&E averaged between 21 and 30 percent of total assets. Biofuels, medium and large sugar, smaller cotton ginning, smaller fresh fruit and vegetable, small nut, small fish, and service (except dairy

Table 11: Cooperatives' net income before taxes, 2012¹

Principal product(s) marketed and major function	Co-ops	Income before taxes	Net operating margins	Patronage income ²
Products marketed	No.	Million dollars		
Cotton	12	48.4	46.7	1.7
Cotton ginning	151	92.9	35.7	57.2
Dairy	133	132.1	104.1	28.0
Fish	39	9.6	9.6	.0
Fruit & vegetable	143	503.1	496.2	6.9
Grain & oilseed	493	1,279.5	972.6	306.9
Livestock & poultry	99	49.2	47.7	1.5
Rice	12	20.9	19.9	1.0
Sugar	26	295.8	294.4	1.4
Other marketing ³	98	70.2	67.7	2.5
Total marketing	1,206	2,501.5	2,094.5	407.0
Total supplies	911	3,539.8	3,049.2	490.6
Total services	121	42.1	40.8	1.3
Total	2,238	6,083.5	5,184.6	898.9

¹ Adjusted for losses and before taxes. Before-tax income is used in this table because historically, after-tax net income was not collected. Totals may not add due to rounding.

² Includes patronage refunds from CoBank.

³ Includes dry edible bean and pea, nuts, tobacco, wool, and other marketing.

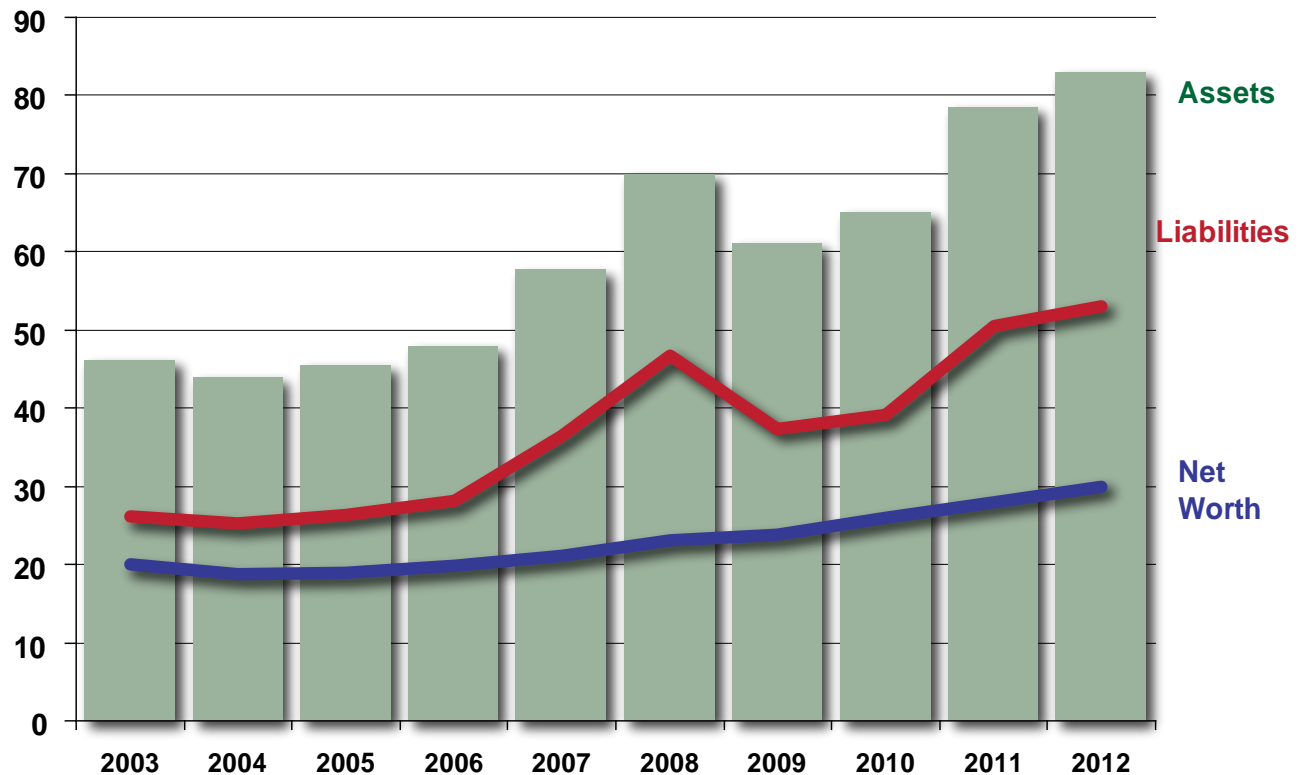
and fresh fruit and vegetable) cooperatives all had PP&E of at least 40 percent of their assets.

Current Liabilities

Current liabilities are all obligations that will be paid with the use of current assets and are usually paid within 1 year. Current liabilities are comprised of notes payable to banks and/or other trade creditors, accounts payable, current maturities of long-term debt, income taxes, other accrued liabilities (payroll, property taxes, interest, and other), patronage dividends payable, and miscellaneous or other current liabilities. Current liabilities were at least 28 percent of total assets and grew to 48 percent for larger cooperatives. Product marketing cooperatives tended to have higher levels of current liabilities than supply and service cooperatives.

Figure 12: Cooperatives' Assets, Liabilities, and Net Worth, 2003-2012

Billion dollars

**Total Liabilities**

Total liabilities include current liabilities plus long-term liabilities, which are primarily long-term debt. In the aggregate, all types and sizes of cooperatives had some long-term debt. Smaller cooperatives all had at least 9 percent of their assets financed through long-term debt. Generally, the largest cooperatives used the most debt, financing 21 percent of their assets through borrowing. Nut, large dairy, large fruit and vegetable, small fish, large sugar, large rice, storage, hulling, and farmer market cooperatives all financed about 20 percent of their assets with long-term debt.

Total liabilities were \$53 billion, up \$2 billion from 2011 (table 10). Cooperatives' total liabilities grew from \$26 billion in 2003 to \$53 billion in 2012. Total liabilities financed 64 percent of total assets in 2012, about 0.5 points lower than in 2011.

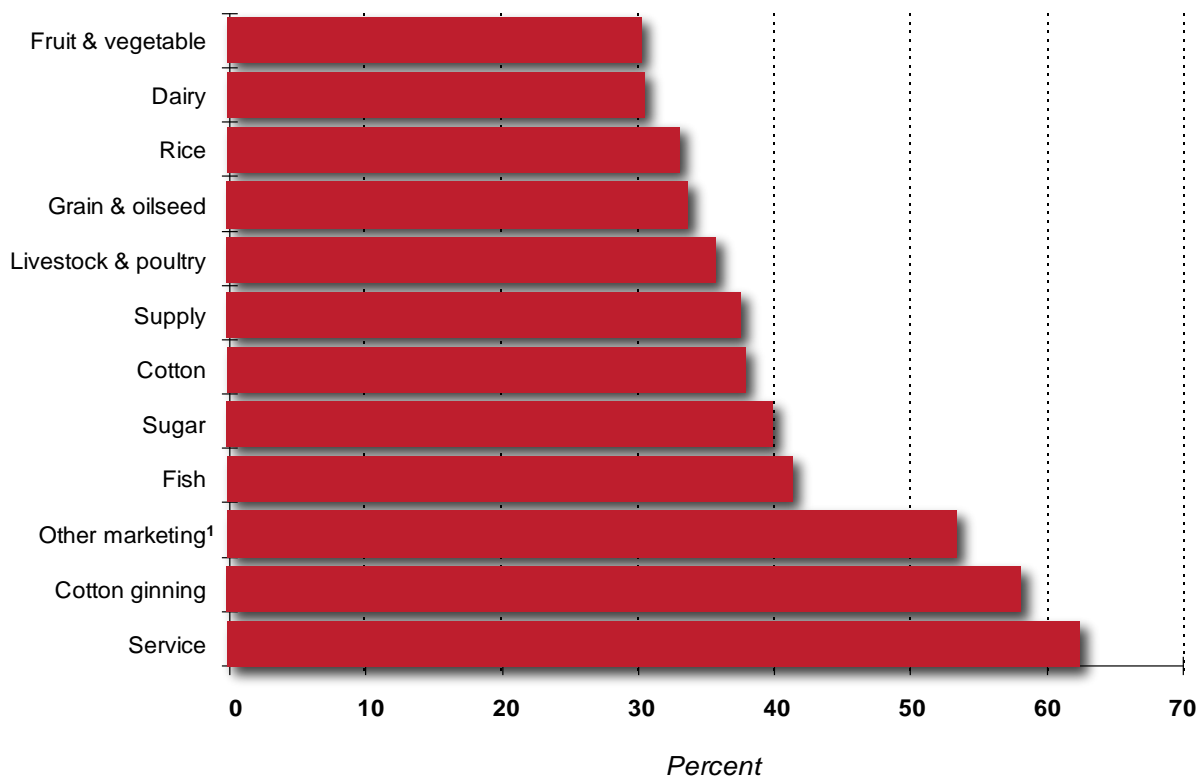
Allocated (or Member) Equities

Allocated (or member) equities represent member ownership of each cooperative. Comparing allocated equities to total assets determines the percent of

the cooperative's assets owned by members. Allocated equity comprised just 23 percent of ownership of all sizes of cooperatives, the same as 2011. The very largest cooperatives had the smallest percentages of both retained earnings and overall equity.

Net worth, or member and patron equity, was \$30 billion, up almost \$2 billion from 2011. The proportion of total assets financed by member and patron equity was 36 percent, up 0.5 percentage points from 2011. Net worth for all marketing cooperatives was \$15 billion, unchanged from 2011. Marketing cooperatives accounted for 49 percent of cooperatives' combined net worth, down 3 points from 2011. Net worth for supply cooperatives also totaled \$15 billion, representing 50 percent of the total. For marketing cooperatives, the highest percentage of total assets represented by net worth (figure 13) was 58 percent, accounted for by cotton ginning cooperatives. Fruit and vegetable cooperatives ranked lowest at 30 percent.

Figure 13: Percentage of Assets Financed by Net Worth, by Cooperative Type, 2012



¹ Includes dry bean and pea, nut, tobacco, wool and mohair, and other product marketing cooperatives.

Income Statement

The income statement shows the net results of a cooperative's operations. Because most managers' performance is judged by net income, members attach great importance to the income statement. Table 9 presents a common-size income statement for all cooperatives, based on six sizes. Each item in a common-size income statement is represented as a percentage of total sales or service. Common-size income statements by cooperative type and size are presented in appendix table 6.

Total (Net) Sales

Total (net) sales are all sales less discounts, returns, and allowances from gross sales. Service cooperatives do not have a total sales value: the first income statement item for these cooperatives is service.

Cost of Goods Sold

Cost of goods sold (COGS) includes the beginning inventory plus purchases and freight costs, minus

purchase returns and allowances, purchase discounts, and ending inventory. COGS, therefore, was the purchase price of the supplies sold or products marketed. For all sizes of cooperatives, COGS was 91 percent of net sales. COGS can be much lower for cooperatives that process products or provide technical services.

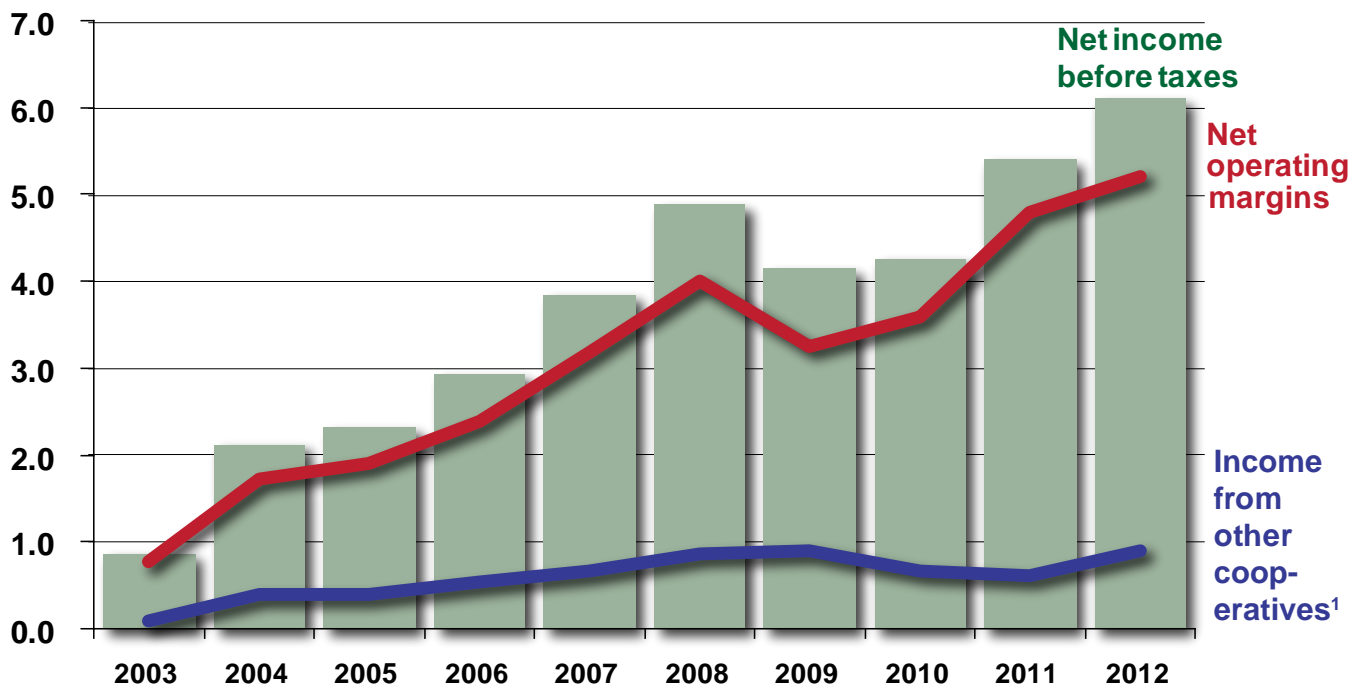
Artificial insemination cooperatives, processed and fresh fruit and vegetable cooperatives, smaller cotton ginning, larger fish, smaller nut, larger rice, and larger sugar cooperatives have a lower COGS. Grain and oilseed, livestock marketing, bioenergy, small rice, small sugar, and most dairy cooperatives have a COGS in excess of 90 percent, while large livestock marketing cooperatives that operate mainly as auctions have a COGS of 99 percent.

Gross Margins

The excess of net sales over the cost of goods sold is the gross margin or gross margin percentage. A small change in the gross margin can substantially impact net operating margins. A cooperative man-

Figure 14: Cooperatives' Net Income Before Taxes, 2003-2012

Billion dollars



¹Includes dividends and patronage refunds from other cooperatives and CoBank

ager must maintain a gross margin near industry averages. Thus, least-cost sources of supplies need to be developed and marketing cooperatives need to pay market rates on the products they purchase.

Cooperatives are often characterized as businesses that provide goods and services “at cost.” However, a cooperative cannot operate at cost on a daily basis. Cooperatives need adequate gross margins to be profitable and to afford to finance essential future-directed discretionary expenditures, such as expansion and advertising.

Gross margin equals net sales less cost of goods sold, so cooperatives with higher COGS had lower gross margins. The COGS was about 1 point higher for the very largest cooperatives than for the other sizes. As discussed earlier, those cooperatives with a low COGS would have high gross margins.

Service and Other Operating Income

Service and other operating income is derived from any service cooperatives provide. Some cooperatives only provide services such as rice driers, storage, transportation, auctions, hulling, seed develop-

ment, locker plants, pest management, and scouting, farmer markets and other miscellaneous services. Service income is important to marketing and supply cooperatives. They provide hauling, storage, grading, delivery, custom application, recordkeeping, and drying, to name some of the most common services. Other operating income is generated from sales activities and includes income from providing financing for sales.

For service cooperatives, service accounts for 100 percent of income. By cooperative size, service income is the most important for smaller cooperatives (16 percent of sales) and diminishes as size increases to cooperatives with over \$500 million in sales (1 percent of sales). Many of the cotton ginning cooperatives have a significant amount of service income; hence service income ranges from 23 percent to 52 percent of sales for these cooperatives.

Operating Expenses

There are only four categories for expenses in table 9: wages, depreciation, interest, and all other. Wages includes salaries and wages, payroll taxes, em-

Table 12: Number, participation, and level of activity of dairy herd improvement associations by State, January 31, 2013

State	Herds	Cows	DHI Cows
	<i>Number</i>	<i>Number</i>	<i>Percentage</i>
Alabama	22	4,579	100
Arizona	22	44,558	86
Arkansas	20	3,215	98
California	744	945,217	100
Colorado	33	45,354	98
Connecticut	70	12,294	100
Delaware	27	3,685	100
Florida	31	29,883	64
Georgia	98	26,005	61
Idaho	148	221,725	97
Illinois	358	48,995	100
Indiana	295	47,434	86
Iowa	660	122,121	99
Kansas	151	17,973	82
Kentucky	223	26,175	93
Louisiana	35	4,913	76
Maine	122	12,789	81
Maryland	270	32,737	99
Massachusetts	66	5,770	96
Michigan	595	162,984	87
Minnesota	1,793	246,227	99
Mississippi	30	5,859	100
Missouri	273	34,059	100
Montana	23	4,836	78
Nebraska	94	23,486	93
Nevada	10	7,130	100
New Hampshire	73	9,478	100
New Jersey	42	3,070	89
New Mexico	16	52,790	87
New York	1,635	318,476	93
North Carolina	114	23,198	91
North Dakota	22	5,608	85
Ohio	732	112,521	96
Oklahoma	51	6,981	79
Oregon	162	50,418	100
Pennsylvania	3,761	316,516	95
Rhode Island	8	462	100
South Carolina	43	10,191	94
South Dakota	99	37,544	99
Tennessee	107	14,540	94
Texas	105	105,003	89
Utah	110	35,910	87
Vermont	326	49,842	95
Virginia	338	58,249	93
Washington	173	85,047	98
West Virginia	33	3,530	100
Wisconsin	4,331	676,226	99
Wyoming	2	831	100
United States	18,579	4,133,140	95

employee insurance, unemployment compensation, and pension expense. The “all other” account includes administrative expenses, which are overhead costs and indirectly related to a cooperative’s revenue. These include professional services, office supplies, telephone, meetings and travel, donations, dues and subscriptions, directors’ fees and expense, and annual meetings. The “all other” category also includes general expenses, which are directly related to revenue, such as advertising and promotion; auto and truck delivery; insurance; property, business, and other taxes and licenses; rent and lease expenses; plant supplies and repairs; repairs and maintenance; utilities; miscellaneous; bad debts; and other expenses.

Wage expenses were the highest for smaller cooperatives, and fell as cooperative size increased, from 12 percent for the smallest cooperatives, to 3 percent for the largest. Wage expenses were higher for service cooperatives because they are generally small and lack other sales to spread out wage costs. Artificial insemination cooperatives had wage expenses that were more than 43 percent of sales; those of smaller cotton ginning cooperatives averaged more than 31 percent of sales. Dairy, grain and oilseed, larger and mid-sized livestock marketing (auctions), bioenergy, large nut, smaller rice, and small sugar cooperatives had lower wage expenses relative to sales.

Depreciation expenses did not change much with cooperative size, ranging from 2 percent for the smallest cooperatives to 1 percent for the largest cooperatives. Smaller cotton ginning cooperatives, small nut, and service cooperatives (except dairy, livestock, and fruit and vegetable) had depreciation expenses of at least 5 percent of sales. Most livestock cooperatives had little PP&E, so depreciation expenses were less than 1 percent. Large cotton, most dairy, small and mid-size fruit and vegetable, grain and oilseed, small fish, small rice, large nut, and small sugar cooperatives also had depreciation expenses of less than 1 percent.

Interest expenses were relatively minor for all sizes of cooperatives, comprising less than 1 percent of total sales. Cotton service and small nut cooperatives had interest expenses greater than 2 percent of sales.

Other expenses fell as cooperatives grew larger. This account is the difference between total expenses and the sum of wages, depreciation, and interest, so it can be overstated when these three accounts are estimated for the few cooperatives that did not break out individual expenses on the survey or in their annual report. As a result, other expenses in this report may be larger than expected.

Net Operating Margins

Net operating margins is calculated by taking gross margins minus total expenses before taxes, and not counting patronage refunds from other cooperatives. So, it is income generated by a cooperative's own operations. Net operating margins for all cooperatives in 2012 was \$5.2 billion, excluding inter-cooperative dividends and refunds (table 11). Net operating margins was about \$0.4 billion higher than in 2011.

Net operating margins as a percent of net sales was 2 percent for all cooperatives by size (table 9). Most service cooperatives (except dairy), artificial insemination, large processed and fresh fruit and vegetable, cotton ginning, small nut, large sugar, and dry bean and pea cooperatives had net operating margins of at least 3 percent. Small cotton ginning, dairy, small fresh fruit and vegetable, small supply, livestock, small fish, and small sugar marketing cooperatives had net operating margins of less than 1 percent.

Patronage Income

Patronage refunds received (usually income from other cooperatives) results from business activities with other cooperatives, generally regionals, or CoBank, a cooperative bank. The patronage refund from regionals was based on business volume and consisted of cash refunds and equity stock. Stock was usually revolved back to the local cooperative on a set schedule. Many cooperatives that borrowed funds from CoBank received both cash and non-cash patronage income. The non-cash patronage from CoBank was from investment in the bank, which was usually required in proportion to the funds borrowed.

Patronage refunds received from other cooperatives, including CoBank, totaled \$899 million, up

Table 13: Number, participation, and level of activity of rural electric cooperatives, by State, December 2011

State	Cooperatives <i>Number</i>	Members <i>1,000</i>	Revenue <i>Million \$</i>
Alabama	22	541	1,242
Alaska	21	239	709
Arizona	14	260	509
Arkansas	17	508	1,036
California	5	39	69
Colorado	22	613	1,355
Florida	15	1,046	2,132
Georgia	41	1,956	4,029
Idaho	13	89	156
Illinois	24	288	681
Indiana	38	534	1,282
Iowa	35	220	572
Kansas	27	287	718
Kentucky	23	783	1,991
Louisiana	10	381	669
Maine	3	15	11
Michigan	9	320	461
Minnesota	43	760	1,436
Mississippi	25	726	1,859
Missouri	40	716	1,320
Montana	23	189	322
Nebraska	31	238	626
Nevada	7	49	154
New Mexico	16	210	487
New York	4	18	25
North Carolina	26	989	1,885
North Dakota	16	159	509
Ohio	24	382	834
Oklahoma	26	484	1,073
Oregon	17	210	367
Pennsylvania	13	218	312
South Carolina	20	730	1,683
South Dakota	27	152	353
Tennessee	23	1,036	2,464
Texas	61	1,954	4,515
Utah	4	46	106
Vermont	3	53	88
Virginia	12	605	1,494
Washington	19	191	321
Wisconsin	23	263	481
Wyoming	12	107	395
Other States ¹	6	401	1,018
United States	860	19,005	40,314

¹ 1 Other states include Delaware, Hawaii, Maryland, New Hampshire, and West Virginia.

47 percent from \$613 million in 2011 (appendix figure 6). In 2003, refunds from other cooperatives were an unusually low \$92 million due to losses in several large cooperatives. In 2012, refunds were 15 percent of net income before taxes.

Patronage refunds were a little less than 2 percent of sales for the smallest cooperatives, and fell to 0.1 percent for the largest (table 9). All cotton ginning cooperatives had patronage refunds of at least 6 percent of sales. Livestock, fish, poultry, bioenergy, nut, rice, tobacco, wool, most sugar, storage, and hulling cooperatives received virtually no patronage refunds (less than 0.1 percent).

Non-Operating Income

Non-operating income is income not generated by sales. It could be interest from investments. It also could come from the sale of PP&E, rentals, and extraordinary items. Sometimes PP&E are sold to generate income, but usually these types of assets are fully depreciated. When sold, if the market value is greater than the book value, income is generated. In some cases, disposal of a fully depreciated asset may mean a loss. Rental income from unused facilities or equipment provides income flows. Sales of extraordinary items might generate either a gain or a loss. A gain could result from a fire loss where the insurance settlement was greater than the book value. A loss might occur from flood damage for which the cooperative had no coverage. For all sizes of cooperatives, non-operating income averaged less than 0.5 percent of sales.

Net Income Before Taxes

Net income before taxes (NIBT) was \$6.1 billion, an increase of 13 percent from \$5.4 billion in 2011. Net income in 2012 was over five times the NIBT of \$1.1 billion in 2003 (appendix table 7 and figure 14).

Marketing cooperatives' NIBT of \$2.5 billion was down 3 percent from the \$2.6 billion generated in 2011. Grain and oilseed and sugar cooperatives were the only major types of marketing cooperatives with an increase in net income before taxes.

Total NIBT of supply cooperatives was \$3.5 billion in 2012, \$0.7 billion more than the \$2.8 billion in 2011 (figure 15). Supply cooperatives accounted for 58 percent of cooperatives' NIBT in 2012, up

from 51 percent in 2011 (appendix figure 7).

Losses totaled \$267 million in 2012, a 114-percent increase from 2011. Dairy cooperatives accounted for 75 percent of the losses in 2012, and 48 percent of the losses in 2011 (appendix figure 8). The number of cooperatives with losses declined 4 percent from 237 to 227.

Income Taxes

Cooperatives paid income taxes on earnings not allocated to members (retained earnings) and on dividend payments. The board of each cooperative determined what amounts of income were allocated to retained earnings and to members. Non-member business has an impact on retained earnings because cooperatives can allocate the earnings to non-members or retain the income. Cooperatives paid \$547 million in income taxes.

Net Income

Net income after taxes (net operating margins plus patronage refunds and non-operating income, minus taxes) was the highest for smaller cooperatives (4.6 percent) and fell to 2.2 percent for the largest cooperatives. The following co-op sectors had net incomes of greater than 5 percent: cotton service, most cotton ginning, larger processed and fresh fruit and vegetable, large fish, small nut, large sugar, rice drier, small transportation, storage, hulling, and fresh fruit and vegetable service cooperatives.

Small cotton ginning, larger dairy, small supply, small grain and oilseed, most livestock, smaller fish, large rice, wool, and small sugar cooperatives had net income relative to sales of less than 1 percent.

Selected Financial Ratios

Financial ratios express relationships between items in the balance sheet and income statements of a business operation. They help in analyzing a cooperative's economic and financial situation. Ratios can indicate problem areas, serve as guidelines for planning, and aid in formulating actions. However, ratio interpretation is largely subjective.

Nine financial ratios were used to measure cooperative performance or financial condition: current, debt-to-asset, debt-to-equity, retained earnings-to-

total-equity, equity-to-assets, adjusted equity-to-assets, return-on-assets, return-on-member equity, and extra value index.

The formulas for these ratios are:

Current = current assets / current liabilities;

Debt-to-asset = debt / total assets (debt = all liabilities);

Debt-to-equity = (debt / total assets) / (equity / total assets);

Retained earnings-to-total-equity = retained earnings / total equity;

Equity-to-assets ratio = total equity / total assets;

Adjusted equity-to-assets ratio = total equity / (total assets - current liabilities);

Return-on-assets-before-interest-and-taxes = (NIBT + interest expense) / total assets;

Return-on-member-equity = net income / allocated equity;

Extra value index = net income after taxes – (total equity * (LIBOR 12 month maturity December average + X%)) / (total assets - current liabilities), where X=2 is a basic premium for risk; X=5 is a moderate level of risk, and X=10 is a high level of risk.

Liquidity Ratio

The *current ratio* is a liquidity ratio—a measure of the cooperative's ability to meet short-term obligations. It focuses on the cooperative's ability to remain solvent. However, this ratio does not consider the degree of liquidity of each of the current asset components. If the current assets of a cooperative were mainly cash, they would be much more liquid than if comprised mainly of inventory.

If the ratio is less than one, current liabilities exceed current assets and the cooperative's liquidity is threatened. Improvements can be achieved by selling additional capital stock, borrowing additional long-term debt or disposing of unproductive fixed assets and retaining proceeds. Current liabilities may also be reduced by retaining a greater portion of allocated savings (reducing the cash portion).

A high current ratio is a favorable condition financially because it indicates the ability to pay current liabilities from the conversion of current assets into cash. Operationally, this same high ratio tends to increase operating freedom and reduce the prob-

ability of bill-paying difficulty from write-downs of accounts receivable or inventory. The current ratios of six sizes of cooperatives are shown in table 9 (for all types and sizes, see appendix table 6). By size, the ratio is always less than, or equal to, 1.9, meaning current assets exceed current liabilities by 1.9 times, or less.

If necessary, these current assets could be sold to cover all short-term liabilities and the cooperative would still have some liquid assets left. By type, the current ratio exceeds 2 for small artificial insemination, large processed and fresh fruit and vegetable, small farm supply, large poultry, large nut, small rice, tobacco, wool, small sugar, large transportation, dairy service, and livestock service cooperatives.

Leverage ratios

Leverage ratios look at the long-term solvency of the cooperative and help analyze the use of debt and the ability to meet obligations in times of crisis. *Debt-to-asset ratio* shows the proportion of debt used to finance assets. Reducing debt, increasing savings, or financing a greater portion of assets with working capital may improve this ratio.

Generally, larger cooperatives relied on the use of more debt financing. Debt financing was used for at least 62 percent of assets owned by cooperatives with sales from \$100 million to \$500 million, and rose to 68 percent for the largest cooperatives. Bioenergy, small rice, large transportation, milk service, and livestock service cooperatives used debt financing for one-third or less of their assets.

Debt-to-equity ratio shows the financial flexibility and the long-term capital structure of the cooperative. High ratios indicate inadequate borrowing power. A low ratio is more favorable and financially makes the cooperative more independent of outside sources of funds because owners' equity is available. A low ratio may indicate low return on equity. Operationally, a low ratio tends to reduce interest cost. Improvement may be gained by disposing of unproductive assets and using proceeds to liquidate debt, or accelerating payments on long-term loans. Cooperatives may also try increasing local equity by generating higher levels of net operating margins, slowing down equity retirement programs, selling additional capital stock, or retaining more

allocated savings.

As cooperative size increases, so does use of debt. The ratio was 0.7 for the smallest cooperatives, climbing to 2 for the largest cooperatives. Artificial insemination, cotton ginning, small dairy, smaller fresh fruit and vegetable, smaller processed and fresh fruit and vegetable, large to small supply, smaller mixed supply, poultry, bioenergy, small rice, tobacco, larger sugar, and most service cooperatives all had a ratio of less than 1.

The ratio of *retained-earnings-to-total-equity* shows the use of retained earnings and allocated equity. Net income from non-member business is the usual source of retained earnings (unallocated equity). Operationally, the ratio can be improved by increasing equity or holding less retained earnings.

For all but the largest and smallest cooperatives, retained-earnings-to-total-equity is greater than 30, meaning the cooperative has about one-third of total equity comprised of retained earnings. This ratio increases as cooperative size increases for all but the largest cooperatives, for which the leverage ratio is 27 percent. The smallest cooperatives also have retained earnings of 27 percent relative to total equity. Small cotton, cotton ginning, large and smaller dairy, small processed and fresh fruit and vegetable, small fish, larger and small sugar, and most service cooperatives have retained-earnings-to-total-equity ratios of less than 20 percent.

Solvency Ratios

Solvency ratios look at the long-term solvency of the cooperative and help analyze the use of equity and the ability to meet obligations in times of crisis. The ratio of *equity-to-assets* measures the use of equity to finance the cooperative and can be considered a measure of solvency or financial strength of the cooperative. The ratio is the inverse of the previously described debt-to-asset ratio ($\text{equity-to-assets ratio} = 1 \text{ minus debt-to-asset ratio}$).

Smaller cooperatives are generally stronger financially, because they finance a larger proportion of their assets with their own equity. The equity-to-assets ratio ranges from 60 for the smallest cooperatives to 32 for the largest. With an equity-to-assets ratio of 32, less than one-third of a cooperative's assets is financed by equity, and two-thirds is financed by debt. Small cotton ginning, small dairy, smaller farm supply, bioenergy, small rice, tobacco, middle

sugar, transportation, milk service, and livestock service cooperatives all have an equity-to-assets ratio in excess of 60.

Another measure of solvency or financial strength is shown by the *adjusted equity-to-assets ratio*, where total equity is divided by total assets, minus current liabilities. When current liabilities are subtracted from assets, the remainder is long-term debt and total equity, so the ratio shows the relative use of long-term debt and equity to finance the cooperative. A higher ratio indicates higher solvency or a greater use of equity to finance operations. Operationally, reducing long-term debt or increasing equity strengthens this ratio.

Small cooperatives have an adjusted equity-to-assets ratio of 84, but this ratio falls to 60 for the largest cooperatives, indicating that larger cooperatives use more long-term debt. Small cotton ginning, smaller dairy, small fresh fruit and vegetable, middle fresh and processed fruit and vegetable, most supply, smaller mixed supply, smaller grain, smaller livestock, small fish, small poultry, bioenergy, small rice, small sugar, transportation, milk service, and livestock service cooperatives have an adjusted equity-to-assets ratio of at least 85.

Profitability Ratios

Profitability ratios indicate the efficiency of the cooperative's operations. Because a cooperative is owned by its user-members, many common industry profitability ratios have little meaning. For instance, profitability ratios measuring the return on common or preferred stock of similar investor-oriented firms are not appropriate because there is seldom an open market for cooperative stock.

Return-on-assets-before-interest-and-taxes measures the rate of return on total investment. This ratio is a measure of performance. It is not sensitive to the leverage position of the cooperative. Although some assets were financed through debt, the ratio measures return to both members and lenders.

Operationally, a high ratio tends to reduce interest cost and indicates a comparatively high rate of return on assets employed. This ratio rose from 7 for the smallest cooperatives to almost 10 for middle-size cooperatives, falling to almost 9 for the largest cooperatives. It is at least 20 for smaller cotton ginning, small sugar, storage and hulling cooperatives.

Return-on-member-equity represents members'

investment in their cooperative. It is an important measure of profitability. This ratio is sensitive to the amount of debt capital in the cooperative, and is best used in conjunction with other measures, such as the return on assets. Financially, a high ratio is favorable and tends to decrease financial leverage. However, a high ratio may also be a symptom of insufficient investment. A high ratio tends to reduce interest cost over time but may occur when both total debt and interest costs are high.

By size of cooperative, the highest return-on-member-equity was over 33 percent for cooperatives with \$100 million to \$500 million in sales. The smallest cooperatives have higher proportions of member equity, and thus a lower ratio of 14. Large processed and fresh fruit and vegetable, large supply, middle livestock, small fish, large poultry, large and small sugar, storage, and hulling have a 45-percent or greater return-on-member-equity ratio.

Extra-Value Index

The *extra-value index* (EVI) can help members evaluate their cooperative's performance, because it provides a value for the opportunity cost of using equity capital [Liebrand]. A cooperative's equity capital is not openly traded in a stock market as that of an investor-oriented firm, so it is hard for cooperative members to determine if management is increasing or decreasing the value of the cooperative. The EVI attempts to put a value on the opportunity cost of equity capital through the use of an interest charge on the equivalent to the amount the money (member equity capital) could have earned if used elsewhere. In other words, EVI evaluates cooperative performance by subtracting the opportunity cost of equity capital from the profitability ratio.

If the EVI index is positive, cooperative management has created value for members because the cooperative's operations are covering the opportunity cost of member's equity capital. The converse is true if the EVI index is negative—member's investment in the cooperative is being diminished because the opportunity cost of member's equity capital is not being covered.

There are three values shown for EVI in table 9. The EVI+2 represents a basic rate by adding 200 basis points to the London Inter-Bank Offered Rate (LIBOR) 12 month maturity December average,

which was 0.86 for December 2012. The basic LIBOR+2 rate represented in table 9 as EVI+2 (2.86) reflects the rate that banks in the United States might make loans to firms with better-than-average credit ratings. EVI+5 (5.86) represents a moderate premium for risk or LIBOR rate plus 500 basis points, while EVI +10 (10.86) is a higher premium for risk as it is LIBOR rate plus 1,000 basis points.

Smaller cooperatives, which generally have a larger proportion of equity relative to assets, have a lower EVI. For EVI+2, small cooperatives generated 6.3 cents of extra value for each \$1 of member equity investment. For the higher risk of EVI+10, smaller cooperatives had a negative return of 0.37 cents.

For EVI+2, large to middle cotton ginning, smaller fish, small sugar, storage, and hulling cooperatives all had EVIs of at least 25 cents (Appendix Table 6). The EVI used in these tables was the same for all cooperatives. The LIBOR rate is a proxy for a cooperative's cost of capital, since the cooperative would know this value, and it could be plugged into the formula to generate its individual EVI.

Other Service Cooperatives

Dairy Herd Improvement Associations

Dairy Herd Improvement Associations (DHIA) had 18,579 memberships in 2012 (Table 12), down from 19,170 in 2011. The DHIA tested nearly 4,133,140 million cows in 2012, down from 4,133,650 million in 2011. Wisconsin (4,331), Pennsylvania (3,761), Minnesota (1,793), and New York (1,635) combined accounted for 62 percent of total members, the same as in 2011. About 945,217 (22.9 percent) of the cows tested were in California, down from 23.6 percent in 2011.

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APPENDIX TABLES

Appendix Table 1: Number of cooperatives by major business activity, 2012-2008

Major business activity	2012	2011	2010	2009	2008
Products marketed:					
			<i>Number</i>		
Bean and pea (dry edible)	5	5	5	6	6
Cotton	12	12	12	12	12
Cotton ginning	151	153	157	166	176
Dairy	133	131	138	140	143
Fish	39	38	37	35	39
Fruit and vegetable	143	144	138	144	154
Grain and oilseed ¹	493	525	514	555	591
Livestock	88	86	59	57	58
Nut	19	18	18	16	16
Poultry ²	11	10	10	10	13
Rice	12	12	12	14	14
Sugar ³	26	26	28	31	31
Tobacco	6	6	8	9	11
Wool and mohair	43	45	54	57	62
Other marketing	25	26	25	25	28
Total marketing	1,206	1,237	1,215	1,277	1,354
Total supplies	911	939	974	992	1,011
Total services	121	123	125	121	110
Total	2,238	2,299	2,314	2,390	2,475

¹ Cooperatives primarily handling grain and oilseed, excluding cottonseed.

² Cooperatives primarily handling eggs, turkeys, ratite, squab, and related products.

³ Cooperatives primarily handling sugar beets, sugarcane, honey, and related products.

Appendix Table 2: Cooperative memberships, by major business activity, 2012-2008

Major business activity	2012	2011	2010	2009	2008
Products marketed:					
			<i>Thousands</i>		
Bean and pea (dry edible)	1.9	1.8	1.8	1.7	1.5
Cotton	18.8	25.4	28.2	29.2	32.1
Cotton ginning	25.4	26.6	25.4	25.7	27.2
Dairy	45.1	48.5	44.2	45.0	61.5
Fish	5.4	5.4	5.4	5.3	5.6
Fruit and vegetable	21.0	22.0	22.2	22.3	23.8
Grain and oilseed ¹	403.3	586.7	416.9	486.4	460.7
Livestock	70.9	73.7	75.4	73.3	76.1
Nut	9.7	9.7	15.7	15.2	15.3
Poultry ²	0.5	0.5	0.5	0.5	0.5
Rice	10.7	10.9	11.6	11.6	11.7
Sugar ³	8.8	8.7	10.0	10.9	10.8
Tobacco	18.8	11.9	65.0	65.1	65.3
Wool and mohair	9.5	9.6	9.6	9.9	10.0
Other marketing	5.5	6.5	6.4	6.5	6.7
Total marketing	655.4	847.8	738.3	808.5	808.8
Total supplies	1,420.7	1,397.6	1,463.2	1,392.9	1,508.8
Total services	36.5	35.7	37.9	37.5	36.2
Total	2,112.6	2,281.2	2,239.5	2,238.9	2,353.8

¹ Cooperatives primarily handling grain and oilseed, excluding cottonseed.

² Cooperatives primarily handling eggs, turkeys, ratite, squab, and related products.

³ Cooperatives primarily handling sugar beets, sugarcane, honey, and related products.

Appendix Table 3: Cooperative's gross business volume, by type of cooperative, 2012-2008

Major business activity	2012	2011	2010	2009	2008
Products marketed:					
			<i>Billion \$</i>		
Bean and pea (dry edible)	0.2	0.2	0.2	0.2	0.2
Cotton	3.2	4.1	2.4	2.4	2.9
Dairy	41.8	42.3	34.3	30.5	40.8
Fish	0.2	0.3	0.2	0.2	0.2
Fruit and vegetable	8.0	7.8	7.7	7.5	7.7
Grain and oilseed ¹	63.5	56.0	41.0	44.3	47.7
Livestock	4.0	4.4	3.6	3.1	3.3
Nut	1.1	0.9	0.9	0.8	0.8
Poultry ²	1.5	1.3	1.2	1.2	1.5
Rice	1.6	1.6	1.5	1.7	1.6
Sugar ³	6.3	5.7	5.0	4.6	4.9
Tobacco	0.1	0.3	0.2	0.2	0.1
Other marketing ⁴	6.0	6.3	4.8	4.8	6.5
Total marketing	137.4	131.0	103.0	101.4	118.2
Supplies purchased:					
Crop protectants	11.1	9.7	8.1	7.7	6.7
Feed	15.0	13.4	10.8	11.1	10.9
Fertilizer	17.7	14.9	11.1	12.2	12.7
Petroleum	35.0	31.2	24.6	23.3	30.6
Seed	5.5	4.9	4.3	3.9	3.5
Other supplies	7.6	7.2	5.0	4.8	6.1
Total supplies	91.9	81.4	63.8	63.0	70.5
Services and other income	4.7	4.4	4.9	4.9	4.7
Total	234.0	216.8	171.8	169.3	193.5

¹ Cooperatives primarily handling grains and oilseeds, excluding cottonseed.

² Cooperatives primarily handling eggs, turkeys, ratite, squab, and related products.

³ Cooperatives primarily handling sugar beets, sugarcane, honey, and related products.

⁴ Includes wool and mohair and other marketing.

Appendix Table 4: Cooperatives' net business volume, by type of cooperative, 2012-2008

Major business activity	2012	2011	2010	2009	2008
Products marketed:					
			<i>Billion dollars</i>		
Bean and pea (dry edible)	0.2	0.2	0.2	0.2	0.2
Cotton	3.1	4.0	2.3	2.2	2.9
Dairy	40.2	40.7	31.1	27.6	39.1
Fish	0.2	0.3	0.2	0.2	0.2
Fruit and vegetable	5.8	5.6	5.5	5.4	5.4
Grain and oilseed ¹	62.7	55.3	40.5	43.8	46.6
Livestock	4.0	4.2	3.5	3.0	3.2
Nut	1.1	0.9	0.9	0.8	0.8
Poultry ²	1.5	1.3	1.2	1.2	1.5
Rice	1.6	1.6	1.5	1.7	1.6
Sugar ³	5.3	4.8	4.1	3.8	4.1
Tobacco	0.1	0.3	0.2	0.2	0.1
Other marketing ⁴	5.6	5.8	4.5	4.5	6.0
Total marketing	131.3	124.8	95.8	94.6	111.7
Supplies purchased:					
Crop protectants	7.2	6.6	5.6	5.5	4.5
Feed	11.8	10.5	8.6	8.8	9.4
Fertilizer	14.1	11.9	9.4	10.6	10.0
Petroleum	22.9	20.3	16.5	15.8	19.5
Seed	3.2	2.9	2.6	2.5	2.4
Other supplies	5.7	5.6	4.4	4.2	5.4
Total supplies	64.9	57.8	47.1	47.4	51.2
Services and other income	4.7	4.4	4.9	4.9	4.7
Total	200.9	187.0	147.8	146.9	167.6

¹ Cooperatives primarily handling grains and oilseeds, excluding cottonseed.

² Cooperatives primarily handling eggs, turkeys, ratite, squab, and related products.

³ Cooperatives primarily handling sugar beets, sugarcane, honey, and related products.

⁴ Includes wool and mohair and other marketing.

Appendix Table 5: Combined balance sheet data for cooperatives, 2003-2012

Year	Assets from own operations	Investments in other cooperatives ¹	Total assets	Total liabilities	Net worth
<i>Billion dollars</i>					
2003	42.10	4.05	46.15	26.18	19.98
2004	39.25	4.73	43.97	25.18	18.79
2005	41.06	4.33	45.39	26.40	19.00
2006	44.36	3.66	48.02	28.17	19.85
2007	53.44	4.20	57.64	36.47	21.18
2008	65.61	4.29	69.89	46.77	23.12
2009	57.14	4.04	61.19	37.34	23.84
2010	60.66	4.39	65.04	39.06	25.98
2011	74.14	4.36	78.50	50.59	27.91
2012	78.21	4.73	82.94	52.97	29.98
<i>Percent of total assets</i>					
2003	91.2	8.8	100.0	56.7	43.3
2004	89.2	10.8	100.0	57.3	42.7
2005	90.5	9.5	100.0	58.1	41.9
2006	92.4	7.6	100.0	58.7	41.3
2007	92.7	7.3	100.0	63.3	36.7
2008	93.9	6.1	100.0	66.9	33.1
2009	93.4	6.6	100.0	61.0	39.0
2010	93.3	6.7	100.0	60.1	39.9
2011	94.4	5.6	100.0	64.4	35.6
2012	94.3	5.7	100.0	63.9	36.1

¹ Includes investments in other cooperatives and CoBank, where applicable.

Appendix table 6: Common size analysis, by cooperative type and size, 2012

Type of cooperative	Artificial insemination		Cotton marketing		Cotton services
	≥ \$15 million	< \$15 million	≥ \$100 million	< \$100 million	
Cooperative sales size					all sizes
Balance sheet		<i>Percent of total assets</i>			
Current assets	54.07	68.56	71.73	71.91	53.91
Other assets	19.03	6.94	5.38	0.55	7.93
Investments	4.73	10.69	1.64	0.77	10.98
PP&E ¹ (net)	22.17	13.81	21.26	26.76	27.17
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	30.47	22.11	50.26	59.92	44.84
Total liabilities	44.85	41.13	59.40	71.41	54.73
Allocated equity	31.98	61.27	24.95	24.44	48.80
Retained earnings	23.17	-2.40	15.65	4.15	-3.53
Total equity	55.15	58.87	40.60	28.59	45.27
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00
Income statement		<i>Percent of total sales</i>		<i>Percent of service</i>	
Total sales	100.00	100.00	100.00	100.00	
Cost of goods sold	29.27	32.98	90.92	87.57	
Gross margin	70.73	67.02	9.08	12.43	
Service and other income	6.78	4.17	0.83	0.39	100.00
Gross revenue	77.51	71.20	9.91	12.82	100.00
Expenses					
Wages	43.07	46.32	3.30	3.32	28.17
Depreciation	3.38	1.91	0.58	1.51	5.69
Interest	0.37	0.00	0.97	1.53	4.46
Other	24.96	19.33	4.05	5.44	44.49
Total expenses	71.78	67.56	8.90	11.81	82.81
Net operating margins	5.73	3.64	1.01	1.01	17.19
Patronage income	0.21	0.11	0.04	0.19	0.82
Non-operating income	-1.20	0.44	0.20	2.06	0.62
Net income before taxes	4.74	4.19	1.25	3.26	18.64
Taxes	0.71	0.46	0.03	-0.04	0.00
Net income	4.04	3.73	1.21	3.30	18.63
Ratios		<i>Percent or number</i>			
Current	1.77	3.10	1.43	1.20	1.20
Debt-to-asset	0.45	0.41	0.59	0.71	0.55
Debt-to-equity	0.81	0.70	1.46	2.50	1.21
Retained-earnings-to-equity	42.01	-4.07	38.55	14.51	-7.80
Equity-to-assets	55.15	58.87	40.60	28.59	45.27
Adjusted-equity-to-assets	79.32	75.58	81.64	71.32	82.06
Return-on-assets	6.41	6.46	7.91	6.99	7.69
Return-on-member-equity	15.85	9.39	17.39	19.68	12.71
Extra value index +2	5.02	5.22	6.39	9.96	8.89
Extra value index +5	2.64	2.95	3.94	7.82	6.43
Extra value index +10	-1.32	-0.82	-0.14	4.25	2.33

¹(Property, plant, and equipment)

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Cotton ginning			
	Cooperative sales size ≥ \$10 million	\$5 to \$10 million	\$1 to \$5 million	< \$1 million
Balance sheet		<i>Percent of total assets</i>		
Current assets	45.81	40.42	39.71	37.09
Other assets	0.74	2.71	6.65	10.99
Investments	15.83	15.35	11.65	5.84
PP&E ¹ (net)	37.62	41.51	41.98	46.09
Total assets	100.00	100.00	100.00	100.00
Current liabilities	33.10	28.12	25.40	22.30
Total liabilities	47.45	36.99	40.55	39.70
Allocated equity	46.77	48.61	48.38	56.36
Retained earnings	5.78	14.40	11.07	3.94
Total equity	52.55	63.01	59.45	60.30
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement		<i>Percent of total sales</i>		
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	81.60	79.01	76.85	73.85
Gross margin	18.40	20.99	23.15	26.15
Service and other income	22.57	31.00	45.56	52.42
Gross revenue	40.97	51.99	68.71	78.57
Expenses				
Wages	10.64	14.95	19.96	31.45
Depreciation	3.79	5.62	6.89	9.60
Interest	1.03	0.75	1.44	1.27
Other	20.43	25.06	34.78	43.72
Total expenses	35.89	46.37	63.06	86.03
Net operating margins	5.08	5.62	5.65	-7.47
Patronage income	8.32	14.52	11.36	6.13
Non-operating income	1.63	1.29	-0.17	1.15
Net income before taxes	15.03	21.42	16.84	-0.19
Taxes	0.11	0.30	-0.29	-0.09
Net income	14.92	21.12	17.13	-0.10
Ratios		<i>Percent or number</i>		
Current	1.38	1.44	1.56	1.66
Debt-to-asset	0.47	0.37	0.41	0.40
Debt-to-equity	0.90	0.59	0.68	0.66
Retained-earnings-to-equity	11.01	22.85	18.63	6.53
Equity-to-assets	52.55	63.01	59.45	60.30
Adjusted-equity-to-assets	78.55	87.66	79.69	77.60
Return-on-assets	19.96	22.21	13.42	0.61
Return-on-member-equity	39.64	43.53	25.98	-0.10
Extra value index +2	25.46	26.94	14.57	-2.29
Extra value index +5	23.11	24.31	12.18	-4.62
Extra value index +10	19.18	19.92	8.19	-8.50

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Dairy and dairy products			
	Cooperative sales size ≥ \$1 billion	\$300 to \$900 million	\$50 to \$200 million	\$20 to \$50 million
Balance sheet				<i>Percent of total assets</i>
Current assets	53.99	60.74	64.20	75.48
Other assets	21.86	4.01	1.38	3.94
Investments	0.95	1.65	8.50	10.87
PP&E ¹ (net)	23.20	33.59	25.92	9.72
Total assets	100.00	100.00	100.00	100.00
Current liabilities	49.38	38.14	55.24	61.68
Total liabilities	73.58	58.89	62.20	65.15
Allocated equity	25.53	34.43	26.97	29.28
Retained earnings	0.89	6.67	10.83	5.57
Total equity	26.42	41.11	37.80	34.85
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement				<i>Percent of total sales</i>
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	94.03	90.09	95.16	94.11
Gross margin	5.97	9.91	4.84	5.89
Service and other income	0.18	0.38	0.69	1.09
Gross revenue	6.15	10.28	5.52	6.98
Expenses				
Wages	2.87	3.21	2.02	2.39
Depreciation	0.70	0.70	0.45	0.23
Interest	0.25	0.19	0.06	0.07
Other	1.86	5.17	2.78	3.77
Total expenses	5.68	9.26	5.31	6.46
Net operating margins	0.47	1.02	0.21	0.52
Patronage income	0.07	0.04	0.19	0.29
Non-operating income	-0.56	0.17	0.02	0.02
Net income before taxes	-0.02	1.24	0.43	0.84
Taxes	-0.02	0.06	0.00	0.01
Net income	0.00	1.17	0.43	0.83
Ratios				<i>Percent or number</i>
Current	1.09	1.59	1.16	1.22
Debt-to-asset	0.74	0.59	0.62	0.65
Debt-to-equity	2.79	1.43	1.65	1.87
Retained-earnings-to-equity	3.37	16.24	28.66	15.98
Equity-to-assets	26.42	41.11	37.80	34.85
Adjusted-equity-to-assets	52.19	66.46	84.44	90.95
Return-on-assets	1.00	6.32	2.85	7.93
Return-on-member-equity	-0.03	15.11	9.28	24.72
Extra value index +2	-1.51	6.51	3.18	16.29
Extra value index +5	-3.07	4.52	0.64	13.56
Extra value index +10	-5.68	1.20	-3.58	9.01

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Dairy and dairy products			
	Cooperative sales size \$10 to \$20 million	\$5 to \$10 million	\$1 to \$5 million	Less than \$1 million
Balance sheet	<i>Percent of total assets</i>			
Current assets	66.05	58.71	65.67	70.76
Other assets	6.55	9.31	8.91	7.42
Investments	12.74	21.55	9.10	0.00
PP&E1 (net)	14.66	10.44	16.31	21.82
Total assets	100.00	100.00	100.00	100.00
Current liabilities	55.29	37.43	50.38	40.61
Total liabilities	64.15	38.95	59.36	48.76
Allocated equity	26.09	51.76	30.41	26.13
Retained earnings	9.77	9.28	10.23	25.11
Total equity	35.85	61.05	40.64	51.24
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement	<i>Percent of total sales</i>			
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	95.93	94.30	94.31	95.72
Gross margin	4.07	5.70	5.69	4.28
Service and other income	1.90	0.82	2.07	8.30
Gross revenue	5.98	6.53	7.76	12.57
Expenses				
Wages	2.53	2.63	2.60	6.24
Depreciation	0.30	0.31	0.50	1.16
Interest	0.13	0.09	0.26	0.73
Other	2.62	3.49	3.33	7.26
Total expenses	5.58	6.52	6.68	15.39
Net operating margins	0.40	0.01	1.08	-2.82
Patronage income	0.27	0.50	0.17	0.01
Non-operating income	0.08	0.93	0.16	0.21
Net income before taxes	0.75	1.44	1.41	-2.60
Taxes	0.01	0.02	0.02	0.00
Net income	0.74	1.41	1.38	-2.60
Ratios	<i>Percent or number</i>			
Current	1.19	1.57	1.30	1.74
Debt-to-asset	0.64	0.39	0.59	0.49
Debt-to-equity	1.79	0.64	1.46	0.95
Retained-earnings-to-equity	27.24	15.21	25.17	49.00
Equity-to-assets	35.85	61.05	40.64	51.24
Adjusted-equity-to-assets	80.19	97.57	81.90	86.28
Return-on-assets	6.38	7.69	10.09	-3.31
Return-on-member-equity	20.53	13.81	27.65	-17.64
Extra value index +2	9.68	8.64	14.60	-10.23
Extra value index +5	7.28	5.71	12.15	-12.82
Extra value index +10	3.27	0.83	8.05	-17.13

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Fruit and vegetable (fresh sales only)					
	Cooperative sales size ≥ \$50 million	\$20 to \$50 million	\$10 to \$20 million	\$5 to \$10 million	\$1 to \$5 million	Less than \$1 million
Balance sheet	<i>Percent of total assets</i>					
Current assets	53.57	53.15	44.62	52.41	66.08	46.38
Other assets	7.35	4.91	6.79	10.35	12.12	9.15
Investments	3.05	4.61	5.62	5.39	0.01	0.00
PP&E ¹ (net)	36.04	37.33	42.98	31.85	21.80	44.47
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	39.76	43.49	32.97	39.39	41.90	33.06
Total liabilities	63.63	57.69	49.28	52.74	60.23	42.33
Allocated equity	19.50	24.57	35.24	32.70	26.48	15.55
Retained earnings	16.87	17.74	15.48	14.56	13.29	42.12
Total equity	36.37	42.31	50.72	47.26	39.77	57.67
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Income statement	<i>Percent of total sales</i>					
Total sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	78.34	70.90	76.89	78.04	85.98	86.98
Gross margin	21.66	29.10	23.11	21.96	14.02	13.02
Service and other income	2.54	4.13	4.92	5.00	22.95	16.79
Gross revenue	24.19	33.22	28.03	26.96	36.97	29.80
Expenses						
Wages	10.31	14.80	12.19	9.13	14.74	15.37
Depreciation	1.61	1.89	1.72	1.87	1.60	2.07
Interest	0.36	0.31	1.58	0.69	0.80	0.56
Other	9.52	14.69	11.59	13.20	16.53	12.49
Total expenses	21.80	31.70	27.09	24.88	33.67	30.49
Net operating margins	2.39	1.52	0.94	2.08	3.30	-0.69
Patronage income	0.12	0.16	1.00	0.28	0.01	0.00
Non-operating income	0.04	0.07	0.41	0.30	0.27	3.69
Net income before taxes	2.55	1.74	2.34	2.66	3.58	3.00
Taxes	0.21	0.03	0.06	0.04	0.02	0.00
Net income	2.34	1.72	2.28	2.62	3.56	3.00
Ratios	<i>Percent or number</i>					
Current	1.35	1.22	1.35	1.33	1.58	1.40
Debt-to-asset	0.64	0.58	0.49	0.53	0.60	0.42
Debt-to-equity	1.75	1.36	0.97	1.12	1.51	0.73
Retained-earnings-to-equity	46.38	41.92	30.52	30.82	33.41	73.03
Equity-to-assets	36.37	42.31	50.72	47.26	39.77	57.67
Adjusted-equity-to-assets	60.39	74.87	75.66	77.97	68.45	86.15
Return-on-assets	7.49	4.94	10.49	5.89	5.52	5.52
Return-on-member-equity	30.91	16.79	17.31	14.10	16.95	29.87
Extra value index +2	8.28	5.16	6.93	5.38	5.77	4.48
Extra value index +5	6.47	2.92	4.66	3.04	3.71	1.89
Extra value index +10	3.45	-0.83	0.88	-0.86	0.29	-2.42

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Fruit and vegetable (processed and fresh sales)				
	Cooperative sales size ≥ \$500 million	\$250 to \$500 million	\$50 to \$200 million	\$10 to \$50 million	Less than \$6 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	52.06	66.96	79.33	50.89	72.42
Other assets	19.42	5.23	4.12	1.84	12.44
Investments	1.17	1.20	1.46	20.90	2.43
PP&E ¹ (net)	27.34	26.61	15.09	26.38	12.71
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	15.56	41.34	66.28	35.67	37.36
Total liabilities	76.37	65.93	70.32	48.49	50.13
Allocated equity	24.33	24.69	19.49	36.56	40.64
Retained earnings	-0.70	9.38	10.19	14.95	9.23
Total equity	23.63	34.07	29.68	51.51	49.87
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00
Income statement					
	<i>Percent of total sales</i>				
Total sales	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	77.55	78.23	86.43	71.48	81.84
Gross margin	22.45	21.77	13.57	28.52	18.16
Service and other income	4.49	1.86	1.41	1.93	4.64
Gross revenue	26.94	23.63	14.98	30.45	22.80
Expenses					
Wages	8.22	15.45	5.85	11.31	12.39
Depreciation	2.26	2.01	0.67	1.42	0.44
Interest	0.56	1.14	0.45	0.41	0.50
Other	6.22	2.75	6.78	11.12	5.12
Total expenses	17.26	21.36	13.76	24.26	18.44
Net operating margins	9.68	2.27	1.22	6.19	4.36
Patronage income	0.05	0.00	0.04	0.26	0.05
Non-operating income	0.48	0.11	0.16	0.14	0.00
Net income before taxes	10.21	2.39	1.42	6.60	4.41
Taxes	0.47	0.32	0.08	0.11	0.07
Net income	9.74	2.07	1.34	6.49	4.34
Ratios					
	<i>Percent or number</i>				
Current	3.35	1.62	1.20	1.43	1.94
Debt-to-asset	0.76	0.66	0.70	0.48	0.50
Debt-to-equity	3.23	1.94	2.37	0.94	1.01
Retained-earnings-to-equity	-2.95	27.52	34.32	29.03	18.51
Equity-to-assets	23.63	34.07	29.68	51.51	49.87
Adjusted-equity-to-assets	27.99	58.08	88.02	80.07	79.62
Return-on-assets	18.12	5.41	5.39	11.45	14.61
Return-on-member-equity	67.37	12.84	19.72	29.02	31.80
Extra value index +2	18.61	3.74	8.88	14.20	18.36
Extra value index +5	17.77	2.00	6.24	11.80	15.97
Extra value index +10	16.37	-0.90	1.84	7.79	11.99

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Supply (with 100% supply sales)					
	Cooperative sales size ≥ \$500 million	\$100 to \$400 million	\$50 to \$100 million	\$30 to \$50 million	\$25 to \$30 million	\$20 to \$25 million
Balance sheet						
			<i>Percent of total assets</i>			
Current assets	63.03	56.45	55.49	54.74	50.54	49.78
Other assets	10.08	3.90	2.49	2.12	5.14	4.75
Investments	9.46	14.03	19.15	18.80	22.04	19.16
PP&E ¹ (net)	17.43	25.61	22.87	24.35	22.29	26.30
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	40.82	38.82	36.10	38.60	37.10	32.18
Total liabilities	57.63	53.71	43.92	48.24	43.34	38.96
Allocated equity	19.75	24.71	30.24	30.87	35.75	33.14
Retained earnings	22.61	21.58	25.84	20.89	20.92	27.91
Total equity	42.37	46.29	56.08	51.76	56.66	61.04
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Income statement						
			<i>Percent of total sales</i>			
Total sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	93.83	88.70	87.25	86.44	86.14	87.69
Gross margin	6.17	11.30	12.75	13.56	13.86	12.31
Service and other income	0.59	1.12	2.09	1.54	1.53	5.11
Gross revenue	6.77	12.42	14.84	15.10	15.39	17.42
Expenses						
Wages	2.11	5.04	6.57	6.66	6.35	7.18
Depreciation	0.71	1.06	1.16	1.43	1.34	1.59
Interest	0.32	0.35	0.27	0.46	0.31	0.50
Other	1.12	3.46	4.65	4.95	4.74	5.13
Total expenses	4.27	9.91	12.65	13.51	12.74	14.40
Net operating margins	2.49	2.51	2.19	1.59	2.65	3.02
Patronage income	0.44	1.41	1.47	1.90	2.24	2.08
Non-operating income	0.43	0.42	0.61	1.29	0.47	1.21
Net income before taxes	3.35	4.34	4.26	4.78	5.36	6.32
Taxes	0.71	0.74	0.57	0.46	0.59	0.66
Net income	2.64	3.60	3.69	4.32	4.77	5.66
Ratios						
			<i>Percent or number</i>			
Current	1.54	1.45	1.54	1.42	1.36	1.55
Debt-to-asset	0.58	0.54	0.44	0.48	0.43	0.39
Debt-to-equity	1.36	1.16	0.78	0.93	0.76	0.64
Retained-earnings-to-equity	53.37	46.62	46.08	40.36	36.91	45.71
Equity-to-assets	42.37	46.29	56.08	51.76	56.66	61.04
Adjusted-equity-to-assets	71.59	75.66	87.75	84.30	90.08	90.01
Return-on-assets	12.87	12.74	11.00	10.86	12.55	12.55
Return-on-member-equity	46.81	39.57	29.64	28.98	29.57	31.42
Extra value index +2	13.58	13.82	11.51	12.16	14.23	12.78
Extra value index +5	11.43	11.55	8.88	9.63	11.53	10.08
Extra value index +10	7.85	7.76	4.49	5.41	7.02	5.58

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Supply (with 100% supply sales)				
	Cooperative sales size \$15 to \$20 million	\$10 to \$15 million	\$5 to \$10 million	\$1 to \$5 million	Less than \$1 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	52.99	56.73	57.00	59.23	59.81
Other assets	2.97	2.05	4.07	6.76	10.85
Investments	21.13	21.23	16.07	14.40	10.82
PP&E ¹ (net)	22.91	19.99	22.86	19.60	18.52
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	32.71	32.57	30.75	30.50	28.73
Total liabilities	39.29	36.81	39.04	39.82	37.15
Allocated equity	33.95	41.13	37.60	38.38	40.90
Retained earnings	26.76	22.06	23.36	21.79	21.96
Total equity	60.71	63.19	60.96	60.18	62.85
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00
Income statement					
	<i>Percent of total sales</i>				
Total sales	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	86.57	86.60	86.06	85.21	84.07
Gross margin	13.43	13.40	13.94	14.79	15.93
Service and other income	2.10	2.67	2.57	3.45	8.31
Gross revenue	15.54	16.07	16.52	18.25	24.23
Expenses					
Wages	7.34	7.88	8.45	10.00	15.60
Depreciation	1.53	1.30	1.25	1.29	1.36
Interest	0.31	0.31	0.43	0.54	0.88
Other	4.84	4.93	5.16	5.61	6.96
Total expenses	14.01	14.41	15.29	17.44	24.81
Net operating margins	1.52	1.66	1.23	0.81	-0.57
Patronage income	2.01	2.10	1.36	0.96	0.44
Non-operating income	0.54	0.37	0.35	0.37	0.53
Net income before taxes	4.07	4.13	2.94	2.14	0.40
Taxes	0.39	0.32	0.23	0.09	0.13
Net income	3.67	3.81	2.71	2.05	0.27
Ratios					
	<i>Percent or number</i>				
Current	1.62	1.74	1.85	1.94	2.08
Debt-to-asset	0.39	0.37	0.39	0.40	0.37
Debt-to-equity	0.65	0.58	0.64	0.66	0.59
Retained-earnings-to-equity	44.08	34.91	38.32	36.22	34.93
Equity-to-assets	60.71	63.19	60.96	60.18	62.85
Adjusted-equity-to-assets	90.22	93.71	88.02	86.58	88.19
Return-on-assets	9.36	9.04	7.25	5.17	1.76
Return-on-member-equity	23.13	18.90	15.50	10.32	0.89
Extra value index +2	9.09	8.85	5.90	3.22	-2.01
Extra value index +5	6.38	6.04	3.26	0.62	-4.66
Extra value index +10	1.87	1.35	-1.14	-3.70	-9.07

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Mixed supply (with 99% to 50% supply sales)			
	Cooperative sales size \$300 to \$850 million	\$100 to \$300 million	\$50 to \$100 million	\$30 to \$50 million
Balance sheet	<i>Percent of total assets</i>			
Current assets	63.58	59.03	60.41	60.55
Other assets	1.82	3.39	2.59	2.91
Investments	13.75	18.10	13.50	15.24
PP&E ¹ (net)	20.85	19.48	23.50	21.30
Total assets	100.00	100.00	100.00	100.00
Current liabilities	44.78	41.85	43.35	42.31
Total liabilities	58.59	52.42	54.10	50.34
Allocated equity	18.15	21.43	26.21	29.28
Retained earnings	23.26	26.15	19.69	20.37
Total equity	41.41	47.58	45.90	49.66
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement	<i>Percent of total sales</i>			
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	90.26	89.70	88.86	89.47
Gross margin	9.74	10.30	11.14	10.53
Service and other income	2.37	2.30	2.82	2.33
Gross revenue	12.11	12.59	13.95	12.86
Expenses				
Wages	4.99	5.27	6.07	5.60
Depreciation	1.19	1.24	1.47	1.24
Interest	0.41	0.40	0.56	0.41
Other	3.29	4.23	4.31	3.91
Total expenses	9.88	11.14	12.41	11.15
Net operating margins	2.22	1.45	1.55	1.70
Patronage income	1.06	1.66	1.28	1.21
Non-operating income	0.36	0.63	0.40	0.47
Net income before taxes	3.64	3.74	3.23	3.39
Taxes	0.42	0.57	0.31	0.32
Net income	3.23	3.17	2.92	3.07
Ratios	<i>Percent or number</i>			
Current	1.42	1.41	1.39	1.43
Debt-to-asset	0.59	0.52	0.54	0.50
Debt-to-equity	1.41	1.10	1.18	1.01
Retained-earnings-to-equity	56.17	54.95	42.89	41.03
Equity-to-assets	41.41	47.58	45.90	49.66
Adjusted-equity-to-assets	75.00	81.82	81.03	86.08
Return-on-assets	9.58	9.83	9.25	9.22
Return-on-member-equity	42.06	35.10	27.23	25.42
Extra value index +2	11.68	10.60	10.28	10.44
Extra value index +5	9.43	8.14	7.85	7.86
Extra value index +10	5.68	4.05	3.80	3.56

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Mixed supply (with 99% to 50% supply sales)			
	Cooperative sales size \$20 to \$30 million	\$10 to \$20 million	\$5 to \$10 million	Less than \$5 million
Balance sheet	<i>Percent of total assets</i>			
Current assets	54.66	56.52	60.49	48.61
Other assets	2.89	4.58	4.02	13.20
Investments	20.71	14.22	16.69	10.56
PP&E ¹ (net)	21.74	24.68	18.80	27.63
Total assets	100.00	100.00	100.00	100.00
Current liabilities	37.02	34.82	34.93	34.82
Total liabilities	43.84	41.04	41.90	44.43
Allocated equity	28.82	31.39	34.28	34.60
Retained earnings	27.35	27.57	23.82	20.98
Total equity	56.16	58.96	58.10	55.57
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement	<i>Percent of total sales</i>			
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	90.40	89.21	89.82	85.40
Gross margin	9.60	10.79	10.18	14.60
Service and other income	6.32	3.61	3.69	7.83
Gross revenue	15.92	14.40	13.87	22.43
Expenses				
Wages	6.54	6.63	7.24	10.92
Depreciation	1.57	1.35	1.21	1.79
Interest	0.50	0.38	0.47	0.76
Other	5.53	4.74	5.00	7.53
Total expenses	14.15	13.10	13.91	21.01
Net operating margins	1.77	1.30	-0.04	1.43
Patronage income	1.42	1.27	1.51	1.01
Non-operating income	0.56	0.22	0.27	0.51
Net income before taxes	3.75	2.79	1.73	2.94
Taxes	0.26	0.26	0.18	0.18
Net income	3.50	2.53	1.56	2.76
Ratios	<i>Percent or number</i>			
Current	1.48	1.62	1.73	1.40
Debt-to-asset	0.44	0.41	0.42	0.44
Debt-to-equity	0.78	0.70	0.72	0.80
Retained-earnings-to-equity	48.69	46.76	40.99	37.75
Equity-to-assets	56.16	58.96	58.10	55.57
Adjusted-equity-to-assets	89.17	90.46	89.29	85.27
Return-on-assets	8.70	7.01	5.22	5.58
Return-on-member-equity	24.80	17.80	10.77	12.00
Extra value index +2	8.80	5.99	3.12	3.93
Extra value index +5	6.12	3.27	0.44	1.37
Extra value index +10	1.66	-1.25	-4.02	-2.89

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative		Mixed grain and oilseed marketing (with 49% to 25% supply sales)				
Cooperative sales size		\$200 to	\$100 to	\$50 to	\$30 to	
	≥ \$500 million	\$500 million	\$200 million	\$100 million	\$50 million	
Balance sheet		<i>Percent of total assets</i>				
Current assets	68.45	66.08	70.22	68.99	69.76	
Other assets	2.66	5.97	1.10	1.05	3.26	
Investments	8.02	9.90	8.69	9.27	8.33	
PP&E ¹ (net)	20.87	18.05	19.99	20.70	18.65	
Total assets	100.00	100.00	100.00	100.00	100.00	
Current liabilities	49.93	53.25	56.71	53.67	56.02	
Total liabilities	66.03	68.32	66.80	63.17	65.06	
Allocated equity	12.64	15.64	17.57	21.55	19.24	
Retained earnings	21.33	16.03	15.63	15.28	15.69	
Total equity	33.97	31.68	33.20	36.83	34.94	
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	
Income statement		<i>Percent of total sales</i>				
Total sales	100.00	100.00	100.00	100.00	100.00	
Cost of goods sold	93.68	94.07	92.92	92.46	93.45	
Gross margin	6.32	5.93	7.08	7.54	6.55	
Service and other income	2.98	2.80	2.81	2.66	2.82	
Gross revenue	9.30	8.74	9.90	10.21	9.37	
Expenses						
Wages	2.66	3.01	3.34	3.49	3.29	
Depreciation	0.93	0.87	1.03	1.15	1.22	
Interest	0.63	0.54	0.51	0.51	0.54	
Other	3.71	2.75	2.90	3.28	2.88	
Total expenses	7.93	7.18	7.79	8.42	7.93	
Net operating margins	1.37	1.56	2.11	1.78	1.44	
Patronage income	0.50	0.77	0.85	0.87	0.89	
Non-operating income	0.16	0.29	0.13	0.06	0.39	
Net income before taxes	2.02	2.61	3.09	2.71	2.72	
Taxes	0.12	0.27	0.24	0.20	0.16	
Net income	1.90	2.34	2.85	2.52	2.55	
Ratios		<i>Percent or number</i>				
Current	1.37	1.24	1.24	1.29	1.25	
Debt-to-asset	0.66	0.68	0.67	0.63	0.65	
Debt-to-equity	1.94	2.16	2.01	1.72	1.86	
Retained-earnings-to-equity	62.78	50.62	47.09	41.48	44.92	
Equity-to-assets	33.97	31.68	33.20	36.83	34.94	
Adjusted-equity-to-assets	67.85	67.76	76.69	79.50	79.43	
Return-on-assets	7.35	7.48	8.54	7.40	7.25	
Return-on-member-equity	41.55	35.45	38.49	26.84	29.49	
Extra value index +2	8.55	9.92	13.43	10.21	10.63	
Extra value index +5	6.52	7.89	11.13	7.83	8.25	
Extra value index +10	3.12	4.50	7.29	3.85	4.27	

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Mixed grain and oilseed marketing (with 49% to 25% supply sales)				
Cooperative sales size	\$20 to \$30 million	\$15 to \$20 million	\$10 to \$15 million	\$5 to \$10 million	Less than \$5 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	65.81	68.77	63.23	64.59	61.81
Other assets	8.07	2.56	3.70	5.40	11.01
Investments	7.19	7.63	8.50	8.63	3.50
PP&E ¹ (net)	18.94	21.04	24.57	21.39	23.68
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	52.12	50.91	45.55	48.64	40.22
Total liabilities	60.88	56.62	55.56	54.69	50.62
Allocated equity	20.80	25.08	21.38	30.50	29.50
Retained earnings	18.31	18.30	23.06	14.81	19.88
Total equity	39.12	43.38	44.44	45.31	49.38
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00
Income statement					
	<i>Percent of total sales</i>				
Total sales	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	92.25	92.95	92.62	92.15	90.27
Gross margin	7.75	7.05	7.38	7.85	9.73
Service and other income	2.80	3.36	2.95	5.00	5.41
Gross revenue	10.55	10.40	10.33	12.85	15.14
Expenses					
Wages	3.97	4.18	4.21	4.38	6.85
Depreciation	1.24	1.14	1.28	1.23	1.33
Interest	0.52	0.39	0.47	0.56	0.53
Other	3.32	3.31	3.31	5.03	4.58
Total expenses	9.04	9.02	9.27	11.20	13.29
Net operating margins	1.51	1.38	1.06	1.65	1.85
Patronage income	0.61	0.50	0.58	0.31	0.23
Non-operating income	0.53	0.29	0.14	0.08	0.04
Net income before taxes	2.65	2.18	1.78	2.04	2.12
Taxes	0.18	0.06	0.05	0.07	0.02
Net income	2.47	2.12	1.73	1.97	2.10
Ratios					
	<i>Percent or number</i>				
Current	1.26	1.35	1.39	1.33	1.54
Debt-to-asset	0.61	0.57	0.56	0.55	0.51
Debt-to-equity	1.56	1.31	1.25	1.21	1.03
Retained-earnings-to-equity	46.81	42.19	51.88	32.68	40.27
Equity-to-assets	39.12	43.38	44.44	45.31	49.38
Adjusted-equity-to-assets	81.69	88.37	81.61	88.22	82.60
Return-on-assets	6.89	7.16	6.05	6.03	5.14
Return-on-member-equity	25.81	23.59	21.69	14.98	13.79
Extra value index +2	8.88	9.52	6.18	6.38	4.44
Extra value index +5	6.43	6.87	3.73	3.73	1.96

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Grain and oilseed marketing (with less than 25% supply sales)				
Cooperative sales size	≥\$500 million	\$200 to \$500 million	\$100 to \$200 million	\$50 to \$100 million	\$30 to \$50 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	67.87	69.71	72.16	65.64	72.32
Other assets	1.25	3.06	2.58	2.91	2.34
Investments	7.37	5.49	5.90	6.71	4.04
PP&E ¹ (net)	23.52	21.74	19.36	24.74	21.31
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	49.87	54.09	59.34	50.19	57.05
Total liabilities	67.30	67.36	67.87	62.06	66.43
Allocated equity	14.14	15.78	17.97	17.83	13.90
Retained earnings	18.56	16.85	14.16	20.11	19.67
Total equity	32.70	32.64	32.13	37.94	33.57
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00
Income statement					
	<i>Percent of total sales</i>				
Total sales	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	94.23	93.15	95.20	94.48	95.55
Gross margin	5.77	6.85	4.80	5.52	4.45
Service and other income	1.78	1.87	2.02	2.08	2.14
Gross revenue	7.55	8.71	6.81	7.60	6.59
Expenses					
Wages	2.29	2.96	2.17	2.13	1.93
Depreciation	0.82	0.79	0.70	0.80	0.82
Interest	0.47	0.51	0.37	0.46	0.33
Other	2.55	2.81	1.89	2.33	1.88
Total expenses	6.13	7.07	5.13	5.72	4.97
Net operating margins	1.42	1.64	1.68	1.88	1.62
Patronage income	0.40	0.46	0.50	0.44	0.27
Non-operating income	0.06	0.26	0.14	0.16	0.15
Net income before taxes	1.89	2.36	2.31	2.47	2.04
Taxes	0.18	0.26	0.19	0.24	0.20
Net income	1.71	2.11	2.13	2.24	1.85
Ratios					
	<i>Percent or number</i>				
Current	1.36	1.29	1.22	1.31	1.27
Debt-to-asset	0.67	0.67	0.68	0.62	0.66
Debt-to-equity	2.06	2.06	2.11	1.64	1.98
Retained-earnings-to-equity	56.77	51.64	44.06	52.99	58.60
Equity-to-assets	32.70	32.64	32.13	37.94	33.57
Adjusted-equity-to-assets	65.22	71.10	79.03	76.16	78.16
Return-on-assets	7.68	7.91	7.01	8.98	6.86
Return-on-member-equity	39.45	36.77	30.86	38.39	38.31
Extra value index +2	9.26	10.61	11.38	11.56	10.16
Extra value index +5	7.30	8.48	9.01	9.28	7.82
Extra value index +10	4.04	4.92	5.06	5.47	3.91

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Grain and oilseed marketing (with less than 25% supply sales)				
Cooperative sales size	\$20 to \$30 million	\$15 to \$20 million	\$10 to \$15 million	\$5 to \$10 million	Less than \$5 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	71.13	71.10	71.63	70.50	61.85
Other assets	1.67	0.78	0.40	4.91	5.98
Investments	5.73	5.31	6.60	4.22	5.53
PP&E ¹ (net)	21.46	22.81	21.36	20.37	26.64
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	55.74	48.58	51.12	48.25	38.35
Total liabilities	63.48	58.48	58.46	58.74	48.44
Allocated equity	18.87	17.66	22.86	21.98	40.76
Retained earnings	17.65	23.85	18.68	19.28	10.80
Total equity	36.52	41.52	41.54	41.26	51.56
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00
Income statement					
	<i>Percent of total sales</i>				
Total sales	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	94.59	94.87	93.69	94.03	90.53
Gross margin	5.41	5.13	6.31	5.97	9.47
Service and other income	2.17	2.49	2.20	2.92	6.80
Gross revenue	7.58	7.62	8.51	8.88	16.27
Expenses					
Wages	2.16	2.23	2.71	3.08	6.23
Depreciation	1.00	0.74	0.85	0.97	1.29
Interest	0.51	0.35	0.33	0.31	0.63
Other	2.21	2.38	3.14	2.85	7.66
Total expenses	5.88	5.70	7.03	7.21	15.81
Net operating margins	1.70	1.92	1.48	1.68	0.46
Patronage income	0.41	0.30	0.46	0.16	0.20
Non-operating income	0.28	0.06	0.63	0.08	0.02
Net income before taxes	2.40	2.28	2.57	1.91	0.68
Taxes	0.17	0.24	0.06	0.11	0.05
Net income	2.23	2.04	2.51	1.80	0.63
Ratios					
	<i>Percent or number</i>				
Current	1.28	1.46	1.40	1.46	1.61
Debt-to-asset	0.63	0.58	0.58	0.59	0.48
Debt-to-equity	1.74	1.41	1.41	1.42	0.94
Retained-earnings-to-equity	48.34	57.45	44.98	46.73	20.96
Equity-to-assets	36.52	41.52	41.54	41.26	51.56
Adjusted-equity-to-assets	82.52	80.74	84.98	79.71	83.63
Return-on-assets	7.11	8.19	7.17	5.18	3.18
Return-on-member-equity	28.91	35.91	27.14	19.12	3.75
Extra value index +2	9.97	10.03	10.26	5.84	0.09
Extra value index +5	7.49	7.60	7.71	3.45	-2.42
Extra value index +10	3.36	3.57	3.46	-0.54	-6.60

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Fish marketing				Poultry marketing	
	≥ \$10 million	\$5 to \$10 million	\$1 to \$5 million	Less than \$1 million	≥ \$50 million	< \$50 million
Cooperative sales size						
Balance sheet			<i>Percent of total assets</i>			
Current assets	59.09	65.23	60.00	46.64	63.23	60.80
Other assets	8.90	9.60	0.33	0.45	8.68	13.50
Investments	0.01	0.00	0.00	0.09	1.10	0.30
PP&E ¹ (net)	32.00	25.17	39.68	52.81	26.98	25.39
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	45.46	54.25	42.81	35.42	29.08	36.54
Total liabilities	58.43	60.16	58.29	60.56	40.91	44.90
Allocated equity	30.50	19.31	18.82	38.00	19.50	26.39
Retained earnings	11.07	20.53	22.89	1.45	39.59	28.71
Total equity	41.57	39.84	41.71	39.44	59.09	55.10
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Income statement			<i>Percent of total sales</i>			
Total sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	76.36	82.59	81.87	87.07	86.98	77.94
Gross margin	23.64	17.41	18.13	12.93	13.02	22.06
Service and other income	3.08	0.00	0.74	3.14	0.00	2.45
Gross revenue	26.72	17.41	18.87	16.07	13.02	24.51
Expenses						
Wages	12.32	3.20	7.27	7.04	5.77	8.26
Depreciation	1.72	0.42	0.67	0.90	1.01	1.22
Interest	0.63	0.10	0.30	0.48	0.36	0.16
Other	6.95	13.10	8.26	7.54	2.78	12.75
Total expenses	21.62	16.83	16.50	15.96	9.93	22.39
Net operating margins	5.10	0.59	2.37	0.11	3.09	2.12
Patronage income	0.01	0.00	0.02	0.09	0.02	0.13
Non-operating income	0.08	0.01	0.09	0.00	0.37	0.05
Net income before taxes	5.18	0.60	2.48	0.20	3.49	2.29
Taxes	0.02	0.03	0.11	0.00	-0.22	0.06
Net income	5.16	0.57	2.37	0.20	3.71	2.23
Ratios			<i>Percent or number</i>			
Current	1.30	1.20	1.40	1.32	2.17	1.66
Debt-to-asset	0.58	0.60	0.58	0.61	0.41	0.45
Debt-to-equity	1.41	1.51	1.40	1.54	0.69	0.81
Retained-earnings-to-equity	26.63	51.53	54.87	3.66	66.99	52.11
Equity-to-assets	41.57	39.84	41.71	39.44	59.09	55.10
Adjusted-equity-to-assets	76.22	87.08	72.93	61.07	83.31	86.83
Return-on-assets	14.13	4.02	19.07	1.67	12.28	5.12
Return-on-member-equity	41.10	17.02	86.48	1.29	60.69	17.70
Extra value index +2	20.81	4.69	26.38	-0.99	14.31	4.88
Extra value index +5	18.52	2.08	24.19	-2.82	11.81	2.27
Extra value index +10	14.71	-2.27	20.54	-5.87	7.64	-2.07

(continued next page)

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Livestock marketing					
	Cooperative sales size ≥ \$250 million	\$50 to \$110 million	\$10 to \$50 million	\$5 to \$10 million	\$1 to \$5 million	Less than \$1 million
Balance sheet	<i>Percent of total assets</i>					
Current assets	88.71	92.88	78.83	51.73	49.63	63.30
Other assets	0.68	1.66	8.26	17.40	23.23	14.37
Investments	4.10	0.23	0.00	1.29	2.05	0.00
PP&E ¹ (net)	6.50	5.23	12.91	29.59	25.09	22.34
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	74.01	75.71	70.78	40.32	46.67	50.67
Total liabilities	80.18	82.11	78.98	45.88	52.70	60.41
Allocated equity	9.02	13.29	48.77	20.15	21.73	29.78
Retained earnings	10.81	4.60	-27.75	33.97	25.56	9.81
Total equity	19.82	17.89	21.02	54.12	47.30	39.59
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Income statement	<i>Percent of total sales</i>					
Total sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	99.39	96.07	97.97	92.98	92.08	88.44
Gross margin	0.61	3.93	2.03	7.02	7.92	11.56
Service and other income	0.97	2.15	3.26	2.16	3.59	8.10
Gross revenue	1.58	6.08	5.29	9.18	11.51	19.66
Expenses						
Wages	0.86	1.34	2.47	3.80	3.67	10.88
Depreciation	0.05	0.24	0.50	0.89	0.81	1.11
Interest	0.10	0.39	0.55	0.26	0.38	0.51
Other	0.42	1.34	1.75	3.43	5.66	10.51
Total expenses	1.43	3.31	5.27	8.39	10.52	23.01
Net operating margins	0.15	2.77	0.03	0.79	0.99	-3.35
Patronage income	0.03	0.03	0.00	0.00	0.00	0.00
Non-operating income	0.01	0.09	0.17	0.05	0.00	0.90
Net income before taxes	0.19	2.90	0.19	0.84	0.99	-2.45
Taxes	0.01	0.01	0.02	0.01	0.00	-0.12
Net income	0.18	2.89	0.17	0.83	0.99	-2.33
Ratios	<i>Percent or number</i>					
Current	1.20	1.23	1.11	1.28	1.06	1.25
Debt-to-asset	0.80	0.82	0.79	0.46	0.53	0.60
Debt-to-equity	4.04	4.59	3.76	0.85	1.11	1.53
Retained-earnings-to-equity	54.52	25.70	-132.02	62.76	54.05	24.78
Equity-to-assets	19.82	17.89	21.02	54.12	47.30	39.59
Adjusted-equity-to-assets	76.27	73.65	71.94	90.68	88.68	80.26
Return-on-assets	3.86	7.26	2.32	6.96	6.85	-1.86
Return-on-member-equity	27.41	47.94	1.12	26.07	22.67	-7.49
Extra value index +2	7.32	24.12	-0.19	6.21	6.70	-6.82
Extra value index +5	5.04	21.91	-2.35	3.49	4.04	-9.23
Extra value index +10	1.22	18.23	-5.94	-1.04	-0.39	-13.24

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Dry bean and pea marketing	Nut marketing		Biofuels
	All sizes	≥ \$10 million	< \$10 million	All sizes
Cooperative sales size				
Balance sheet		<i>Percent of total assets</i>		
Current assets	81.01	58.14	30.51	39.64
Other assets	0.67	2.94	2.18	8.29
Investments	3.00	1.37	0.37	3.79
PP&E ¹ (net)	15.32	37.56	66.93	48.28
Total assets	100.00	100.00	100.00	100.00
Current liabilities	69.09	28.91	25.53	20.96
Total liabilities	73.74	69.04	58.86	32.37
Allocated equity	21.89	21.24	37.01	42.16
Retained earnings	4.37	9.72	4.13	25.46
Total equity	26.26	30.96	41.14	67.63
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement		<i>Percent of total sales</i>		
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	87.78	87.15	71.93	90.63
Gross margin	12.22	12.85	28.07	9.37
Service and other income	1.10	0.21	40.25	0.13
Gross revenue	13.32	13.06	68.32	9.50
Expenses				
Wages	4.17	2.48	19.77	1.68
Depreciation	1.18	0.77	10.98	3.45
Interest	0.48	0.57	2.63	0.24
Other	3.19	7.54	22.03	4.18
Total expenses	9.02	11.37	55.41	9.56
Net operating margins	4.30	1.69	12.91	-0.06
Patronage income	0.38	0.06	0.04	0.02
Non-operating income	0.23	0.01	0.32	1.52
Net income before taxes	4.92	1.75	13.27	1.49
Taxes	0.16	0.20	0.80	0.40
Net income	4.77	1.55	12.47	1.08
Ratios		<i>Percent or number</i>		
Current	1.17	2.01	1.20	1.89
Debt-to-asset	0.74	0.69	0.59	0.32
Debt-to-equity	2.81	2.23	1.43	0.48
Retained-earnings-to-equity	16.65	31.39	10.05	37.65
Equity-to-assets	26.26	30.96	41.14	67.63
Adjusted-equity-to-assets	84.96	43.54	55.24	85.56
Return-on-assets	8.06	7.54	12.38	3.58
Return-on-member-equity	32.54	23.69	26.23	5.31
Extra value index +2	20.61	5.83	11.45	0.39
Extra value index +5	18.06	4.53	9.80	-2.18
Extra value index +10	13.81	2.35	7.03	-6.46

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Rice marketing		Tobacco marketing	Wool marketing
Cooperative sales size	≥ \$50 million	< \$20 million	All sizes	All sizes
Balance sheet		<i>Percent of total assets</i>		
Current assets	64.65	58.62	48.63	44.04
Other assets	5.38	26.60	45.31	38.30
Investments	1.09	0.59	0.00	0.41
PP&E ¹ (net)	28.88	14.18	6.06	17.26
Total assets	100.00	100.00	100.00	100.00
Current liabilities	43.20	21.44	22.72	20.75
Total liabilities	67.18	32.75	31.95	39.82
Allocated equity	20.96	48.28	12.31	42.26
Retained earnings	11.86	18.97	55.74	17.92
Total equity	32.82	67.25	68.05	60.18
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement		<i>Percent of total sales</i>		
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	76.04	94.91	90.39	77.62
Gross margin	23.96	5.09	9.61	22.38
Service and other income	0.99	5.98	0.53	3.60
Gross revenue	24.96	11.08	10.14	25.99
Expenses				
Wages	9.24	2.91	3.39	7.54
Depreciation	1.79	0.34	0.35	0.87
Interest	0.54	0.09	0.75	0.04
Other	12.42	6.09	3.30	17.48
Total expenses	23.99	9.42	7.79	25.92
Net operating margins	0.96	1.65	2.35	0.06
Patronage income	0.05	0.02	0.00	0.00
Non-operating income	0.02	0.00	1.76	0.00
Net income before taxes	1.03	1.68	4.11	0.06
Taxes	0.14	0.04	0.04	0.00
Net income	0.89	1.64	4.08	0.06
Ratios		<i>Percent or number</i>		
Current	1.50	2.73	2.14	2.12
Debt-to-asset	0.67	0.33	0.32	0.40
Debt-to-equity	2.05	0.49	0.47	0.66
Retained-earnings-to-equity	36.13	28.21	81.92	29.78
Equity-to-assets	32.82	67.25	68.05	60.18
Adjusted-equity-to-assets	57.78	85.60	88.05	75.94
Return-on-assets	3.11	8.97	2.65	0.07
Return-on-member-equity	8.39	17.24	18.05	0.11
Extra value index +2	1.44	8.15	0.36	-2.11
Extra value index +5	-0.29	5.58	-2.29	-4.39
Extra value index +10	-3.18	1.30	-6.69	-8.19

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Sugar marketing			
	Cooperative sales size ≥ \$300 million	\$100 to \$300 million	\$30 to \$100 million	Less than \$20 million
Balance sheet		<i>Percent of total assets</i>		
Current assets	45.82	32.61	29.85	72.87
Other assets	14.56	43.71	2.23	10.88
Investments	0.39	1.65	4.13	0.00
PP&E ¹ (net)	39.23	22.03	63.79	16.25
Total assets	100.00	100.00	100.00	100.00
Current liabilities	41.55	28.87	22.10	35.20
Total liabilities	65.92	44.77	39.37	42.66
Allocated equity	40.58	17.85	50.42	46.92
Retained earnings	-6.50	37.38	10.21	10.42
Total equity	34.08	55.23	60.63	57.34
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement		<i>Percent of total sales</i>		
Total sales	100.00	100.00	100.00	100.00
Cost of goods sold	79.93	81.74	69.16	95.69
Gross margin	20.07	18.26	30.84	4.31
Service and other income	0.52	0.01	0.06	2.87
Gross revenue	20.60	18.27	30.90	7.18
Expenses				
Wages	8.31	5.98	9.40	0.40
Depreciation	2.32	2.06	2.67	0.05
Interest	0.48	0.48	0.85	0.02
Other	5.96	7.76	15.47	6.01
Total expenses	17.07	16.28	28.39	6.48
Net operating margins	3.52	1.99	2.51	0.70
Patronage income	0.01	0.08	0.08	0.00
Non-operating income	0.05	9.18	0.68	0.03
Net income before taxes	3.58	11.25	3.27	0.73
Taxes	0.33	1.06	0.36	0.00
Net income	3.25	10.19	2.91	0.73
Ratios		<i>Percent or number</i>		
Current	1.10	1.13	1.35	2.07
Debt-to-asset	0.66	0.45	0.39	0.43
Debt-to-equity	1.93	0.81	0.65	0.74
Retained-earnings-to-equity	-19.06	67.68	16.85	18.17
Equity-to-assets	34.08	55.23	60.63	57.34
Adjusted-equity-to-assets	58.30	77.64	77.84	88.49
Return-on-assets	7.53	13.45	6.20	22.56
Return-on-member-equity	14.84	65.41	8.69	46.57
Extra value index +2	8.63	14.19	3.40	31.19
Extra value index +5	6.88	11.86	1.06	28.54
Extra value index +10	3.97	7.98	-2.83	24.11

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Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Rice drier	Transportation		Storage
Cooperative sales size	All sizes	≥ \$1 million	< \$ 1 million	All sizes
Balance sheet		<i>Percent of total assets</i>		
Current assets	40.15	43.93	55.82	32.95
Other assets	4.57	0.63	8.43	0.02
Investments	0.26	2.25	3.45	0.00
PP&E ¹ (net)	55.02	53.19	32.30	67.03
Total assets	100.00	100.00	100.00	100.00
Current liabilities	25.95	21.68	35.60	15.51
Total liabilities	40.55	29.17	43.14	55.68
Allocated equity	54.31	57.20	43.18	36.67
Retained earnings	5.14	13.64	13.69	7.66
Total equity	59.45	70.83	56.86	44.32
Total equity and liabilities	100.00	100.00	100.00	100.00
Income statement		<i>Percent of service</i>		
Service and other income	100.00	100.00	100.00	100.00
Gross revenue	100.00	100.00	100.00	100.00
Expenses				
Wages	23.43	32.16	35.00	12.92
Depreciation	8.91	7.27	5.45	4.78
Interest	1.47	0.23	0.48	0.00
Other	35.80	57.36	52.90	27.26
Total expenses	69.62	97.00	93.84	44.97
Net operating margins	30.38	3.00	6.16	55.03
Patronage income	0.36	0.33	0.07	0.00
Non-operating income	0.12	0.48	0.04	4.75
Net income before taxes	30.85	3.80	6.27	59.79
Taxes	-0.07	0.20	0.00	2.30
Net income	30.92	3.61	6.27	57.49
Ratios		<i>Percent or number</i>		
Current	1.55	2.03	1.57	2.13
Debt-to-asset	0.41	0.29	0.43	0.56
Debt-to-equity	0.68	0.41	0.76	1.26
Retained-earnings-to-equity	8.64	19.25	24.07	17.28
Equity-to-assets	59.45	70.83	56.86	44.32
Adjusted-equity-to-assets	80.29	90.44	88.30	52.46
Return-on-assets	19.15	8.87	10.68	25.10
Return-on-member-equity	33.72	13.89	22.97	65.82
Extra value index +2	22.44	7.56	12.88	27.06
Extra value index +5	20.03	4.85	10.23	25.49
Extra value index +10	16.01	0.32	5.81	22.87

Appendix table 6: Common size analysis, by cooperative type and size, 2012, (continued)

Type of cooperative	Hulling	Dairy Service	Livestock Service	Fresh Fruit & Veg. Service	Farmer Markets
Cooperative sales size	All sizes	All sizes	All sizes	All sizes	All sizes
Balance sheet	<i>Percent of total assets</i>				
Current assets	35.08	92.81	51.22	59.24	25.76
Other assets	2.85	7.19	21.81	0.87	5.85
Investments	0.02	0.00	0.00	11.34	0.03
PP&E ¹ (net)	62.05	0.00	26.97	28.54	68.36
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	22.12	25.23	20.61	39.14	17.99
Total liabilities	45.28	25.23	24.12	51.10	43.45
Allocated equity	47.91	70.13	58.31	24.57	15.22
Retained earnings	6.80	4.64	17.58	24.34	41.33
Total equity	54.72	74.77	75.88	48.90	56.55
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00
Income statement	<i>Percent of service</i>				
Service and other income	100.00	100.00	100.00	100.00	100.00
Gross revenue	100.00	100.00	100.00	100.00	100.00
Expenses					
Wages	11.76	34.70	18.90	34.08	27.31
Depreciation	5.56	0.00	1.80	3.15	6.14
Interest	1.14	0.22	0.53	0.28	3.98
Other	35.71	62.93	74.83	56.46	65.52
Total expenses	54.16	97.85	96.06	93.96	102.95
Net operating margins	45.84	2.15	3.94	6.04	4.32
Patronage income	0.00	0.00	0.00	0.85	0.80
Non-operating income	0.92	0.40	0.32	2.37	2.63
Net income before taxes	46.76	2.56	4.26	9.26	7.76
Taxes	0.10	0.93	0.01	0.13	0.77
Net income	46.66	1.63	4.25	9.13	6.99
Ratios	<i>Percent or number</i>				
Current	1.59	3.68	2.49	1.51	1.43
Debt-to-asset	0.45	0.25	0.24	0.51	0.43
Debt-to-equity	0.83	0.34	0.32	1.04	0.77
Retained-earnings-to-equity	12.44	6.21	23.16	49.76	73.09
Equity-to-assets	54.72	74.77	75.88	48.90	56.55
Adjusted-equity-to-assets	70.26	100.00	95.58	80.35	68.95
Return-on-assets	33.87	0.68	8.00	8.58	7.02
Return-on-member-equity	68.88	0.57	12.20	33.41	27.46
Extra value index +2	40.37	-2.33	6.22	11.19	3.12
Extra value index +5	38.26	-5.33	3.36	8.78	1.05
Extra value index +10	34.74	-10.33	-1.42	4.76	-2.39

Appendix Table 7: Cooperative net income before taxes, 2003-2012¹

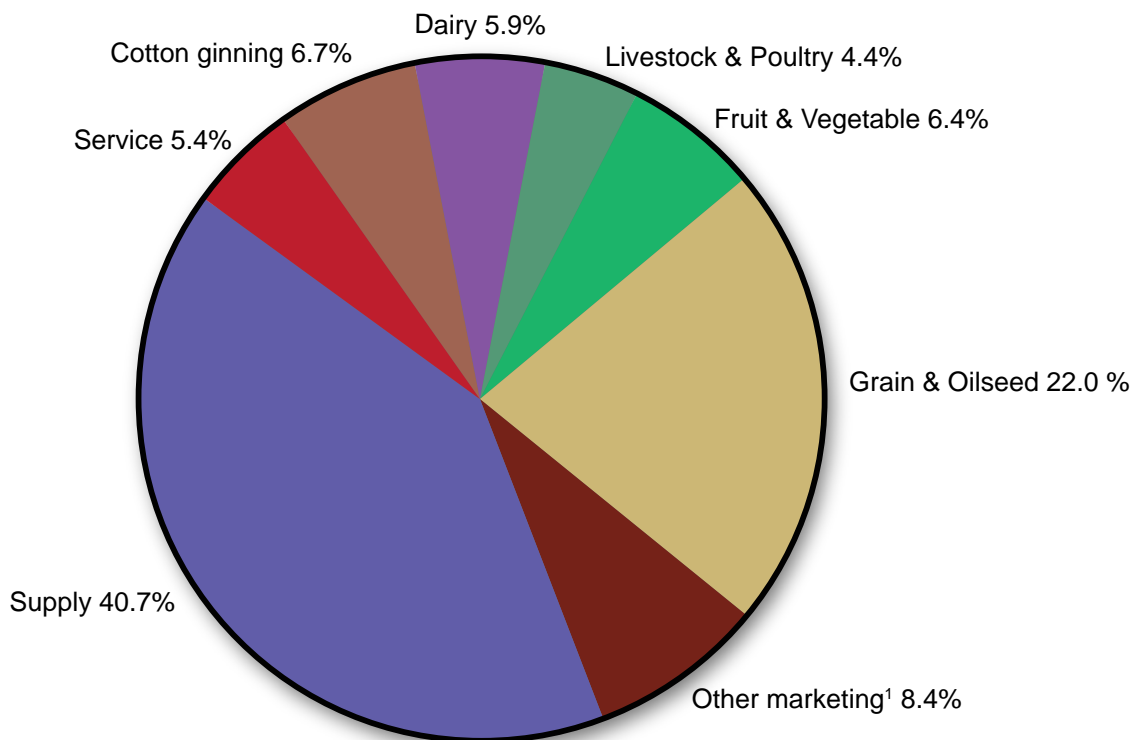
Year	Net operating margins	From other cooperatives ²	Total
		<i>Billion dollars</i>	
2003	0.77	0.09	0.86
2004	1.72	0.39	2.11
2005	1.91	0.40	2.31
2006	2.38	0.54	2.92
2007	3.18	0.66	3.85
2008	4.01	0.87	4.88
2009	3.24	0.90	4.14
2010	3.59	0.67	4.26
2011	4.80	0.61	5.41
2012	5.20	0.90	6.10

¹ Totals may not add due to rounding. Excludes income from cooperative pooling operations.

² Dividends and patronage refunds received from other marketing, supply, and service cooperatives, and CoBank, where applicable.

APPENDIX FIGURES

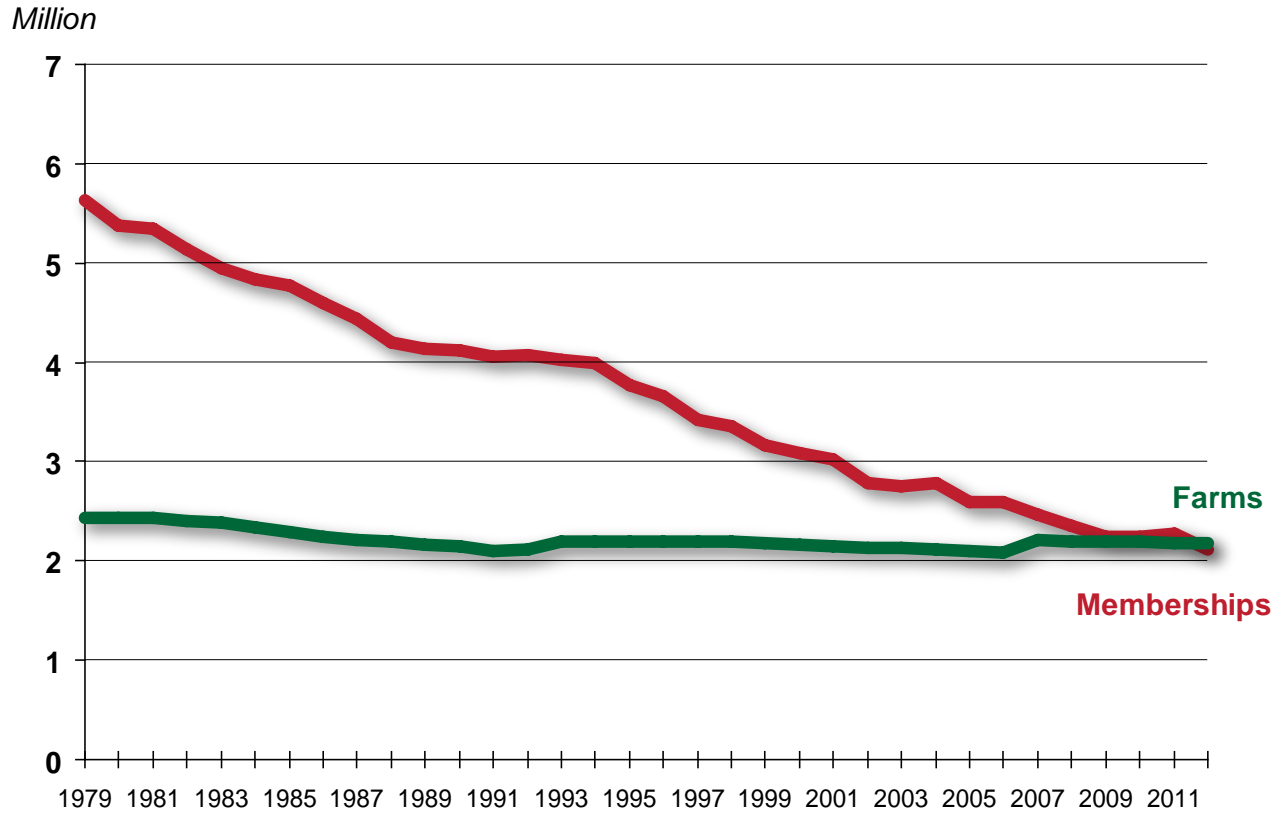
Appendix Figure 1: Distribution of Cooperatives by Type, 2012



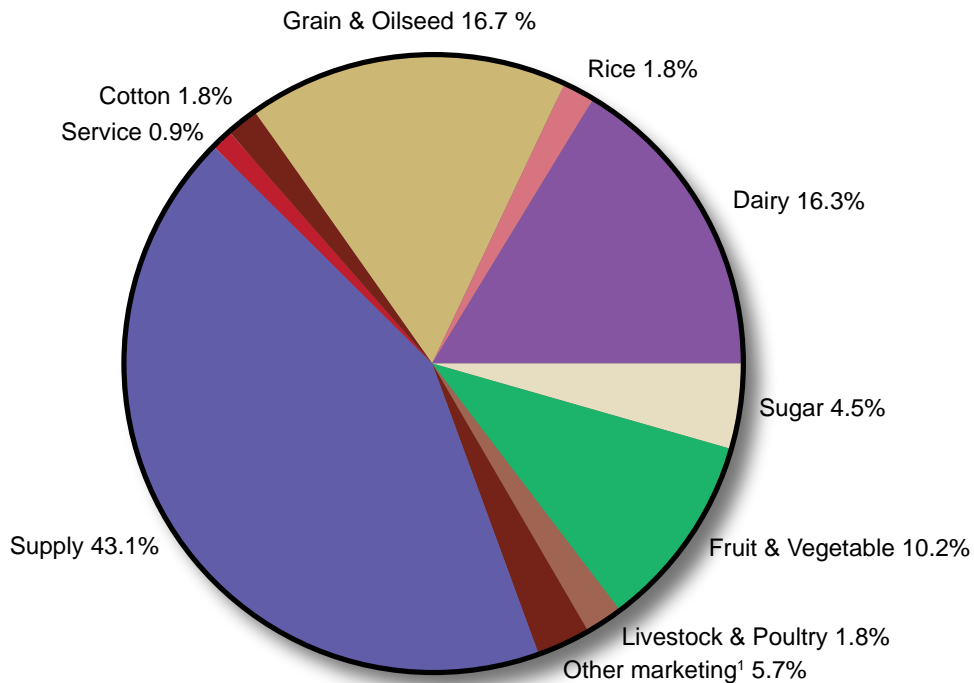
Percentages are based on a total of 2,238 cooperatives.

¹ Includes dry bean and pea, nut, wool and mohair, tobacco, rice, sugar, fishery, and other product marketing cooperatives.

Appendix Figure 2: U.S. Farms and Cooperative Memberships, 1979-2012



Appendix Figure 3: Distribution of Full-Time Employees by Cooperative Type, 2012

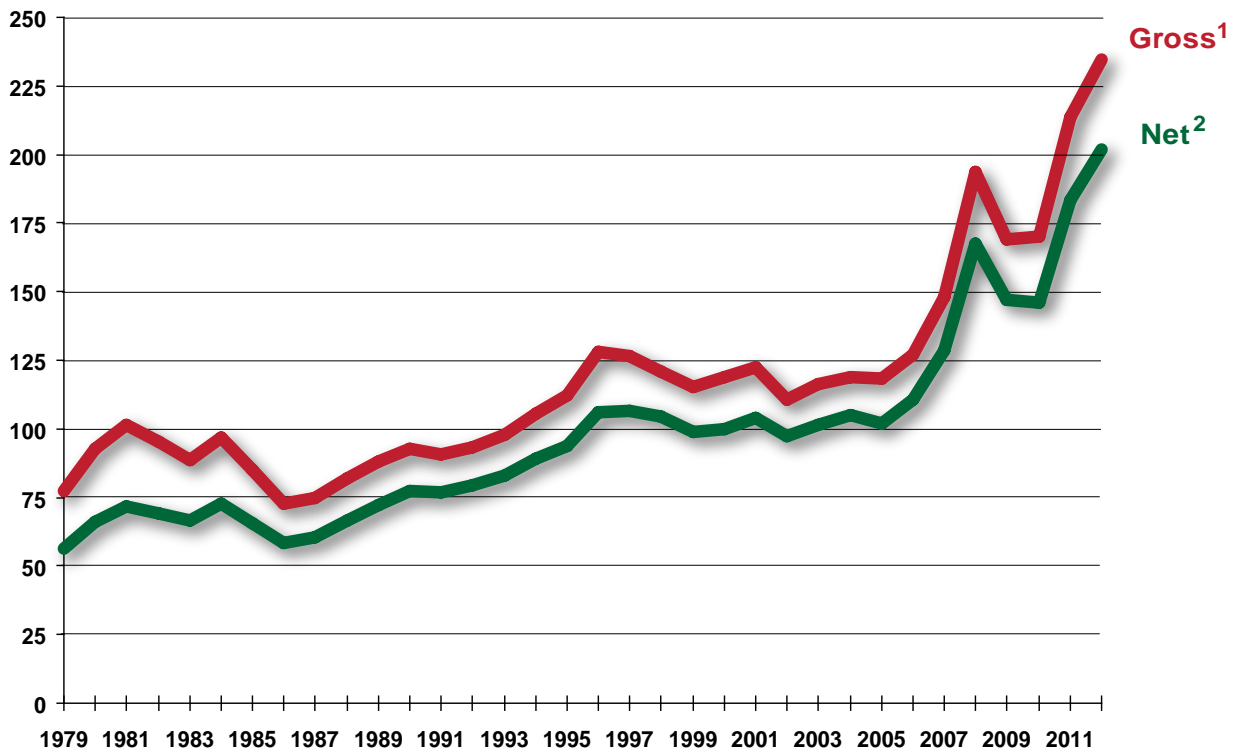


Percentages are based on a total of 129 thousand full-time employees.

¹ Includes dry bean and pea, nut, wool and mohair, tobacco, fishery, and other product marketing cooperatives.

Appendix Figure 4: Cooperatives' Gross and Net Business Volumes, 1979-2012

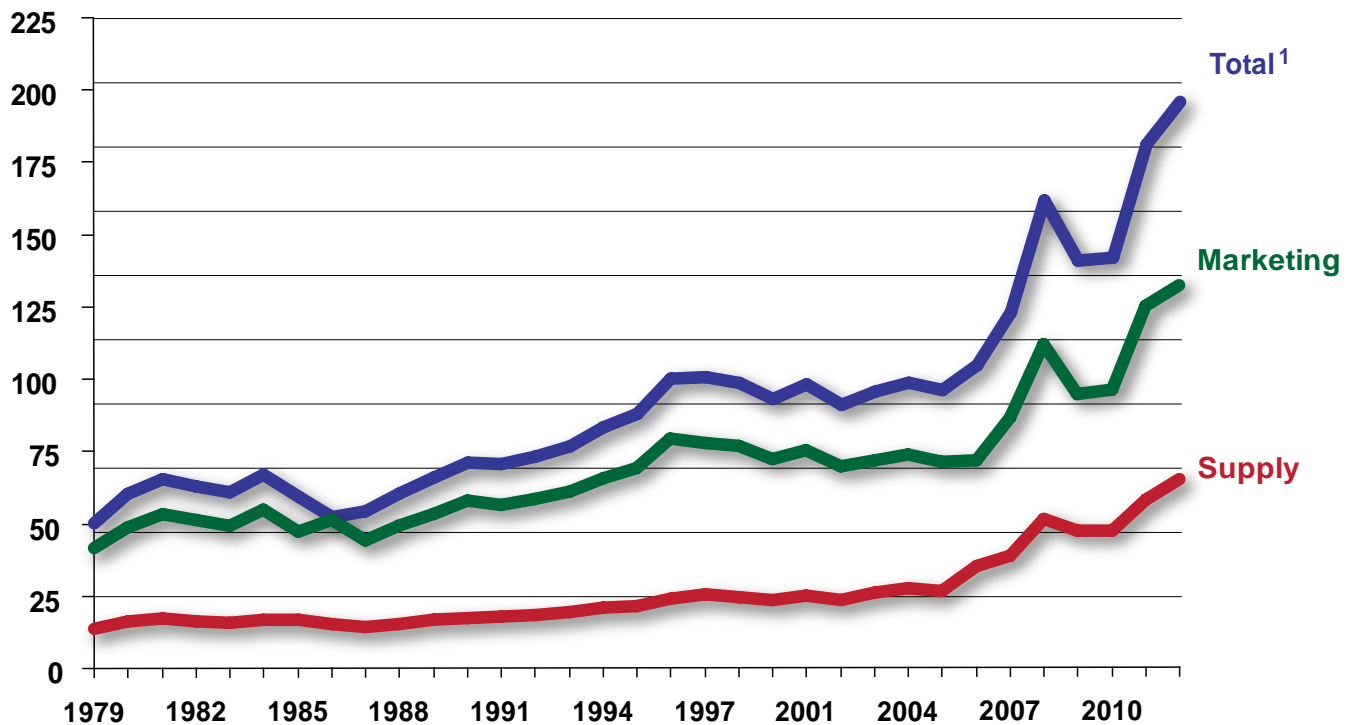
Billion dollars



¹ Includes inter-cooperative business. ² Excludes inter-cooperative business.

Appendix Figure 5: Cooperatives' Net Business Volume, 1979-2012

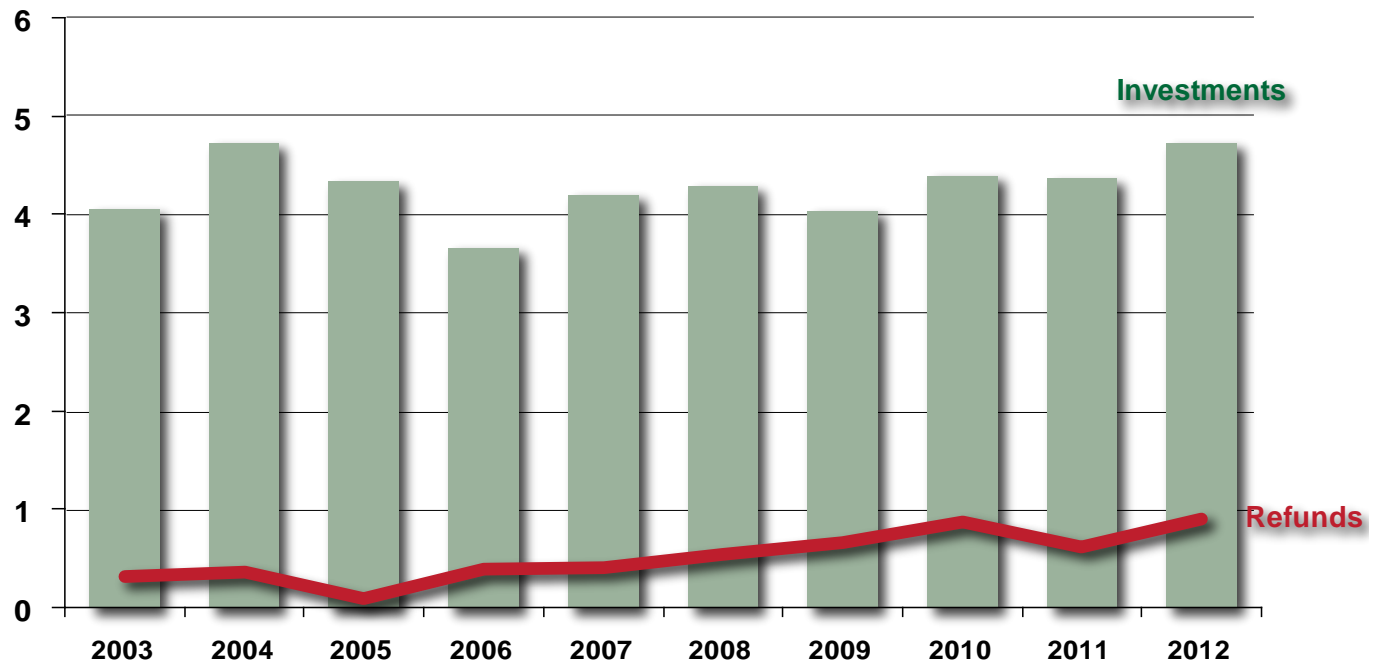
Billion dollars



¹ Total includes value of related services and other income.

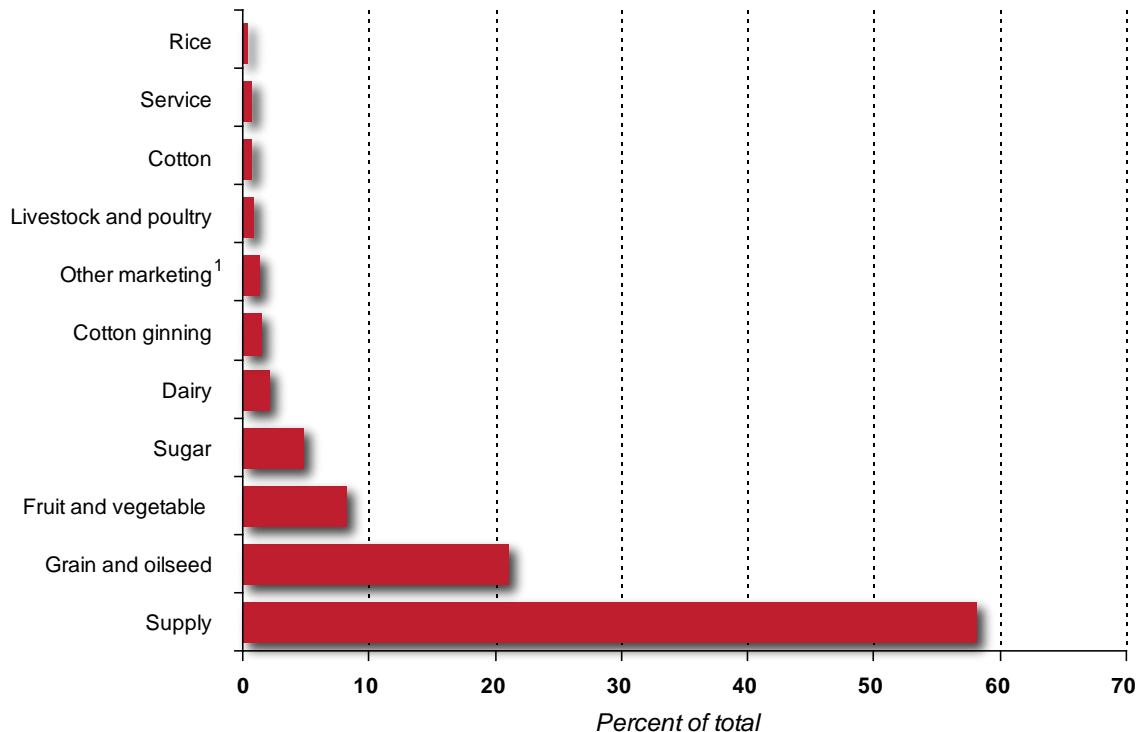
Appendix Figure 6: Cooperatives' Investments in Other Cooperatives and Patronage Refunds Received From Other Cooperatives,¹ 2003-2012

Billion dollars



¹ Includes other cooperatives and CoBank.

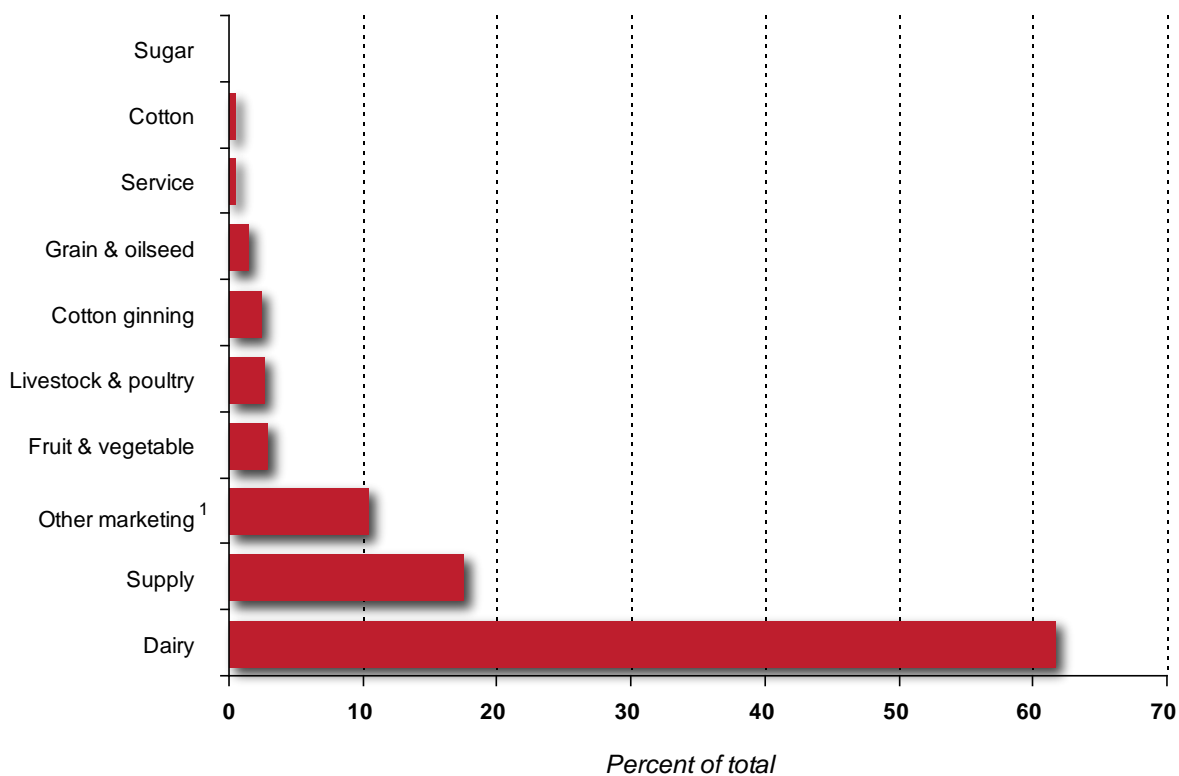
Appendix Figure 7: Distribution of Net Income Before Taxes, 2012



Percentage based on net income before taxes of \$6.1 billion.

¹ Includes dry bean and pea, nut, wool and mohair, tobacco, fishery, and other product marketing cooperatives.

Appendix Figure 8: Distribution of Losses by Cooperative Type, 2012



Percentage based on before taxes losses of \$266.5 million.

¹Includes dry bean and pea, nut, wool and mohair, tobacco, fishery, and other product marketing cooperatives.

