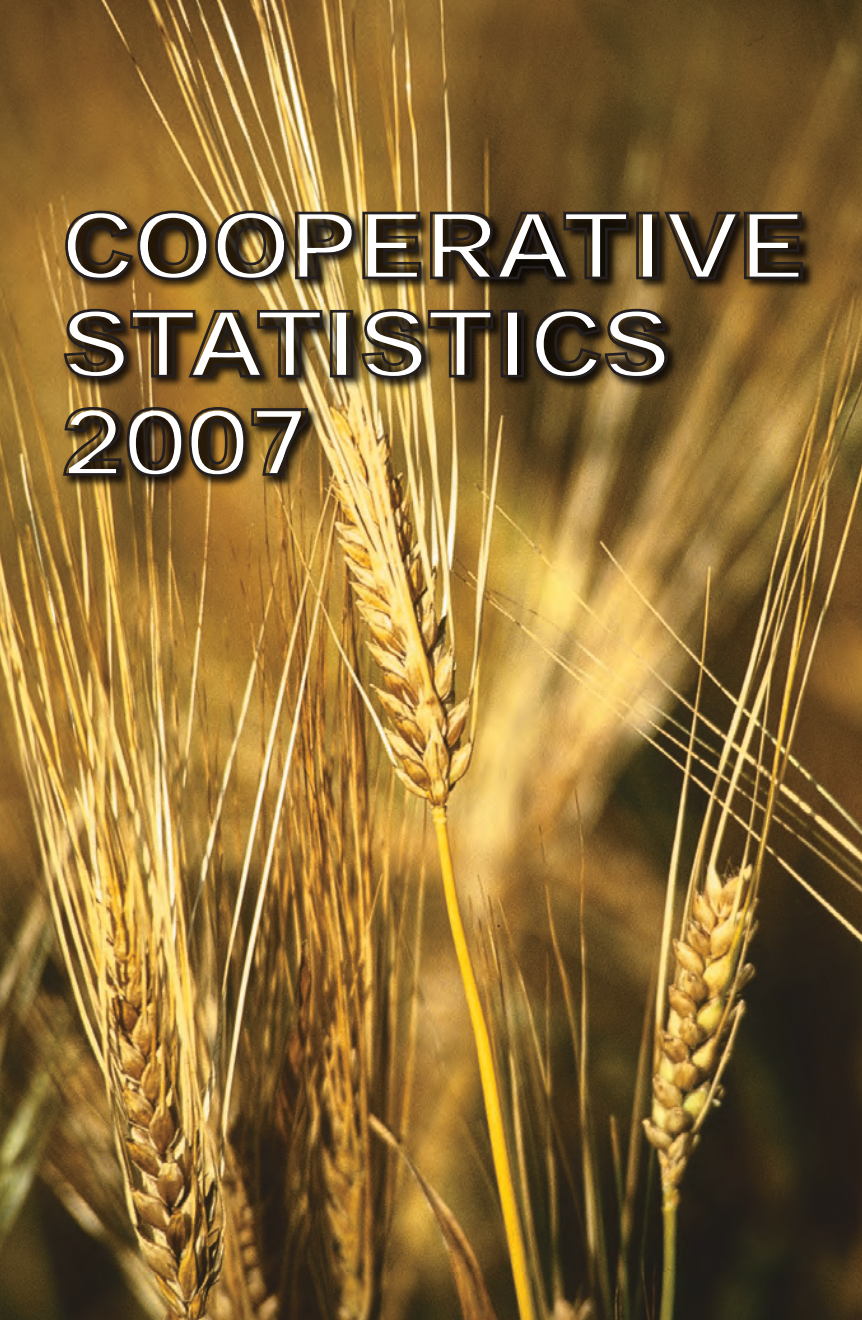


COOPERATIVE STATISTICS 2007



United States
Department of
Agriculture



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Service Report 68

ABSTRACT

A survey of 2,594 U.S. farmer, rancher, and fishery cooperatives ending their business year during calendar year 2007 showed a net business volume of \$127.8 billion with a net income of \$3.8 billion. These cooperatives had assets totaling \$57 billion, \$36 billion of liabilities, and \$21 billion in equity. Cooperatives were a major employer in rural areas, with 125,000 full-time workers, and 56,000 part-time or seasonal employees. Business volume by commodity is reported for all cooperatives. Num-

ber 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, 2007

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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 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 2007. Cooperatives are classified by principal product marketed and major function. Fishery and ethanol cooperatives are included as "other product marketing" cooperatives. Both gross (includes inter-cooperative business) and net (excludes inter-cooperative business) dollar volumes are reported.

Statistics for 2007 were compiled on a State and national basis. The information was collected from individual farmer, rancher, and fishery cooperatives

by a mail survey of all organizations identified by USDA Rural Development's Cooperative Programs (CP) as farmer, rancher, or fishery cooperatives. Information was requested for the cooperatives' 2007 business year.

CP 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 85 percent of the total gross sales of farmer, rancher, and fishery cooperatives in 2007.

CP depends on the cooperative community's 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 2,594 U.S. farmer, rancher, and fishery cooperatives, according to the 2007 survey of marketing, supply, and service cooperatives by USDA Rural Development's Cooperative Programs (CP).
- Total gross business volume (includes inter-cooperative business) handled by cooperatives was \$146.6 billion; net business (excludes inter-cooperative business) was \$127.8 billion.
 - Total net income was \$3.8 billion, which includes inter-cooperative dividends and refunds of \$645.8 million.
 - Cooperative memberships were 2.5 million, down 110,000 from 2006.
 - Cooperatives employed 125,000 full-time and 56,000 part-time and seasonal employees. Full-time employee numbers were up 1 percent, while part-time and seasonal employee numbers were down 2 percent.
 - Gross value of products marketed by cooperatives was \$93 billion, with a net value (after eliminating duplication from inter-cooperative business) of \$85 billion. Gross marketings were up 22 percent due to increased prices of grain and oilseed and dairy products.
 - Gross value of supplies handled by cooperatives was \$49 billion, with a net value of \$38 billion. Gross supply sales were up 7 percent, primarily due to increasing energy costs and ingredient prices for feed.
 - Receipts for services related to marketing farm products and handling supplies, plus other income, totaled \$3.5 billion.
 - Cooperatives had \$57 billion in combined assets. Total assets increased 19 percent with much of this increase from higher inventories due to increased grain and oilseed prices and higher product prices due to increased energy costs. Net assets, after eliminating inter-cooperative investments, was \$53 billion. Inter-cooperative investments included those in CoBank.
 - Total liabilities totaled \$36 billion.
 - Net worth, or member and patron equity, was \$21 billion. Member and patron equity financed 37 percent of total assets, down from 42 percent in 2006.

Table A—Highlights, 2007

	2007	2006	Change
Number of cooperatives	2,594	2,675	-81
Memberships (millions)	2.5	2.6	-0.11
Gross business volume (billion \$)	146.6	126.5	20.11
Net business volume (billion \$)	127.8	110.5	17.30
Net income before taxes (billion \$)	3.8	3.2	0.67
Total assets (billion \$)	57.1	47.9	9.24
Net worth (billion \$)	20.9	19.9	1.02
Full-time employees (thousand)	125.2	123.4	1.78
Part-time and seasonal employees (thousand)	56.2	57.3	-1.11

Cooperative Statistics, 2007

Katherine C. DeVille, Jacqueline E. Penn, and E. Eldon Eversull, Rural Development

I. COOPERATIVE DEFINITION

USDA Rural Development's Cooperative Programs (CP) 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

CP classifies each cooperative under one of the following major functions: marketing, supply, or service. Fishery and ethanol cooperatives are classified as other product marketing cooperatives; wool pools are classified as marketing cooperatives; and livestock shipping associations and rice drying cooperatives are classified as service cooperatives.

Marketing cooperatives derive most of their total dollar volume from the sale of members' products. These cooperatives are further classified into 1 of 13 commodities or commodity groups, depending upon which accounts for most of its business volume. CP 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 cotton ginning, trucking, storing, drying, and artificial insemination. Cotton ginning cooperatives comprise almost two-thirds of all service cooperatives and will often be listed separately in this report.

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 their business volume.

Organizational Membership Structures

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

Centralized

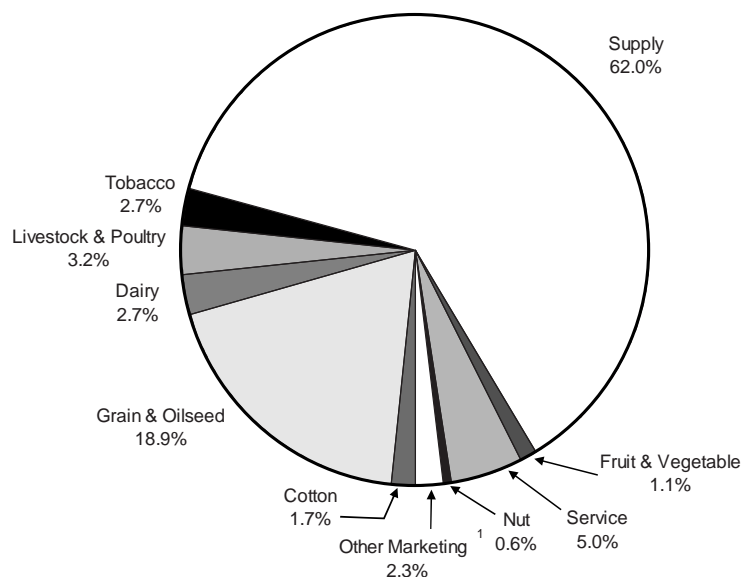
Of the 2,594 cooperatives in 2007, 2,529 were centralized organizations, mostly locals with individual farmer, rancher, or fishery members. Centralized cooperatives usually serve a local area or community, county, or several counties. Most usu-

ally perform a limited number of initial marketing functions. Most supply sales are at the retail level. A few centralized cooperatives, principally regionals, operate over multi-state areas and provide more vertically integrated services, such as processing products, manufacturing feed, or refining petroleum.

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. They, like other dairy marketing cooperatives, represent their members at Federal or State milk marketing order hearings.

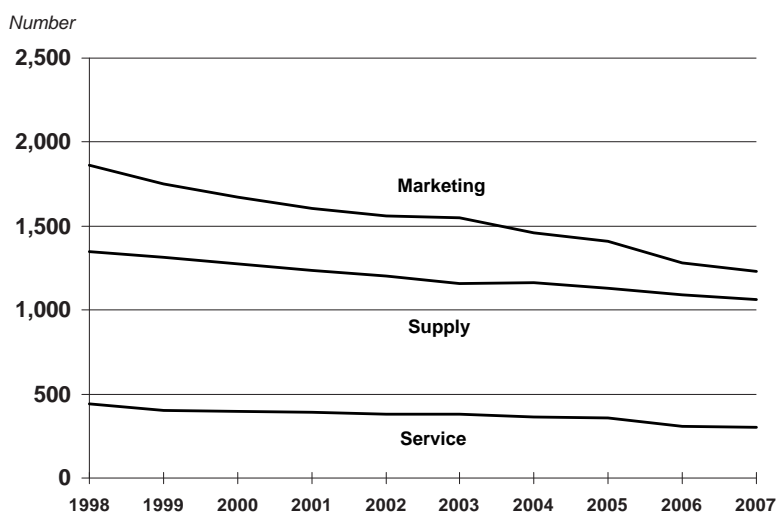
Figure 2—Distribution of Memberships, by Type of Cooperative, 2007



Percentages are based on 2.5 million total memberships.

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

Figure 1—Farmer Cooperatives in the United States, 1998-2007



Federated

The 43 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

The 22 mixed cooperatives have individual farmer, rancher, and fishery members and autonomous cooperative members, 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. 2007 STATISTICS

Cooperatives' total net business volume was \$127.8 billion in 2007, while net income was \$3.8 billion. There were 2,594 agricultural cooperatives in 2007, and they had 2.5 million members. Together they had \$57 billion in assets with \$21 billion in equity. Coop-

Table 1—Number of cooperatives and memberships, by major business activity, 2007

Major business activity	Cooperatives <i>Number</i>	Memberships <i>Thousands</i>
Bean and pea, dry edible	6	1.6
Cotton	12	41.5
Dairy	161	67.1
Fruit and vegetable	162	27.9
Grain and oilseed ¹	612	465.9
Livestock	56	78.2
Nuts	17	15.4
Poultry ²	12	0.4
Rice	14	12.1
Sugar ³	32	11.5
Tobacco	11	66.2
Wool and mohair	63	10.1
Fish	45	5.9
Other marketing ⁴	30	6.1
Total marketing	1,233	809.9
Total supply	1,061	1,525.9
Other services ⁵	71	32.0
Cotton ginning	187	26.6
Artificial insemination	13	64.0
Storage	7	0.8
Transportation	16	0.4
Rice dryers	6	0.3
Total service	300	124.1
Total	2,594	2,459.9

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, ethanol, coffee, and other farm products not classified separately. Also includes manufactured food products and resale items marketed by cooperatives.

⁵ Cooperatives primarily providing shipping, trucking, storing, and other services.

eratives remained a major employer in rural areas, using 125,000 full-time workers.

Number of Cooperatives

The 2007 survey counted 2,594 marketing, supply, and service¹ cooperatives, compared with 2,675 in 2006. Of the 2,594 cooperatives, 1,233 pri-

marily marketed products, 1,061 primarily handled production supplies, and 300 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 2006. Marketing cooperatives comprise about 48 percent of all cooperatives; supply, 41 percent; and service; 11 percent of the total (Figure 1 and Appendix Table 1).

There was a net decrease of 81 associations (3 percent) from 2006 to 2007, largely reflecting a continuing trend involving merger, acquisition, or dissolution. The largest decrease was 30 in grain and oilseed cooperatives while supply lost 29. Thirty-nine cooperatives were added to the list this year, 22 were in dairy and 13 were cotton gins. Most of the added cooperatives had been dropped from the list earlier but were added back when it was found that they were still in operation. Most drops occur when two or more cooperatives merge or combine their operations. Many other drops result from undelivered mail that is returned, combined with discontinued phone service.

Cooperative numbers by marketing, supply, and service functions by State are shown in Table 2. Minnesota had the most marketing cooperatives (113), followed closely by North Dakota (99). Texas had the most supply and service cooperatives (163).

Many cooperatives operate branches to better serve their members. Most branches are owned; others 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 operated as branches from which to serve members and patrons at outlying locations.

Grain and oilseed and supply cooperatives operated over 5,000 branches—2,060 and 2,991, respectively. Grain and oilseed cooperatives averaged

¹Services include trucking, cotton ginning, storage, crop drying, artificial insemination, 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 2—Number of cooperatives, by major function and State, 2007

Function	Marketing	Supply & service	Total
<i>State</i>		<i>Number</i>	
Alabama	6	50	56
Arizona	6	4	10
Arkansas	8	36	44
California	79	57	136
Colorado	18	16	34
Florida	26	7	33
Georgia	5	8	13
Hawaii	10	6	16
Idaho	20	10	30
Illinois	89	46	135
Indiana	12	26	38
Iowa	75	49	124
Kansas	75	25	100
Kentucky	9	27	36
Louisiana	12	31	43
Massachusetts	3	6	9
Michigan	26	23	49
Minnesota	113	112	225
Mississippi	10	53	63
Missouri	17	44	61
Montana	23	30	53
Nebraska	41	30	71
New Mexico	4	4	8
New York	49	12	61
North Carolina	10	5	15
North Dakota	99	92	191
Ohio	39	18	57
Oklahoma	25	36	61
Oregon	18	13	31
Pennsylvania	31	12	43
South Dakota	48	46	94
Tennessee	7	66	73
Texas	52	163	215
Utah	6	6	12
Virginia	14	39	53
Washington	37	28	65
West Virginia	12	13	25
Wisconsin	44	85	129
Wyoming	5	5	10
Other States ¹	50	22	72
United States	1,233	1,361	2,594

¹ Includes States with fewer than three cooperatives for any function. States with at least three cooperatives were: Alaska, 6; Connecticut, 5; Delaware, 3; Maine, 22; Maryland, 12; New Jersey, 13; South Carolina, 5; and Vermont, 3.

more than three branches, while supply cooperatives averaged just less than three branches per cooperative.

Memberships

Memberships in marketing, supply, and service cooperatives totaled an estimated 2.5 million in 2007, down 110,000 from 2006 (Table 3). By major business activity, 62 percent and 19 percent were memberships of supply and grain cooperatives, respectively (Appendix Table 2, Figure 2). Dairy cooperative memberships were only 3 percent of the total, but accounted for 28 percent, or \$35 billion, of cooperatives' net business volume in 2007.

Memberships in cooperatives dropped from 3.4 million in 1998 to 2.5 million in 2007 (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 exceeded the number of farms, but these numbers appear to be converging. 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. A member's business with the cooperative, therefore, 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, memberships in service and marketing cooperatives decreased at more than twice the rate of memberships in supply cooperatives. Memberships in marketing cooperatives dropped 588,000 (42 percent) and service cooperatives had a decline of 56,000 (31 percent), while memberships in supply cooperatives decreased 248,000 (14 percent).

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2007³

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>	
BEANS AND PEAS, DRY EDIBLE					FRUITS AND VEGETABLES (continued)				
United States	6	1.6	123.742	117.820	North Carolina	3	0.1	15.376	15.376
COTTON⁶					Oregon	10	0.9	554.068	457.818
Texas	4	22.8	710.679	201.438	Pennsylvania	3	0.3	129.239	129.239
Other States	8	18.7	1,957.011	165.576	Texas	3	0.2	59.959	51.910
Foreign ⁷	0	0.0	8.262	8.262	Washington	11	3.7	560.982	527.642
United States	12	41.5	2,675.952	375.275	Other States	29	3.1	1,029.346	229.278
DAIRY					Foreign ⁷	0	0.1	257.934	35.697
California	5	1.1	4,041.507	4,029.474	United States	162	27.7	6,862.169	4,292.846
Idaho	3	0.3	398.428	398.428	GRAINS AND OILSEEDS⁸				
Illinois	4	2.5	1,734.858	1,726.863	California	3	0.4	11.813	11.813
Iowa	7	3.8	1,793.860	1,691.349	Colorado	13	9.4	200.425	200.425
Minnesota	26	10.1	5,146.356	5,008.609	Idaho	3	0.5	26.215	26.215
New Mexico	4	0.1	777.525	259.167	Illinois	82	65.1	3,090.466	3,090.466
New York	36	3.7	2,161.796	1,800.475	Indiana	9	6.7	599.977	599.977
North Dakota	3	1.2	413.581	407.846	Iowa	64	63.6	5,122.741	5,004.268
Ohio	5	1.0	252.551	237.521	Kansas	75	89.4	2,012.060	2,008.655
Pennsylvania	15	2.4	554.111	458.752	Michigan	4	2.1	112.771	112.771
Wisconsin	27	17.1	5,835.435	5,504.403	Minnesota	66	36.9	4,453.693	4,431.639
Other States	26	23.4	14,448.212	13,855.778	Mississippi	3	5.1	144.418	143.291
Foreign ⁷	0	0.0	111.515	111.515	Missouri	11	11.1	909.619	587.469
United States	161	66.9	37,669.734	35,490.182	Montana	6	1.2	440.249	440.249
FRUITS AND VEGETABLES					Nebraska	34	48.9	2,682.427	2,678.016
Arizona	4	0.8	84.650	44.406	North Dakota	82	24.5	2,244.616	2,244.616
California	41	11.9	2,626.543	1,878.000	Ohio	29	20.8	1,230.158	1,230.158
Colorado	3	0.3	4.827	4.827	Oklahoma	22	23.4	172.101	172.101
Florida	18	1.1	793.943	320.413	South Dakota	47	29.0	1,831.639	1,831.639
Hawaii	4	0.1	7.332	7.332	Texas	30	12.8	481.539	481.539
Michigan	14	3.1	503.773	484.337	Washington	17	7.9	508.635	508.635
Minnesota	3	0.2	0.336	0.336	Other States	12	7.0	2,156.543	2,138.702
New Jersey	7	0.6	192.483	64.855	Foreign ⁷	0	0.0	405.914	405.914
New York	9	1.0	41.380	41.380	United States	612	465.9	28,838.016	28,348.557

(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 2007. 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 Cotton ginning cooperatives are included as service cooperatives.

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, memberships², and gross and net sales by State, 2007³*(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>	
LIVESTOCK					WOOL AND MOHAIR				
Kentucky	3	0.2	3.594	3.594	Idaho	3	0.1	0.016	0.016
North Dakota	4	0.6	46.354	46.354	Montana	14	0.5	0.343	0.343
West Virginia	3	0.2	3.188	3.188	North Dakota	3	0.3	0.025	0.025
Wisconsin	15	45.7	409.203	409.203	Pennsylvania	11	1.0	0.158	0.158
Other States	31	31.5	2,920.256	2,752.999	Virginia	6	0.3	0.025	0.025
United States	56	78.2	3,382.596	3,215.339	West Virginia	9	0.7	0.120	0.120
NUT					Other States	17	7.2	4.968	4.968
California	6	3.6	676.571	676.571	Foreign ⁷	0	0.1	0.090	0.090
Other States	11	11.5	127.318	127.318	United States	63	10.1	5.746	5.746
Foreign ⁷	0	0.1	0.000	0.000	OTHER MARKETING¹¹				
United States	17	15.3	803.889	803.889	Alaska	6	3.2	8.763	8.763
POULTRY⁹					California	8	1.4	142.867	142.867
California	3	0.1	202.056	202.056	Florida	4	0.1	33.548	33.548
Other States	9	0.4	1,157.846	1,157.846	Hawaii	4	0.2	1.247	1.247
United States	12	0.4	1,359.902	1,359.902	Maine	14	0.7	76.208	76.208
RICE					Minnesota	13	4.9	1,482.939	1,430.312
California	4	0.8	184.088	184.088	Washington	5	0.7	158.649	158.623
Texas	5	0.7	44.893	44.893	Other States	21	6.4	2,930.555	2,860.574
Other States	5	10.5	886.993	886.993	United States	75	12.0	4,834.777	4,712.143
United States	14	12.1	1,115.974	1,115.974	TOTAL MARKETING				
SUGAR¹⁰					Alabama	6	3.0	273.070	201.164
Idaho	6	1.7	565.932	8.188	Alaska	6	3.2	8.763	8.763
Louisiana	5	1.4	508.535	418.273	Arizona	6	1.4	939.964	863.570
Minnesota	3	2.6	1,675.892	1,669.441	Arkansas	8	12.8	1,654.728	1,350.322
Wyoming	4	0.4	37.835	37.835	California	79	22.6	8,273.216	7,477.012
Other States	14	5.2	2,085.678	1,834.176	Colorado	18	12.2	632.750	632.750
Foreign ⁷	0	0.1	30.301	30.301	Florida	26	1.9	1,912.629	1,289.107
United States	32	11.4	4,904.173	3,998.215	Georgia	5	8.1	532.825	243.621
TOBACCO⁷					Hawaii	10	0.4	8.579	8.579
Tennessee	6	64.0	5.312	5.312	Idaho	20	5.6	1,099.793	542.049
Other States	5	2.2	99.942	99.942	Illinois	89	71.4	4,931.058	4,923.064
United States	11	66.2	105.254	105.254	Indiana	12	9.5	1,464.926	1,425.763
					Iowa	75	70.7	8,428.502	8,188.669
					Kansas	75	91.4	3,321.422	3,318.017
					Kentucky	9	4.1	438.043	434.710
					Louisiana	12	6.0	984.263	746.212
					Maine	20	1.6	129.071	128.575
					Massachusetts	3	0.4	319.908	72.864
					Michigan	26	10.4	2,464.292	2,373.410
					Minnesota	113	55.4	13,206.299	12,986.237
					Mississippi	10	9.7	723.501	386.590
					Missouri	17	17.7	4,242.931	3,863.002
					Montana	23	2.0	606.719	605.867
					Nebraska	41	51.7	4,135.565	4,127.925
					New Jersey	11	1.6	214.193	86.463
					New Mexico	4	0.4	810.851	292.494

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, fish, hay, hops, seed marketed for growers, nursery stock, ethanol, coffee, and other marketings not classified separately. Also includes manufactured food products and resale items marketed by cooperatives.

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2007³*(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 (continued)					CROP PROTECTANTS (continued)				
New York	49	5.0	2,458.170	2,003.261	Montana			59.465	53.895
North Carolina	10	3.6	371.607	330.885	Nebraska			243.966	236.380
North Dakota	99	28.7	3,488.914	3,473.345	New York			4.003	1.449
Ohio	39	29.3	2,678.705	2,650.857	North Dakota			182.547	174.960
Oklahoma	25	31.1	529.504	478.968	Ohio			98.068	96.959
Oregon	18	5.2	1,832.304	1,675.675	Oklahoma			22.277	22.208
Pennsylvania	31	3.8	967.836	872.478	Oregon			100.836	100.323
South Carolina	3	0.7	104.518	71.535	Pennsylvania			8.927	3.010
South Dakota	48	30.9	2,705.895	2,690.391	South Dakota			140.740	132.640
Tennessee	7	66.5	178.282	62.748	Tennessee			117.888	69.129
Texas	52	40.7	3,042.697	2,727.111	Texas			47.092	46.066
Utah	6	2.8	494.778	489.985	Utah			8.258	7.221
Vermont	3	1.3	488.398	488.398	Virginia			21.704	18.344
Virginia	14	3.7	446.656	406.518	Washington			156.550	149.793
Washington	37	13.3	2,541.596	2,498.638	West Virginia			2.169	1.938
West Virginia	12	1.0	15.659	13.992	Wisconsin			154.366	122.959
Wisconsin	44	63.5	7,598.547	6,702.001	Wyoming			1.591	1.591
Wyoming	5	0.7	71.367	71.367	Other States			54.392	42.747
Other States	7	2.4	524.453	466.473	Foreign ⁷			29.649	7.480
Foreign ⁷	0	0.5	822.582	600.174	United States			3,716.511	3,139.956
United States	1,233	809.7	93,120.330	85,351.601					
SUPPLIES PROVIDED					FEED¹²				
CROP PROTECTANTS¹²					Alabama			52.854	29.627
Alabama			69.202	68.114	Arkansas			57.954	55.686
Arkansas			132.033	123.378	California			273.787	250.391
California			34.734	33.195	Colorado			43.372	43.367
Colorado			50.295	50.294	Florida			45.380	43.294
Florida			11.172	10.920	Georgia			26.915	23.515
Georgia			63.387	59.134	Idaho			112.815	89.417
Idaho			30.961	7.687	Illinois			278.612	278.602
Illinois			403.874	300.866	Indiana			95.639	95.607
Indiana			204.640	189.771	Iowa			1,912.853	1,714.762
Iowa			436.524	346.670	Kansas			213.895	206.097
Kansas			132.199	132.199	Kentucky			56.632	49.869
Kentucky			35.297	25.845	Louisiana			31.285	31.285
Louisiana			23.523	23.523	Maryland			34.084	29.394
Maryland			15.109	10.052	Massachusetts			10.988	10.809
Massachusetts			0.192	0.192	Michigan			101.851	101.849
Michigan			25.136	24.110	Minnesota			1,153.098	1,009.354
Minnesota			316.240	289.269	Mississippi			47.489	47.192
Mississippi			54.775	54.241	Missouri			247.249	209.914
Missouri			222.729	101.402	Montana			37.770	26.151
					Nebraska			368.263	317.096
					New York			55.924	46.983
					North Dakota			66.923	59.125
					Ohio			142.837	142.718
					Oklahoma			62.745	62.597

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, memberships², and gross and net sales by State, 2007³*(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)					FERTILIZER (continued)				
Oregon			418.969	321.567	Washington			206.871	205.826
Pennsylvania			29.626	27.083	West Virginia			10.369	9.321
South Dakota			232.852	204.717	Wisconsin			311.859	298.741
Tennessee			216.918	138.494	Wyoming			7.135	7.097
Texas			146.359	142.761	Other States			166.310	139.792
Utah			131.345	131.098	Foreign ⁷			49.900	25.455
Virginia			131.983	119.446	United States			7,686.152	6,844.202
Washington			330.458	248.661					
West Virginia			19.834	18.026	PETROLEUM¹²				
Wisconsin			938.211	785.290	Alabama			10.024	9.987
Wyoming			5.790	5.790	Arkansas			135.473	133.365
Other States			280.604	250.874	California			4.012	3.872
Foreign ⁷			230.585	206.633	Colorado			652.021	410.137
United States			8,644.750	7,575.138	Florida			5.231	5.231
					Georgia			350.793	110.718
FERTILIZER¹²					Idaho			447.635	225.864
Alabama			86.849	84.452	Illinois			1,935.483	1,350.335
Arkansas			137.531	126.011	Indiana			1,651.782	1,015.560
California			155.161	155.161	Iowa			1,650.872	1,239.383
Colorado			69.020	66.139	Kansas			1,142.962	794.799
Florida			56.601	39.207	Kentucky			158.329	108.171
Georgia			70.198	62.900	Louisiana			10.498	10.384
Idaho			9.453	9.453	Maryland			147.400	125.622
Illinois			852.899	697.553	Massachusetts			0.020	0.020
Indiana			413.528	411.739	Michigan			470.140	204.788
Iowa			1,031.995	811.355	Minnesota			1,310.745	1,073.226
Kansas			343.455	341.547	Mississippi			19.265	17.495
Kentucky			124.359	105.287	Missouri			1,535.018	1,160.607
Louisiana			18.772	18.515	Montana			698.770	536.846
Maryland			37.426	30.902	Nebraska			1,303.195	979.249
Massachusetts			17.053	8.999	New York			6.399	4.658
Michigan			63.098	62.221	North Dakota			962.045	733.557
Minnesota			607.433	606.926	Ohio			381.727	298.041
Mississippi			33.852	33.385	Oklahoma			661.630	330.279
Missouri			524.738	382.913	Oregon			524.262	346.838
Montana			109.840	109.840	Pennsylvania			11.037	8.927
Nebraska			516.456	507.037	South Dakota			701.027	462.192
New York			24.592	14.456	Tennessee			530.506	216.797
North Dakota			298.737	298.737	Texas			220.484	208.715
Ohio			328.385	291.780	Utah			338.734	106.958
Oklahoma			84.513	81.896	Virginia			696.072	382.851
Oregon			150.643	150.643	Washington			596.061	438.347
Pennsylvania			53.198	29.434	West Virginia			39.211	36.289
South Dakota			243.585	243.547	Wisconsin			1,224.866	975.327
Tennessee			247.709	170.894	Wyoming			489.126	324.922
Texas			97.139	96.314	Other States			93.922	79.901
Utah			23.547	23.517	Foreign ⁷			499.001	192.038
Virginia			101.944	85.210	United States			21,615.778	14,662.294

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2007³*(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>	
SEED¹²					OTHER SUPPLIES (continued)				
Alabama			21.818	21.719	Colorado			70.490	65.942
Arkansas			48.279	47.155	Florida			53.055	52.654
California			21.735	21.735	Georgia			48.707	34.331
Colorado			8.686	8.469	Idaho			40.390	34.511
Florida			3.542	3.494	Illinois			498.777	433.016
Georgia			11.714	11.397	Indiana			119.095	89.780
Idaho			87.005	14.155	Iowa			191.764	179.869
Illinois			306.507	216.964	Kansas			94.374	89.947
Indiana			101.668	60.831	Kentucky			94.551	69.359
Iowa			429.609	234.742	Louisiana			19.451	19.060
Kansas			45.344	45.344	Maryland			34.215	27.780
Kentucky			32.501	26.717	Massachusetts			13.043	10.902
Louisiana			11.626	11.626	Michigan			100.661	88.652
Maryland			9.142	6.760	Minnesota			276.297	262.678
Massachusetts			0.714	0.442	Mississippi			47.318	45.585
Michigan			12.064	11.949	Missouri			115.881	78.062
Minnesota			279.888	199.024	Montana			68.371	65.425
Mississippi			17.946	17.946	Nebraska			168.553	165.080
Missouri			375.188	92.005	New York			30.886	23.995
Montana			50.660	34.521	North Dakota			275.965	272.239
Nebraska			126.828	102.618	Ohio			85.047	73.521
New York			2.475	1.621	Oklahoma			38.867	34.480
North Dakota			96.764	72.555	Oregon			186.033	183.965
Ohio			63.334	62.985	Pennsylvania			21.648	15.225
Oklahoma			6.754	6.754	South Dakota			90.709	87.183
Oregon			45.442	45.442	Tennessee			323.802	193.670
Pennsylvania			5.389	3.355	Texas			95.906	87.250
South Dakota			123.983	99.774	Utah			71.876	60.496
Tennessee			99.032	68.247	Virginia			160.775	147.606
Texas			29.076	29.076	Washington			180.283	146.629
Utah			2.957	2.952	West Virginia			27.837	24.981
Virginia			28.925	24.477	Wisconsin			345.227	335.898
Washington			59.536	51.466	Wyoming			34.151	32.845
West Virginia			3.675	3.120	Other States			213.816	170.101
Wisconsin			206.652	124.223	Foreign ⁷			236.359	206.975
Wyoming			1.077	1.077	United States			4,843.868	4,255.000
Other States			35.189	31.798					
Foreign ⁷			1.823	0.876					
United States			2,814.545	1,819.411					
OTHER SUPPLIES^{12, 13}					SUPPLY				
Alabama			65.198	57.208	Alabama	44	19.7	305.946	271.106
Arkansas			93.661	82.958	Arkansas	31	35.6	604.931	568.554
California			210.831	205.141	California	16	14.2	700.259	669.495
					Colorado	15	17.8	893.883	644.348
					Florida	6	6.9	174.980	154.800
					Georgia	5	0.9	571.713	301.994
					Idaho	8	10.2	728.259	381.088
					Illinois	45	70.3	4,276.152	3,277.335
					Indiana	24	34.9	2,586.352	1,863.288

(continued next page)

¹³ Includes building materials, containers and packaging supplies, machinery and equipment, meats and groceries, automotive supplies, hardware, chicks, and other supplies not separately classified.

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2007³*(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>	
SUPPLY (continued)					SERVICE (continued)				
Iowa	48	56.4	5,653.618	4,526.781	New Mexico	3	0.2	1.182	1.182
Kansas	24	24.0	1,972.230	1,609.933	New York	5	0.3	24.919	24.919
Kentucky	26	158.7	501.670	385.247	North Carolina	3	0.1	1.739	1.739
Louisiana	18	5.4	115.155	114.393	North Dakota	4	7.8	62.612	62.612
Maryland	10	68.5	277.375	230.511	Ohio	4	2.8	114.131	114.131
Massachusetts	4	2.4	42.011	31.365	Oklahoma	11	4.4	37.282	37.282
Michigan	20	6.7	772.950	493.569	Pennsylvania	6	0.2	7.027	7.027
Minnesota	108	83.3	3,943.702	3,440.476	Texas	121	18.3	258.394	258.394
Mississippi	34	75.9	220.646	215.843	Virginia	3	10.3	27.254	27.254
Missouri	43	112.9	3,020.804	2,024.903	Washington	4	1.6	56.942	56.942
Montana	30	23.7	1,024.875	826.677	Wisconsin	10	18.3	97.694	97.694
Nebraska	28	27.2	2,727.261	2,307.459	Other States	23	29.9	1,369.997	1,369.997
New York	7	1.4	124.279	93.163	United States	300	124.1	3,149.672	3,149.672
North Dakota	88	50.3	1,882.980	1,611.171					
Ohio	14	13.3	1,099.397	966.004	TOTAL				
Oklahoma	25	18.0	876.786	538.214	Alabama	56	22.9	590.965	484.220
Oregon	12	22.9	1,426.186	1,148.777	Alaska	6	3.2	95.158	90.950
Pennsylvania	6	2.2	129.825	87.036	Arizona	10	1.9	982.205	905.262
South Dakota	46	35.5	1,532.896	1,230.053	Arkansas	44	50.4	2,325.749	1,984.966
Tennessee	65	64.3	1,535.856	857.232	California	136	39.7	9,359.674	8,532.707
Texas	42	28.2	636.057	610.183	Colorado	34	30.0	1,564.877	1,315.342
Utah	5	3.4	576.718	332.242	Connecticut	5	0.7	255.133	250.955
Virginia	36	144.0	1,141.402	777.935	Delaware	3	42.4	96.488	72.708
Washington	24	9.7	1,529.760	1,240.721	Florida	33	19.3	2,204.899	1,561.198
West Virginia	13	78.8	103.094	93.674	Georgia	13	9.3	1,112.945	554.022
Wisconsin	75	77.9	3,181.181	2,642.437	Hawaii	16	0.7	75.018	59.414
Wyoming	5	3.4	538.870	373.322	Idaho	30	16.1	1,863.376	958.462
Other States	11	115.7	844.232	715.213	Illinois	135	141.7	9,408.298	8,401.486
Foreign ⁷	0	1.2	1,047.316	639.457	Indiana	38	44.5	4,140.521	3,378.293
United States	1,061	1,525.9	49,321.604	38,296.000	Iowa	124	134.0	14,425.093	13,058.424
					Kansas	100	115.5	5,429.775	5,064.073
SERVICE¹⁴					Kentucky	36	164.4	943.968	824.212
Alabama	6	0.2	11.950	11.950	Louisiana	43	12.0	1,240.876	1,002.063
Arizona	4	0.2	11.666	11.666	Maine	22	5.7	201.123	199.560
Arkansas	5	1.9	66.089	66.089	Maryland	12	69.0	513.258	409.588
California	41	2.9	386.200	386.200	Massachusetts	9	3.2	363.331	105.640
Georgia	3	0.3	8.407	8.407	Michigan	49	18.3	3,364.885	2,994.621
Hawaii	5	0.2	2.327	2.327	Minnesota	225	147.3	17,399.882	16,676.593
Louisiana	13	0.6	141.458	141.458	Mississippi	63	99.6	1,029.026	687.313
Michigan	3	1.2	127.642	127.642	Missouri	61	131.4	7,345.442	5,969.613
Minnesota	4	8.6	249.880	249.880	Montana	53	25.7	1,636.928	1,437.877
Mississippi	19	14.0	84.879	84.879	Nebraska	71	78.9	7,032.855	6,605.414
					New Jersey	13	1.6	258.931	117.315
					New Mexico	8	0.7	827.374	308.802
					New York	61	6.7	2,607.368	2,121.343
					North Carolina	15	72.4	644.641	555.558
					North Dakota	191	86.9	5,434.506	5,147.129
					Ohio	57	45.5	3,892.233	3,730.992

¹⁴ Includes cooperatives providing services such as cotton ginning, livestock shipping, storing, grinding, drying, and artificial insemination. Sales include charges for services related to marketing or purchasing, but not included in the volume reported for those activities, plus other income.

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2007³ (Continued)

State	Head- quartered in State	Member- ships	Business volume	
			Gross ⁴	Net ⁵
	Number	Thousands	Millions	
TOTAL (continued)				
Oklahoma	61	53.4	1,443.572	1,054.463
Oregon	31	28.2	3,282.125	2,848.087
Pennsylvania	43	6.1	1,104.688	966.541
South Carolina	5	0.9	183.560	140.505
South Dakota	94	72.4	4,300.744	3,982.398
Tennessee	73	132.4	1,747.123	952.965
Texas	215	87.2	3,937.148	3,595.687
Utah	12	7.6	1,088.134	838.865
Vermont	3	1.3	516.649	515.224
Virginia	53	157.9	1,615.312	1,211.707
Washington	65	24.5	4,128.297	3,796.301
West Virginia	25	79.7	119.255	108.169
Wisconsin	129	159.7	10,877.422	9,442.132
Wyoming	10	4.2	612.266	446.719
Other States	3	1.0	98.581	91.764
Foreign ⁷	0	1.7	1,869.897	1,239.631
United States	2,594	2,459.9	145,591.575	126,797.273

Employees

Cooperatives had an estimated 125,000 full-time employees in 2007, an increase of about 2,000 from 2006 (Table 4), but far less than the peak of 176,665 in 2000. Marketing cooperatives had an increase of over 2,000 employees, supply cooperatives decreased less than 1,000, while employee numbers at service cooperatives did not change.

Cooperatives employ full-time and, in most cases, part-time and seasonal employees to run their operations. Their number and type depends on a number of factors, such as size of operation, type of commodity handled, and involvement in value-added activities.

In 2007, cooperatives employed an estimated 181,000 full-time and part-time and seasonal employees (Table 5), virtually unchanged from 2006. Among marketing cooperatives, those primarily handling fruits and vegetables had the most employees (31,000), followed by dairy (27,000), then grains and oilseeds (24,000).

By type, marketing cooperatives had 111,000 full-time and part-time and seasonal employees (62 percent of total); supply cooperatives had 59,000 (32 percent); and service cooperatives had 11,000 (6

percent).

Figure 4 shows the number of full-time employees by type of cooperative for 2007. Supply, fruit and vegetable, dairy, and grain and oilseed cooperatives used the most employees; cotton cooperatives used the fewest. Dairy, rice, and cotton cooperatives had the smallest proportion of part-time and seasonal employees to total employees. Fruit and vegetable and cotton ginning cooperatives both had more than half of their employees as part-time and seasonal employees.

Cooperatives used 56,000 part-time and seasonal employees in 2007, down about 1,000, or 2 percent, from 2006. Most of the decrease was in fruit and vegetable cooperatives.

In 2007, marketing cooperatives reported 35,000 part-time and seasonal employees, or 62 percent of that type of worker used. Marketing cooperatives averaged 28 part-time and seasonal employees per cooperative. Fruit and vegetable cooperatives, with about 17,000, accounted for about 29 percent of all part-time and seasonal employees used by cooperatives. Supply cooperatives had about 15,000 part-time and seasonal employees, an average of 14 per cooperative.

Most types of marketing cooperatives operated with more employees than did supply cooperatives. For example, sugar cooperatives averaged 374 employees; rice, 206; fruit and vegetable, 190; while supply cooperatives averaged 55 (Figure 5).

Business Size

Most cooperatives, as measured by annual gross business volume, 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 2001 to 2007, there were 826 fewer cooperatives with less than \$25 million in sales while there were 191 cooperatives that moved up into the sales group of more than \$25 million in sales. The sales group of \$100 to \$199.9 million had the most growth, increasing from 46 cooperatives in 2001 to 153 in 2007 (Table 6).

In 2007, 62 percent of all cooperatives reported

Figure 3—Cooperative Memberships by Function, 1998-2007

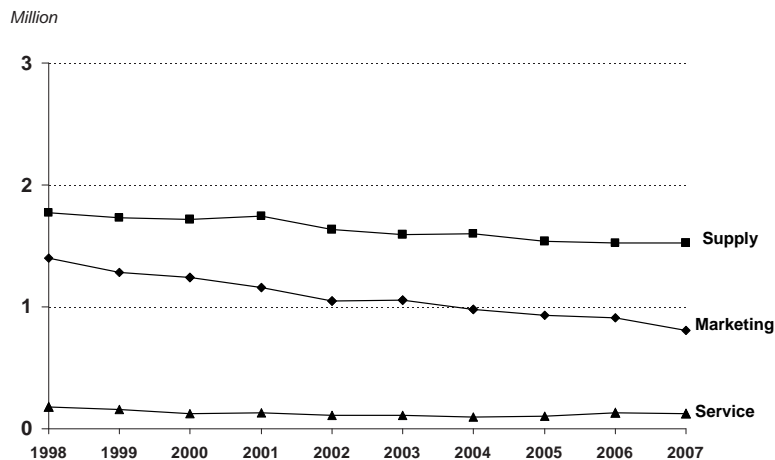
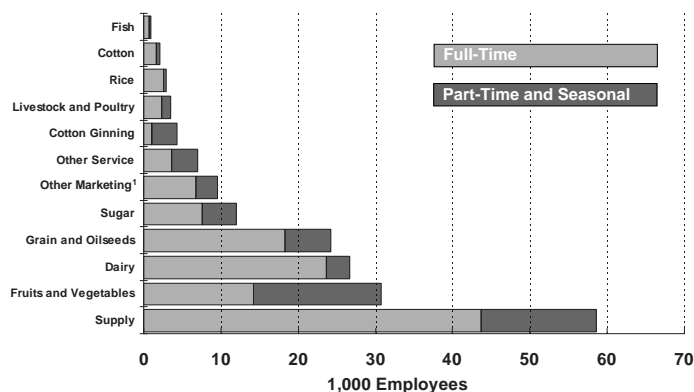
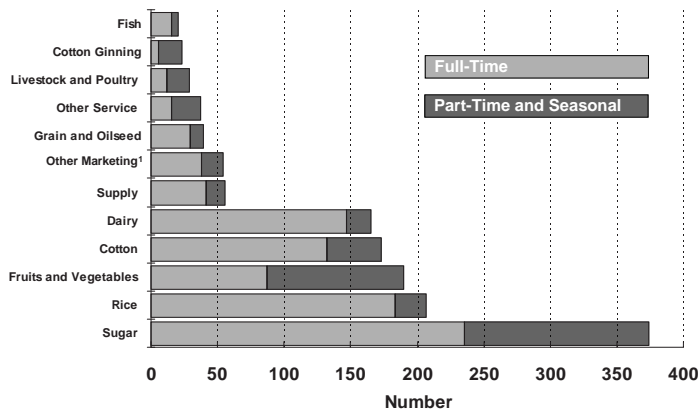


Figure 4—Full-Time and Part-Time and Seasonal Employees, by Cooperative Type, 2007



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

Figure 5—Average Full-Time and Part-Time and Seasonal Employees, 2007



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

a business volume of less than \$15 million. However, they accounted for only 5 percent of the total gross dollar volume (Figure 6). Only 4 percent of farmer cooperatives reported a business volume of at least \$200 million, but they accounted for 67 percent of the total sales.

Business Volume

Total gross business volume of the 2,594 marketing, supply, and service cooperatives for 2007 was \$146.6 billion (table 7), up 16 percent from \$126.5 billion in 2006. Gross business volume fell from the record \$128 billion in 1996 to \$112 billion in 2002; however, this has not been a steady decline—some years saw increases to over \$120 billion while other years fell to \$115 billion or less (Appendix Table 3, Appendix Figure 4). Much of the volume increase between 2006 and 2007 can be attributed to higher grain and oilseed and dairy prices and higher energy costs.

Gross dollar volume of products marketed by cooperatives increased about \$17 billion, from \$76 billion in 2006 to \$93 billion in 2007 (22 percent). Dairy cooperatives had an \$8.6 billion increase in sales due to higher prices while grain and oilseed cooperatives increased \$7 billion, again from higher prices. Gross volume of all supplies handled by cooperatives was \$49 billion, up 8 percent from \$46 billion in 2006, with the increase mainly due to higher energy prices and grain and oilseed prices (as stated before, one supply cooperative was dropped from the list as it is 74 percent owned by another cooperative, this lowered supply sales by over \$2 billion).

Total net business volume of cooperatives in 2007 was \$126.5 billion—\$76.5 billion from products marketed, \$46 billion from supply sales, and \$4 billion from services performed and other

income sources. The total net figure, which excludes inter-cooperative business, was up 16 percent from \$110.5 billion in 2006. The \$126.5 billion was a record net business volume—surpassing \$110.5 billion in 2006 by \$16 billion (Appendix Table 4, Appendix Figure 5). There have been a number of fluctuations in net business volume. It dropped to around \$100 billion in 1999 and stayed there except for the current upward trend that started in 2003. Adjusted for inflation where 1991 = 100², net business volume totaled \$93 billion in 1998 and increased to \$108 billion in 2007 (Figure 7). The difference between actual and real net business volume in 2007 was \$20 billion. The real net business volume was lower than the actual value in 2007 due to prices paid for production inputs increasing more than prices received for farm products. The index for prices received for all farm commodities from 1998 to 2007 rose 43 points, while the index for prices paid for farm production items increased 62 points, hence 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 from 2006, from \$70 billion to \$76 billion—an increase of 9 percent. Net marketing business volume accounted for 64 percent of total cooperative sales in 2007, unchanged from 2006.

Figure 8 illustrates the leading products marketed by cooperatives based

²Marketing sales was 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 6—Distribution of Farmers Cooperatives and Volume, by Size, 2007

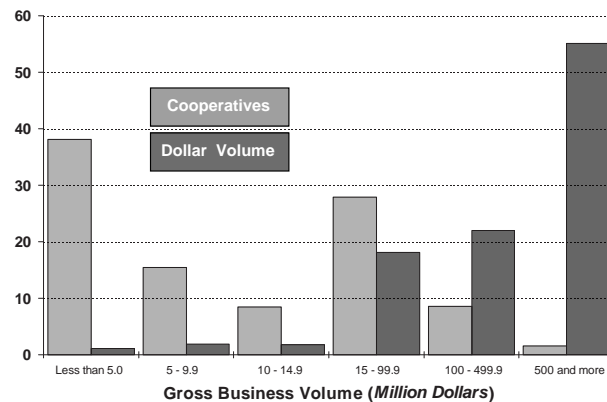


Figure 7—Cooperatives’ Net Business Volume, Actual and Adjusted, 1998-2007

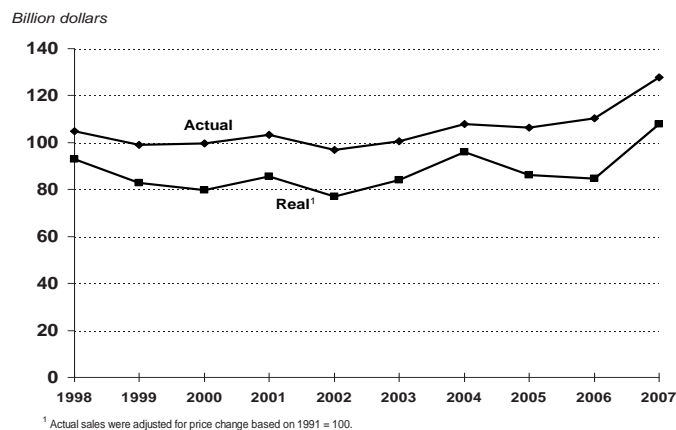
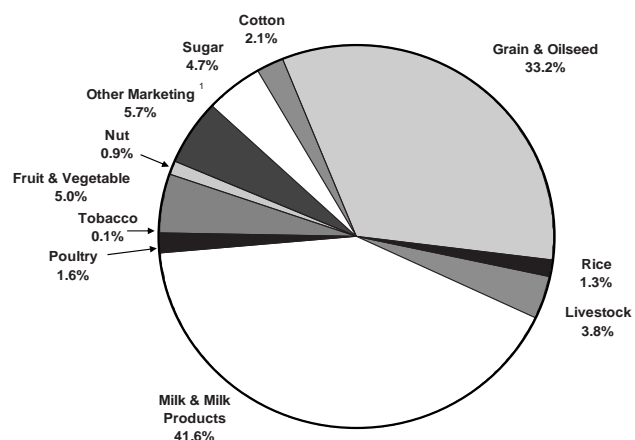
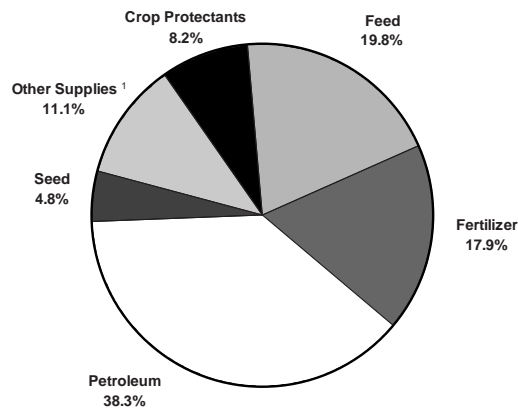


Figure 8—Relative Importance of Farm Products Marketed by Cooperatives, 2007



Percentages are based on a total net marketing business volume of \$85.4 billion.
¹Includes wool and mohair, dry beans and peas, fish, and other product marketing.

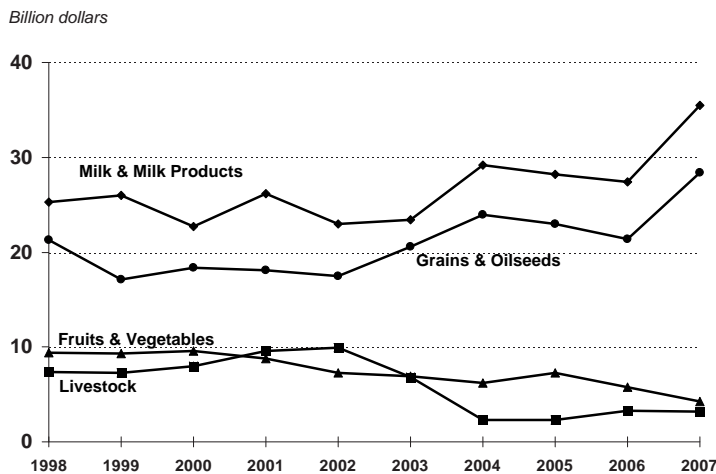
Figure 9—Relative Importance of Supplies Handled by Cooperatives, 2007



Percentages are based on a total net supply business volume of \$38.3 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, 1998-2007



on net marketing business volume. Dairy (milk and milk products) led with 42 percent, followed by grains and oilseeds (excluding cottonseed) with 33 percent, and fruit and vegetable with 5 percent.

Net supply volume of \$46 billion, up 28 percent from \$36 billion, accounted for 30 percent of the total net business volume. The leading production goods handled by cooperatives in terms of supply net business volume were petroleum, 38 percent; feed, 20 percent; and fertilizer, 18 percent (Figure 9). Feed and fertilizer sales increased by more than

\$2 billion over 2006 sales.

Receipts for services provided by marketing, supply, and service cooperatives, plus other income, stayed virtually the same at \$4 billion. Service receipts and other income represented 3 percent of total net business volume.

Marketing sales of four major commodity groups—dairy, grains and oilseeds, fruits and vegetables, and livestock—were up slightly from 83 percent of marketing sales in 1998 to 84 percent in 2007 (Figure 10). Dairy sales were up \$10 billion from 1998 while grains and oilseeds sales were up \$7 billion. Net volume among commodity groups was highest in 2007 for dairy, with \$35 billion (\$25 billion in 1998), followed by grains and oilseeds. Both milk and milk product and grains and oilseeds had the highest ever net sales.

In the supply group, feed and fertilizer were important farm inputs (Figure 11) but petroleum was especially important with sales equal to the combined feed and fertilizer amounts. With the large price increase of petroleum, its share of supply sales increased from 27 percent in 1998 to 38 percent in 2007. The combination of petroleum, feed, and fertilizer sales accounted for 76 percent of cooperatives' total supply sales in 2007 and 70 percent in 1998. In 2007, the sales of all supplies increased except for petroleum and seed.

Gross and net business volume by State are presented in Table 3. Sales are allocated to the State in which the product marketed was originated and the farm supplies were sold. Minnesota led all States in total gross and net business volume with \$17.4 billion and \$16.7 billion, respectively, followed by Iowa with \$14.4 billion in gross business and \$13.1 billion in net business volume.

Balance Sheet

The balance sheet of a cooperative states its financial position at the end of a 12-month fiscal year. The balance sheet represents the cooperative's assets, liabilities, member equity, and their mutual relationship. Combined assets for all cooperatives totaled \$57 billion in 2007, almost \$10 billion higher than 2006 (Table 8). Total assets of cooperatives, excluding inter-cooperative investments, increased by \$9 billion to \$53 billion. Cooperatives' total assets grew from \$47 billion in 1998 to \$57 billion in 2007 (Appendix Table 5 and Figure 12). Most of this growth occurred between 2006 and 2007. Although CP does not collect statistics on inventories, most of the \$10 billion in asset growth occurred in current assets, of which inventory is a component. As the financial records of cooperatives were analyzed this year, it was evident that inventories were much higher, especially in grain and oilseed cooperatives, reflecting the large increase in prices of grains and oilseeds. In the income statement, interest expenses were also up, reflecting the cost of carrying a large inventory and borrowing funds to maintain a hedge on these expensive inventories in the futures market.

In 1998, \$4.7 billion (10 percent of total assets)

was invested in other cooperatives, including Co-Bank, and this investment peaked at \$5.5 billion in 2002. In 2007, these investments were \$4.2 billion, down \$0.5 billion from 1998, and at 7 percent of total assets, 3 points lower than a decade ago.

Of the \$57 billion in total assets, marketing cooperatives accounted for \$37 billion, up \$7 billion from 2006. Dairy and grain and oilseed cooperatives both had over \$12 billion in assets, more than 3 times the assets of any other type of marketing cooperative but only 60 percent of the more than \$19 billion assets of supply cooperatives.

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 percent of total assets, which allows comparison between different sizes and types 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 60 percent for all sizes of cooperatives, up from 55 percent in 2006. Smaller cooperatives, especially service, most sugar, and cotton ginning cooperatives had smaller levels of current

Figure 11—Cooperatives' Net Sales of Selected Supplies, 1998-2007

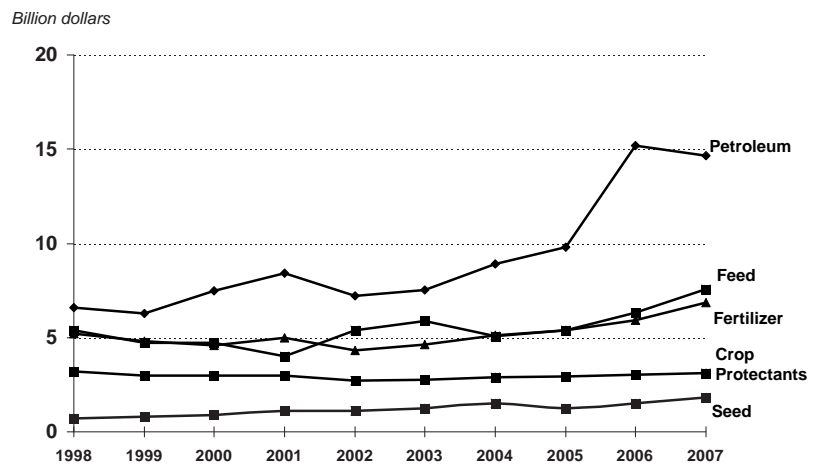


Figure 12—Cooperatives' Assets, Liabilities, and Net Worth, 1998-2007

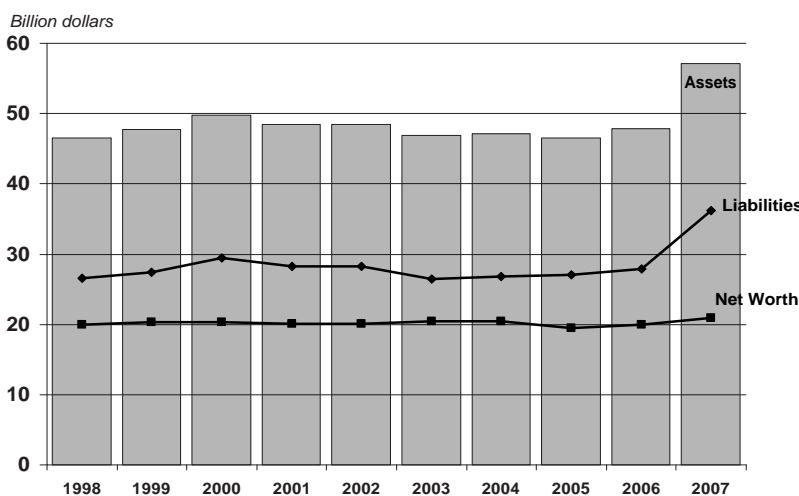


Table 4—Cooperatives' number of full-time employees, 2007-2002

Commodity	2007	2006	2005	2004	2003	2002
	<i>Thousands</i>					
Cotton	1.6	1.7	1.8	1.7	1.9	2.0
Dairy	23.6	22.9	24.4	24.0	23.4	23.7
Fruits and vegetables	14.2	13.4	13.5	14.3	18.4	18.7
Grains and oilseeds	18.3	17.4	17.6	17.5	20.4	18.9
Livestock and poultry	2.3	2.4	1.9	20.6	34.4	34.4
Rice	2.6	2.6	2.4	2.5	2.6	2.5
Sugar	7.5	6.6	6.8	7.1	4.9	4.5
Other marketing	6.8	7.2	7.2	7.8	5.8	6.8
Total marketing	76.9	74.3	75.5	95.3	111.9	111.3
Total supply	43.6	44.4	46.0	49.7	48.2	50.7
Service	4.7	4.7	3.9	4.4	5.0	4.0
Total	125.2	123.4	125.4	149.5	165.1	166.1

assets. Grain and oilseed and larger cooperatives tended to have higher levels of current assets.

Investments and Other Assets

Investments were most often in other cooperatives and CoBank, while other assets is a catch-all account in this study and, as imagined, contained a wide variety of items. Investments plus other assets ranged from 18 percent for small cooperatives down to 15 percent for large cooperatives. Investments were larger for supply cooperatives than most marketing cooperatives. All but the largest supply cooperatives generally purchase their inputs from regional supply cooperatives, hence the large investments in other cooperatives. Large dairy cooperatives, large fresh fruit and vegetable cooperatives, and large livestock marketing cooperatives all had low investments—often less than 4 percent.

Property, Plant, and Equipment

Net property, plant, and equipment (net PP&E) are tangible assets used in the cooperative's operations. By size, PP&E had little range; usually it was between 23 and 28 percent of total assets. Ethanol cooperatives, large sugar cooperatives, small cotton

ginning cooperatives, and service 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 will probably be paid within one 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 by cooperative size were at least 33 percent of total assets and grew to 47 percent for larger cooperatives. Product marketing cooperatives tended to have higher levels of current liabilities than supply cooperatives.

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. The first three sizes of cooperatives in Table 9 all had at least 8 percent of their assets financed through long-term debt. The fourth size of cooperatives used the most debt, financing 16 percent of their assets. Total liabilities were \$36 billion, up \$8 billion from 2006 (Table 10). Cooperatives' total liabilities grew from \$27 billion in 1998 to \$36 billion in 2007. Total liabilities financed 63 percent of total assets in 2007, up 5 points from 2006.

Allocated (or Member) Equities

Comparing allocated equities to total assets determines the percent of the cooperative's assets owned by members. Allocated equity comprised just over a third of ownership of all sizes of cooperatives. The very largest had both the smallest percentage of retained earnings and overall equity.

Net worth, or member and patron equity, was \$21 billion, up \$1 billion from 2006. The proportion of total assets financed by member and patron equity was 37 percent, down 5 points from 2006. Net worth for all marketing cooperatives totaled \$12 billion, up \$0.5 billion from 2006. Marketing cooperatives accounted for 58 percent of farmer coopera-

Table 5—Full-time and part-time and seasonal employees of farmer cooperatives, by cooperative type, 2007-2006¹

Principal product(s) marketed or major function	Total employees		Full-time		Part-time & seasonal	
	2007	2006	2007	2006	2007	2006
Products marketed			<i>Thousands</i>			
Cotton	2.1	2.0	1.6	1.7	0.5	0.3
Dairy	26.6	25.9	23.6	22.9	3.0	2.9
Fruit and vegetable	30.7	32.8	14.2	13.4	16.6	19.3
Grain and oilseed	24.2	23.2	18.3	17.4	6.0	5.8
Livestock and poultry	3.5	3.5	2.3	2.4	1.1	1.2
Rice	2.9	2.7	2.6	2.6	0.3	0.1
Sugar	12.0	10.1	7.5	6.6	4.4	3.5
Fish	0.9	0.9	0.7	0.7	0.2	0.2
Other marketing ²	8.6	9.5	6.1	6.6	2.5	3.0
Marketing	111.6	110.6	76.9	74.3	34.7	36.3
Supply	58.6	58.8	43.6	44.4	14.9	14.4
Service	11.3	11.3	4.7	4.7	6.6	6.6
Total	181.4	180.7	125.2	123.4	56.2	57.3

¹ Totals may not add due to rounding.

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

tives' combined net worth, the same as 2006. Net worth for supply cooperatives totaled \$8 billion and was 39 percent of the total. For marketing cooperatives, the highest percentage of total assets represented by net worth shown in Figure 13 (51 percent) was for other marketing cooperatives. The lowest, 28 percent, was for dairy 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 by six different sizes. Each item in a common-size income statement is represented as a percent 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 and 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 (COGS)

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 89 percent of net sales. COGS can be much lower for cooperatives that process products or provide technical services. Artificial insemination cooperatives, processed fruit and vegetable cooperatives, and larger sugar cooperatives have a lower COGS. Grain and oilseed 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, and it is an important operating ratio. A small change in the gross margin can tremendously impact net operating margins. A cooperative manager 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

Table 6—Farmer cooperatives and memberships, by gross business volume, 2007¹

Sales volume group (million \$)	Cooperatives		Dollar volume		Memberships ²	
	Number	Percent of total	Gross ³ (million \$)	Percent of total	Number (1,000)	Percent of total
Less than 5.0	988	38.1	1,602	1.1	355	14.4
5 - 9.9	402	15.5	2,677	1.9	211	8.6
10 - 14.9	220	8.5	2,523	1.8	114	4.6
15 - 24.9	261	10.1	4,801	3.4	228	9.3
25 - 49.9	286	11.0	9,099	6.4	290	11.8
50 - 99.9	177	6.8	11,928	8.4	197	8.0
100 - 199.9	153	5.9	14,260	10.0	348	14.2
200 - 499.9	68	2.6	17,119	12.0	161	6.5
500 - 999.9	20	0.8	13,933	9.8	99	4.0
1,000 & more	19	0.7	64,501	45.3	457	18.6
Total ⁴	2,594	100.0	142,442	100.0	2,460	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.

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 four points higher for the very largest cooperatives than for the other sizes. As discussed earlier in COGS, those cooperatives with a low COGS would have high gross margins.

Service and Other Operating Income

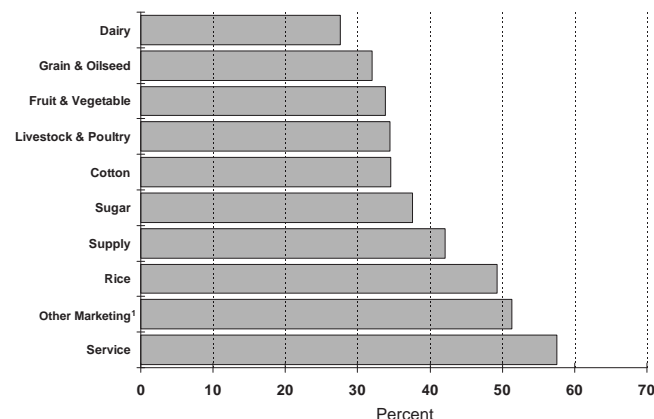
This consists of any service these cooperatives provided. Some cooperatives only provide services such as rice driers, cotton gins, storage and transportation, locker plants, pest management and scouting, and other miscellaneous services. Service income is important to marketing and supply

cooperatives: they provide hauling, storage, grading, delivery, custom application, record keeping and drying, to name some of the most common. Other operating income is generated from sales activities and includes income from providing financing for sales.

For service cooperatives, service is 100 percent on their income statement. By cooperative size, service income is the most important for smaller cooperatives (15 percent of sales) and diminishes as size increases to cooperatives with over \$500 million in sales (1 per-

cent of sales). Many of the cotton ginning cooperatives have mainly service income and limited sales, hence service income ranges from 14 percent to 85 percent of sales for these cooperatives.

Figure 13—Percentage of Assets Financed by Net Worth, by Cooperative Type, 2007



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

Table 7—Cooperatives' gross and net business volumes by commodity, 2007 & 2006¹

Commodity	Gross volume		Net volume	
	2007	2006	2007	2006
<i>Billion \$</i>				
Products marketed:				
Beans and peas (dry edible)	.124	.115	.118	.110
Cotton	3.114	3.493	1.786	2.126
Dairy	37.670	29.029	35.490	27.414
Fruits and vegetables	6.862	7.188	4.293	5.791
Grains and oilseeds ²	28.838	21.701	28.349	21.358
Livestock	3.383	3.388	3.215	3.270
Nuts	.804	.804	.804	.804
Poultry ³	1.360	1.378	1.360	1.378
Rice	1.116	1.066	1.116	1.066
Sugar	4.904	3.735	3.998	2.628
Tobacco	.105	.157	.105	.157
Wool and mohair	.006	.003	.006	.003
Other marketing ⁴	4.835	4.422	4.712	4.336
Total marketing	93.120	76.480	85.352	70.441
Supplies purchased:				
Crop protectants	3.717	3.345	3.140	3.025
Feed	8.645	7.261	7.575	6.330
Fertilizer	7.686	6.605	6.844	5.930
Petroleum	21.616	21.773	14.662	15.172
Seed	2.815	2.351	1.819	1.499
Other supplies ⁵	4.844	4.537	4.255	3.965
Total supplies	49.322	45.872	38.296	35.922
Services and other income ⁶	4.133	4.118	4.133	4.118
Total business	146.575	126.470	127.781	110.482

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 marketing, whereas cottonseed meal is included in feed.

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

⁴ Includes coffee, fish, 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 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, cotton ginning, 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.

Operating Expenses

There are only four accounts for expenses in Table 9, wages, depreciation, interest, and all other. The wage account includes all employee expenses, some of which are salaries and wages, payroll taxes, employee insurance, unemployment compensation, and pension expense. The all other account would include administrative expenses (which are overhead costs associated with a cooperative and indirectly related to revenue production) such as professional services, office supplies, telephone, meetings and travel, donations, dues and subscriptions, directors' fees and expense, and annual meetings. The all other account would also include general expenses (which are directly related to revenue production) such as advertising and promotion, delivery (auto and truck), 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.

Wage expenses were the highest for smaller cooperatives and fell as cooperative size increased from 12 percent for the smallest cooperatives to 4 percent for the largest. Wage expenses were higher for service cooperatives, as they are generally small and lack other sales to spread out wage costs. Artificial insemination cooperatives had wage expenses that were over 40 percent of sales, and smaller cotton ginning cooperatives averaged over 20 percent of sales. Larger livestock marketing (auctions) and ethanol cooperatives had wage expenses averaging 1 percent of sales.

Depreciation expenses did not change much with cooperative size; their range was just over one, ranging from 2 percent for the smallest cooperatives to 1 percent for the largest. Ethanol cooperatives have newer PP&E and a lot of undepreciated costs, so they have some of the highest depreciation expenses (4 percent) relative to sales. Larger livestock cooperatives had little PP&E, so depreciation expenses were low (0.06 percent).

Interest expenses were relatively minor for all sizes of cooperatives, comprising less than 1 percent of total sales. As noted earlier, interest expenses have been increasing as commodity prices have increased. To protect themselves from price fluctuations, many cooperatives use hedges in financial markets. Commodity prices had a steady upward

Table 8—Combined assets for farmer cooperatives, 2007¹

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	1.188	.024	1.212	2.0
Dairy	161	12.003	.201	12.205	1.6
Fruits and vegetables	162	3.946	.109	4.055	2.7
Grains and oilseeds ⁴	612	10.987	1.018	12.005	8.5
Livestock and poultry	68	.530	.016	.546	3.0
Rice	14	.554	.003	.556	0.5
Sugar	32	2.985	.095	3.081	3.1
Other marketing ⁵	172	3.050	.051	3.101	1.6
Total marketing	1,233	35.243	1.518	36.761	4.1
Total supply	1,061	16.743	2.501	19.244	13.0
Service	300	.979	.143	1.123	12.8
Total	2,594	52.965	4.162	57.127	7.3

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 Excludes cottonseed and other oilseed oils and meals. Oilseed oil is included in other marketings while meal is included in supplies (feed).

⁵ Includes dry edible beans and peas, fish, nuts, tobacco, wool, and other marketing.

trend in 2007, making hedges in the futures market more expensive, and cooperatives have been forced to borrow funds to finance their investments.

Other expenses fell as cooperatives grew larger. However, there are many different accounts that could be included in this other expense category. Also included in other expenses were wages, depreciation, and interest 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 could be larger than expected.

Net Operating Margins

This is gross margins minus total expenses but before taxes and patronage refunds from other cooperatives, so it is income generated by the cooperatives' own operations. Net operating margins for all cooperatives in 2007 was \$3.2 billion, excluding inter-cooperative dividends and refunds (Table 11).

Net operating margins as a percent of net sales was about 2 percent for all cooperatives by size (Table 9). Ethanol and most service cooperatives; rice drier, hulling, artificial insemination, and cotton ginning, had high net operating margins. Dairy cooperatives, rice marketing and larger livestock marketing had low net operating margins.

Patronage Income

Refunds received or income from other cooperatives resulted from business 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 investing in the bank, which was usually required in proportion to the funds borrowed.

Patronage refunds received from other cooperatives, including CoBank, totaled \$646 million, up (30 percent) from \$498 million in 2006 (Appendix Figure 6). In 1998, refunds from other cooperatives totaled \$573 million, or 33 percent of total net income. In 2007, refunds had fallen to 17 percent of total net income.

Table 9—Common size analysis by cooperative size, 2007

Cooperative sales size	<\$5 million	From \$5 to \$15 million	From \$15 to \$100 million	From \$100 to \$500 million	>\$500 million	All Sizes
Balance sheet						
	<i>Percent of total assets</i>					
Current assets	53.85	56.87	60.40	62.42	58.58	59.72
Other assets	9.85	5.02	4.82	4.79	13.29	8.99
Investments	8.51	14.66	10.26	7.22	5.23	7.29
PP&E (net)	27.72	23.45	24.52	25.57	22.89	24.00
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	33.08	40.34	46.95	50.03	47.58	47.41
Total liabilities	44.40	48.77	55.89	66.28	67.33	63.33
Allocated equity	41.18	34.55	25.72	22.09	25.80	25.61
Retained earnings	14.28	16.69	18.33	11.63	6.87	11.05
Total equity	55.54	51.23	44.11	33.72	32.67	36.67
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	84.17	87.64	88.26	87.36	90.90	89.45
Gross margin	15.83	12.56	11.74	12.64	9.10	10.56
Service and other income	14.87	7.23	3.73	3.12	0.76	2.21
Gross revenue	30.61	19.72	15.47	15.76	9.86	12.77
Expenses						
Wages	12.16	8.18	5.97	5.80	3.66	4.81
Depreciation	2.20	1.62	1.38	1.37	0.86	1.11
Interest	0.92	0.84	0.98	1.19	0.51	0.76
Other	12.87	6.94	5.09	5.96	2.63	4.08
Total expenses	28.07	17.58	13.42	14.33	7.66	10.77
Net operating margins	2.57	2.14	2.05	1.44	2.20	2.00
Patronage income	1.54	1.17	0.91	0.67	0.15	0.45
Non-operating income	0.58	0.39	0.57	0.38	0.05	0.00
Net income before taxes	4.77	3.52	3.53	2.48	2.40	2.69
Taxes	0.19	0.20	0.35	0.29	0.17	0.23
Net income	4.57	3.32	3.18	2.19	2.23	2.46
Ratios						
	<i>Percent or number</i>					
Current	1.63	1.41	1.29	1.25	1.23	1.26
Debt to asset	0.44	0.49	0.56	0.66	0.67	0.63
Debt to equity	0.80	0.95	1.27	1.97	2.06	1.73
Times interest earned	6.19	5.22	4.62	3.08	5.73	4.54
Total asset turnover	1.43	1.91	2.15	2.27	2.86	2.49
Fixed asset turnover	5.16	8.13	8.76	8.89	12.48	10.39
Gross profit margin	15.83	12.56	11.74	12.64	9.10	10.56
Return on assets	8.13	8.30	9.67	8.35	8.30	8.60
Return on member equity	15.86	18.31	26.53	22.57	24.69	23.95

Table 10—Combined balance sheet data for farmer cooperatives, 2007¹

Principal product(s) marketed and major function	Co-ops	Total assets	Total liabilities	Net worth
Products marketed:	No.	Billion dollars		
Cotton	12	1.21	.79	.42
Dairy	161	12.20	8.83	3.37
Fruits and vegetables	162	4.06	2.68	1.37
Grains and oilseeds ²	612	12.01	8.17	3.84
Livestock and poultry	68	.55	.36	.19
Rice	14	.56	.28	.27
Sugar	32	3.08	1.92	1.16
Other marketing ³	172	3.10	1.51	1.59
Total marketing	1,233	36.76	24.55	12.21
Total supply	1,061	19.24	11.15	8.09
Service	300	1.12	.48	.65
Total	2,594	57.13	36.18	20.95

¹ Totals may not add due to rounding.

² Excludes cottonseed and other oilseed oils and meals. Oilseed oil is included in other marketing, whereas meal is included in supplies (feed).

³ Includes dry edible beans and peas, fish, nuts, tobacco, wool, cottonseed, and other marketing.

Patronage refunds were a little more than 1.5 percent of sales for the smallest cooperatives and fell to 0.2 percent for the largest (Table 9). Smaller cotton ginning cooperatives had patronage refunds of over 5 percent of sales. Livestock marketing, poultry marketing, tobacco marketing, wool marketing, and service cooperatives other than cotton ginning had virtually no patronage refunds.

Non-Operating Income

This 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 they 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

Table 11—Cooperatives' net income before taxes, 2007¹

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	95.7	95.2	.5
Dairy	161	347.7	323.1	24.6
Fruits and vegetables	162	417.1	409.4	7.7
Grains and oilseeds ²	612	601.5	412.2	189.4
Livestock and poultry	68	39.6	15.6	23.9
Rice	14	33.7	33.4	.3
Sugar	32	116.0	114.6	1.4
Other marketing ³	172	304.2	300.7	3.6
Total marketing	1,233	1,955.7	1,704.3	251.3
Total supply	1,061	1,717.7	1,348.4	369.3
Service	300	156.8	131.6	25.1
Total	2,594	3,830.1	3,184.4	645.8

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

² Excludes cottonseed and other oilseed oils and meals. Oilseed oil is included in other marketings, whereas meal is included in supplies (feed).

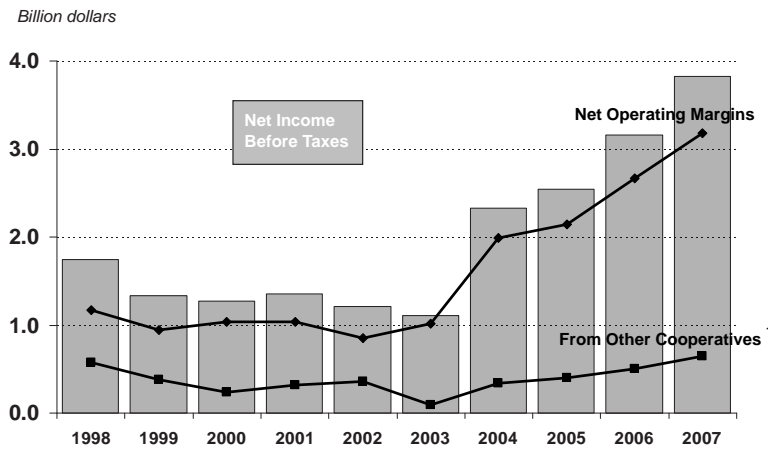
³ Includes dry edible beans and peas, fish, nuts, tobacco, wool, and other marketing.

depreciated asset may mean a loss. Rental income from unused facilities or equipment provides income flows. Extraordinary items might be 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 0.6 percent of sales.

Net Income Before Taxes

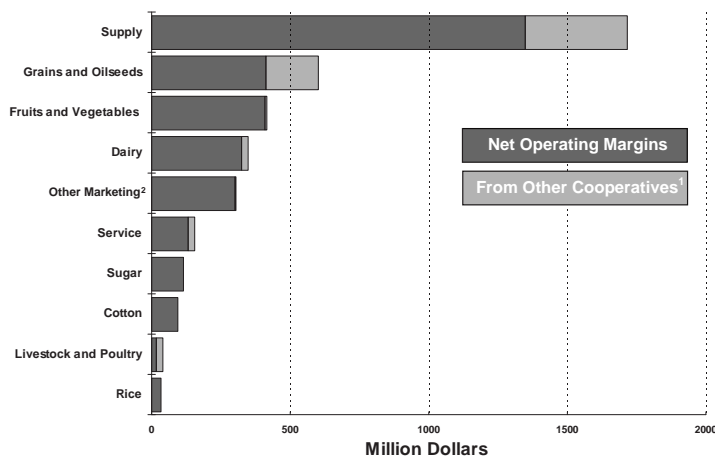
Net income before taxes was a record \$3.8 billion, an increase of 21 percent from the \$3.2 billion in 2006. Net income in 2007 was more than double

Figure 14—Cooperatives' Net Income Before Taxes, 1998-2007



¹ Includes dividends and patronage refunds from other cooperatives and CoBank.

Figure 15—Net Income or Loss, by Type of Cooperative, 2007



¹ Includes dividends and patronage refunds from other cooperatives and CoBank.

² Includes dry bean and pea, nut, tobacco, wool and mohair, fishery, and other product marketing cooperatives.

the \$1.7 billion of 1998 (Appendix Table 7 and Figure 14).

Marketing cooperatives' total net income of \$2 billion was up 31 percent from the \$1.5 billion generated in 2006. Grain and oilseed cooperatives increased their net incomes by more than \$200 million, the most of any marketing cooperative.

Total net income of supply cooperatives was \$1.7 billion in 2007, up 16 percent from \$1.5 billion in 2006 (Figure 15). This accounted for 45 percent of

cooperatives' total net income in 2007, down from 47 percent in 2006 (Appendix Figure 7).

Losses totaled \$155 million in 2007, an 89-percent increase over the \$82 million in losses in 2006. Dairy cooperatives had over 75 percent of the losses (\$121 million, Appendix Figure 8). The number of cooperatives with losses was down from 263 to 216, or a decrease of 18 percent.

Income Taxes

Cooperatives paid income taxes on earnings not allocated to members (retained earnings) and on dividend payments. The individual cooperative's board 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 nonmembers or retain the income. By size, cooperatives paid \$330 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 (5 percent) but fell to 2 percent for cooperatives with sales of \$100 million to \$500 million. The largest cooperatives averaged net incomes after taxes of 2.2 percent of sales. Hulling, rice drier, ethanol marketing, cotton ginning, and artificial insemination cooperatives all

had higher than average net incomes while dairy and livestock marketing cooperatives had lower levels of net income relative to sales.

Selected Financial Ratios

Financial ratios express relationships between items in the balance sheet and income statements of a business operation and 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—the current ratio, debt to asset, debt to equity, times interest earned, total asset turnover, fixed asset turnover, gross profit margin, return on assets, and return on member equity.

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. The current ratio is current assets divided by current liabilities. 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 of mainly 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 probability 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 1.7, meaning current assets exceed current liabilities by less than 1.7 times. If needed, 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 two for these cooperatives: small artificial insemination, small processed and fresh fruit and vegetable, large poultry, tobacco, wool, small transportation, and storage 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 is defined as total debt divided by total assets. Elements include long-term liabilities plus short-term liabilities and total assets. Generally, larger cooperatives relied on the use of more debt financing. Reducing debt, increasing savings, or financing a greater portion of assets with working capital may improve this ratio.

Debt financing was used for about half of assets owned by cooperatives up to \$100 million in sales and rose to 67 percent for the largest cooperatives. Service cooperatives (except hulling), artificial insemination, and tobacco marketing cooperatives had the lowest use of debt financing.

Debt-to-equity ratio is calculated by dividing total liabilities by total member equity. This 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. Other ways include 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 cooperatives' size grew, so did their use of debt. The ratio was 0.8 for the smallest cooperatives and it grew to 2.06 for the largest. Service cooperatives (except hulling), artificial insemination, and tobacco marketing cooperatives had the lowest ratio.

Times interest earned ratio is the number of times interest expense is covered by earnings. It is calculated by dividing earnings before interest and taxes by interest expense. A ratio of 1.0 or more indicates the ability of current earnings to pay current interest expenses. Lending institutions are more apt to loan to cooperatives whose times interest earned ratio is more than 1.0 because it shows their ability to pay

interest payments. Subsequently, a lending institution may lend funds at lower rates more readily for capital improvements.

Collecting old receivables, improving inventory turnover, disposing of assets and reducing debt with proceeds, or reducing debt with working capital, may improve this ratio. Financially, a high ratio affects the return on equity and tends to increase it. Operationally, a high ratio reduces interest cost.

Interest coverage was between six and three for all sizes of cooperatives. Some especially high values were calculated by cooperative type but these values could be influenced by a number of the cooperatives in any particular type not breaking out interest expenses in their surveys or on their annual reports. Artificial insemination, cotton ginning, and service cooperatives had the highest ratios.

Activity Ratios

These ratios measure how well cooperatives use assets. A low ratio could mean that the cooperative was overcapitalized or carrying too much inventory.

Total asset turnover ratio was found by dividing sales by total assets. A high ratio favorably influences finances through the reduction of financial leverage and/or increased return on equity. A high ratio operationally tends to reduce interest costs. The ratio grew from 1.4 to 2.9 as cooperatives were larger. Dairy cooperatives (except the largest and smallest) have a high total asset turnover ratio.

Fixed asset turnover ratio represents sales divided by net PP&E. This ratio is similar to the total-asset turnover ratio and shows how well the cooperative used its fixed assets. This ratio by itself might not give a complete picture of the cooperative's financial health. A cooperative with fully depreciated assets would have an artificially high ratio. A cooperative that invested heavily in PP&E for future expansion will have a temporarily low ratio.

The measure for this ratio may or may not show favorable or unfavorable conditions, but merely cooperative conditions. An abnormally high ratio usually indicates very old, nearly depreciated fixed assets or the leasing of property and equipment. Financially, a high ratio is influenced favorably by increasing asset use, reducing financial leverage, and/or increasing return on equity. Operationally, it tends to reduce depreciation and interest costs. It

may also increase costs related to operating leases, personnel and travel, or delivery expenses. This ratio may be improved by restricting further investments in fixed assets; redesigning production or office facilities to increase the sales generating potential of existing space and equipment; and/or selling idle machinery and parts, unused vehicles, and unnecessary equipment.

The fixed asset turnover ratio was between 5.2 and 12.5 for all sizes of cooperatives. As with the total asset turnover ratio, dairy cooperatives all have a high fixed asset turnover ratio.

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. Gross profit margin, a profitability ratio, was discussed in the income statement so will not be reexamined in this section.

Return on assets measures the rate of return on total investment. It is determined by dividing net income by total assets and usually is calculated before interest and taxes. 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 financially indicates a comparatively high rate of return on assets employed. This ratio rose from 8 for the smallest cooperatives to almost 10 for cooperatives with sales of \$15 million to \$100 million and then fell to 8.3 for cooperatives with \$100 million to \$500 million in sales before rising to 9.1 for the largest cooperatives. It is high for cotton ginning cooperatives and especially high for those cooperatives identified earlier with high net incomes as a percentage of sales (hulling cooperatives and ethanol cooperatives).

Return on member equity is net income divided by allocated equity. It represents members' investment in their cooperative and 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. Operationally, a high ratio tends to reduce interest cost over time but may occur when

both total debt and interest costs are high. By size, the highest return on member equity was over 24 percent for cooperatives with \$15 million to \$100 million in sales and those with sales greater than \$500 million. Cotton ginning cooperatives, hulling cooperatives, and ethanol cooperatives have very high returns on member equity.

APPENDIX TABLES

Appendix Table 1—Number of cooperatives by major business activity, 2007-1998

Major business activity	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Products marketed:	<i>Number</i>									
Bean and pea (dry edible)	6	6	6	6	8	8	9	8	8	8
Cotton	12	13	14	13	14	14	14	14	15	15
Dairy	161	172	193	195	197	198	204	208	221	228
Fruit and vegetable	162	167	188	196	207	212	220	232	231	249
Grain and oilseed ¹	612	642	683	711	772	769	789	826	896	964
Livestock	56	48	59	63	67	66	70	74	81	80
Nuts	17	17	17	18	17	18	18	18	18	18
Poultry ²	12	12	14	17	19	19	19	19	15	18
Rice	14	15	15	15	15	15	15	16	17	17
Sugar ³	32	38	47	44	48	48	48	48	48	52
Tobacco	11	15	19	19	21	22	24	25	25	26
Wool and mohair	63	61	71	74	76	78	80	83	84	91
Other marketing	75	74	86	89	90	92	96	101	90	97
Total marketing	1,233	1,280	1,412	1,460	1,551	1,559	1,606	1,672	1,749	1,863
Total supplies	1,061	1,090	1,128	1,161	1,156	1,201	1,234	1,277	1,313	1,347
Total services	300	305	356	362	379	380	389	397	404	441
Total business	2,594	2,675	2,896	2,983	3,086	3,140	3,229	3,346	3,466	3,651

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.

Appendix Table 2—Cooperative memberships, by major business activity, 2007-1998

Major business activity	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Products marketed:	<i>Thousands</i>									
Bean & pea (dry edible)	1.6	1.6	1.7	1.7	2.1	2.2	2.7	2.8	2.8	2.9
Cotton	41.5	42.7	43.2	43.4	43.4	43.5	45.9	45.4	43.8	41.3
Dairy	67.1	71.4	60.8	71.6	80.8	81.7	91.0	96.9	90.7	92.9
Fruit and vegetable	27.9	28.7	29.8	30.6	32.7	32.5	37.8	41.1	40.9	44.0
Grain and oilseed ¹	465.9	467.0	479.3	496.1	555.3	542.5	581.5	615.3	657.9	728.7
Livestock	78.2	82.3	82.9	96.0	91.9	94.0	105.3	132.1	137.1	161.5
Nuts	15.4	15.4	15.4	14.6	33.8	35.8	40.1	41.7	43.7	46.0
Poultry ²	0.4	0.4	0.4	3.6	26.3	26.1	19.1	29.2	29.2	36.3
Rice	12.1	12.2	12.1	12.1	12.5	12.4	13.9	12.2	11.8	12.9
Sugar ³	11.5	11.8	14.8	13.5	13.9	13.9	16.3	15.6	15.7	15.9
Tobacco	66.2	158.6	160.1	161.1	127.4	127.8	165.7	165.9	170.0	172.8
Wool and mohair	10.1	9.8	10.5	11.2	10.9	11.1	12.6	13.0	15.4	17.9
Other marketing	12.0	11.7	21.2	22.6	23.3	25.5	28.0	31.9	23.9	25.3
Total marketing	809.9	913.7	932.2	978.0	1,054.2	1,049.1	1,160.0	1,243.0	1,282.8	1,398.4
Total supplies	1,525.9	1,522.4	1,538.3	1,599.7	1,590.4	1,637.1	1,745.8	1,717.8	1,731.4	1,773.7
Total services	124.1	133.5	101.2	99.6	113.3	107.4	128.1	124.3	159.1	180.6
Total business	2,459.9	2,569.6	2,571.7	2,677.3	2,758.0	2,793.6	3,033.9	3,085.1	3,173.3	3,352.6

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.

Appendix Table 3—Cooperatives' gross business volume, by type of cooperative, 2007-1998

Major business activity	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Products marketed:	<i>Billion \$</i>									
Beans and peas (dry edible)	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2
Cotton	3.1	3.5	3.5	3.3	2.6	2.5	2.5	2.8	2.2	3.0
Dairy	37.7	29.0	31.0	30.7	26.0	25.9	29.4	25.8	28.5	27.8
Fruits and vegetables	6.9	7.2	7.6	7.7	7.5	8.4	9.7	10.1	10.1	9.9
Grains and oilseeds	28.8	21.7	23.0	24.9	23.6	20.1	22.6	22.9	21.7	25.3
Livestock	3.4	3.4	2.3	3.0	6.8	9.9	9.6	8.0	7.4	7.6
Nuts	0.8	0.8	0.8	1.0	0.9	0.9	0.9	0.7	0.9	0.9
Poultry	1.4	1.4	1.2	3.5	2.7	2.5	2.2	2.2	2.2	2.1
Rice	1.1	1.1	1.0	1.0	1.0	0.8	0.8	0.8	0.9	0.9
Sugar	4.9	3.7	3.5	3.6	3.5	2.4	2.7	2.7	2.7	2.7
Tobacco	0.1	0.2	0.2	0.1	0.1	0.2	0.4	0.6	0.3	0.3
Wool and mohair	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other marketing	4.8	4.4	3.9	3.6	2.6	2.8	3.0	3.7	3.5	3.7
Total marketing	93.1	76.5	78.0	82.7	77.2	76.6	84.0	80.4	80.5	84.5
Supplies purchased:										
Crop protectants	3.7	3.3	3.3	3.2	3.2	3.1	3.6	4.0	3.8	4.1
Feed	8.6	7.3	7.0	7.2	7.2	6.7	5.5	6.6	6.4	7.2
Fertilizer	7.7	6.6	6.4	6.1	6.5	5.2	7.4	7.3	7.3	7.8
Petroleum	21.6	21.8	16.3	14.6	12.8	11.4	14.1	13.3	8.1	8.8
Seed	2.8	2.4	2.1	1.9	1.8	1.6	1.5	1.4	1.1	1.0
Other supplies	4.8	4.5	4.2	3.9	4.0	3.6	4.0	4.1	4.3	4.1
Total supplies	49.3	45.9	39.3	37.0	35.5	31.5	36.1	36.8	30.9	33.0
Services and other income	4.1	4.1	4.3	3.7	4.1	3.4	3.5	3.5	3.9	3.5
Total business	146.6	126.5	121.7	123.4	116.9	111.6	123.6	120.7	115.3	121.0

Appendix Table 4—Cooperatives' net business volume, by type of cooperative 2007-1998

Major business activity	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Products marketed:	<i>Billion \$</i>									
Beans and peas (dry edible)	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2
Cotton	1.8	2.1	3.4	3.2	2.5	2.5	2.4	2.7	2.1	3.0
Dairy	35.5	27.4	28.2	29.1	23.5	23.0	26.2	22.7	26.0	25.3
Fruits and vegetables	4.3	5.8	7.3	6.2	6.9	7.3	8.8	9.6	9.3	9.4
Grains and oilseeds	28.3	21.4	23.0	24.0	20.6	17.5	18.1	18.4	17.1	21.3
Livestock	3.2	3.3	2.3	2.3	6.8	9.9	9.6	8.0	7.3	7.4
Nuts	0.8	0.8	0.8	1.0	0.9	0.9	0.9	0.7	0.9	0.9
Poultry	1.4	1.4	1.1	3.4	2.7	2.4	2.2	2.1	2.2	2.1
Rice	1.1	1.1	0.9	0.9	1.0	0.7	0.8	0.8	0.9	0.9
Sugar	4.0	2.6	3.4	3.5	3.5	2.4	2.6	2.7	2.5	2.4
Tobacco	0.1	0.2	0.2	0.1	0.1	0.2	0.4	0.6	0.3	0.3
Wool and mohair	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other marketing	4.7	4.3	3.7	3.4	2.5	2.6	2.9	3.6	3.1	3.3
Total marketing	85.4	70.4	74.2	77.2	71.0	69.7	75.0	72.1	72.0	76.6
Supplies sold:										
Crop protectants	3.1	3.0	3.0	2.9	2.8	2.7	3.0	3.0	3.0	3.2
Feed	7.6	6.3	5.4	5.1	5.9	5.4	4.0	4.7	4.7	5.4
Fertilizer	6.8	5.9	5.4	5.1	4.6	4.3	5.0	4.6	4.8	5.2
Petroleum	14.7	15.2	9.8	8.9	7.5	7.2	8.4	7.5	6.3	6.6
Seed	1.8	1.5	1.3	1.5	1.2	1.1	1.1	0.9	0.8	0.7
Other supplies	4.3	4.0	3.7	3.4	3.5	3.0	3.3	3.4	3.7	3.5
Total supplies	38.3	35.9	28.4	27.0	25.5	23.7	24.8	24.1	23.2	24.6
Services and other income	4.1	4.1	3.9	3.7	4.1	3.4	3.5	3.5	3.9	3.5
Total business	127.8	110.5	106.5	107.9	100.6	96.8	103.3	99.7	99.1	104.7

Appendix Table 5—Combined balance sheet data for cooperatives, 1998-2007

Year	Assets from own operations	Investments in other cooperatives ¹	Total assets	Total liabilities	Net worth
<i>Billion dollars</i>					
1998	41.884	4.676	46.560	26.606	19.954
1999	42.330	5.352	47.682	27.418	20.263
2000	44.635	5.087	49.722	29.447	20.275
2001	43.285	5.180	48.465	28.317	20.148
2002	41.947	5.539	47.486	27.883	19.602
2003	42.864	4.058	46.922	26.493	20.429
2004	42.356	4.797	47.153	26.766	20.386
2005	42.241	4.337	46.578	27.048	19.530
2006	44.359	3.522	47.882	27.955	19.927
2007	52.965	4.162	57.127	36.178	20.950
<i>Percent of total assets</i>					
1998	90.0	10.0	100.0	57.1	42.9
1999	88.8	11.2	100.0	57.5	42.5
2000	89.8	10.2	100.0	59.2	40.8
2001	89.3	10.7	100.0	58.4	41.6
2002	88.3	11.7	100.0	58.7	41.3
2003	91.4	8.6	100.0	56.5	43.5
2004	89.8	10.2	100.0	56.8	43.2
2005	90.7	9.3	100.0	58.1	41.9
2006	92.6	7.4	100.0	58.4	41.6
2007	92.7	7.3	100.0	63.3	36.7

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

Appendix table 6—Common size analysis, by cooperative type and size, 2007

Type of cooperative	Artificial insemination		Cotton marketing		Cotton services
	> \$15 million	< \$15 million	> \$50 million	< \$50 million	
Cooperative sales size					all sizes
Balance sheet	<i>Percent of total assets</i>				
Current assets	54.74	63.54	77.00	62.18	62.80
Other assets	14.80	13.64	2.28	3.21	8.63
Investments	3.14	9.98	2.03	1.36	8.59
PP&E (net)	27.32	12.85	18.70	33.25	19.98
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	28.15	25.37	56.70	46.26	51.91
Total liabilities	34.42	27.14	65.89	57.16	60.15
Allocated equity	38.81	36.33	24.00	25.87	37.50
Retained earnings	26.77	36.53	10.11	16.97	2.36
Total equity	65.58	72.86	34.11	42.84	39.85
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	
Cost of goods sold	25.07	32.85	91.32	80.10	
Gross margin	74.93	67.15	8.68	19.90	
Service and other income	11.41	8.42	2.15	0.86	100.00
Gross revenue	86.34	75.57	10.83	20.76	100.00
Expenses					
Wages	45.34	40.67	2.19	4.24	19.83
Depreciation	4.42	2.08	0.65	1.41	2.62
Interest	0.88	0.02	0.68	1.23	4.32
Other	27.99	22.06	4.60	5.86	40.52
Total expenses	78.63	64.83	8.13	12.73	67.28
Net operating margins	7.71	10.74	2.70	8.03	32.72
Patronage income	0.18	0.52	0.01	0.04	0.31
Non-operating income	1.69	0.97	0.07	0.43	0.33
Net income before taxes	9.58	12.23	2.78	8.50	33.36
Taxes	1.80	1.21	-0.08	-0.01	0.09
Net income	7.78	11.02	2.87	8.51	33.27
Ratios	<i>Percent or number</i>				
Current	1.95	2.50	1.36	1.34	1.21
Debt to asset	0.34	0.27	0.66	0.57	0.60
Debt to equity	0.52	0.37	1.93	1.33	1.51
Times interest earned	11.92	527.04	5.07	7.93	8.73
Total asset turnover	1.26	1.23	2.59	2.34	0.00
Fixed asset turnover	4.62	9.59	13.88	7.05	0.00
Gross profit margin	74.93	67.15	8.68	19.90	0.00
Return on assets	13.20	15.10	8.99	22.81	18.30
Return on member equity	25.31	37.38	30.98	77.15	43.09

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Cotton ginning			
	Cooperative sales size > \$10 million	From \$5 to \$10 million	From \$1 to \$5 million	< \$1 million
Balance sheet	<i>Percent of total assets</i>			
Current assets	60.21	35.99	38.03	31.95
Other assets	2.88	3.15	6.76	10.07
Investments	11.67	19.06	11.97	8.18
PP&E (net)	25.24	41.79	43.24	49.80
Total assets	100.00	100.00	100.00	100.00
Current liabilities	43.72	27.52	28.14	23.69
Total liabilities	56.91	45.52	42.23	50.24
Allocated equity	41.89	41.38	47.56	41.45
Retained earnings	1.20	13.10	10.20	8.31
Total equity	43.09	54.48	57.77	49.76
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	91.05	83.75	81.65	82.18
Gross margin	8.95	16.25	18.35	17.82
Service and other income	14.21	30.20	61.56	84.79
Gross revenue	23.16	46.45	79.90	102.60
Expenses				
Wages	6.80	13.09	21.11	31.22
Depreciation	1.23	4.66	6.64	9.73
Interest	0.90	1.63	1.64	3.77
Other	7.63	24.89	40.11	54.60
Total expenses	16.55	44.27	69.50	99.31
Net operating margins	6.61	2.17	10.41	3.29
Patronage income	1.61	5.15	7.25	9.77
Non-operating income	0.56	1.37	1.28	0.89
Net income before taxes	8.78	8.69	18.94	13.96
Taxes	0.03	0.14	0.12	0.01
Net income	8.75	8.55	18.82	13.95
Ratios	<i>Percent or number</i>			
Current	1.38	1.31	1.35	1.35
Debt to asset	0.57	0.46	0.42	0.50
Debt to equity	1.32	0.84	0.73	1.01
Times interest earned	10.79	6.33	12.58	4.71
Total asset turnover	2.44	1.26	0.80	0.50
Fixed asset turnover	9.66	3.01	1.84	1.01
Gross profit margin	8.95	16.25	18.35	17.82
Return on assets	23.59	12.97	16.39	8.94
Return on member equity	50.93	25.96	31.53	16.97

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Dairy and dairy products				
	Cooperative sales size > \$1 billion	\$500 million to \$1 billion	\$200 to \$500 million	\$50 to \$200 million	\$20 to \$50 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	59.17	64.68	67.28	71.55	60.69
Other assets	21.30	3.47	3.56	2.04	4.44
Investments	1.41	1.36	1.95	5.98	12.84
PP&E (net)	18.12	30.49	27.21	20.42	22.04
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	52.40	57.83	43.18	57.43	55.62
Total liabilities	73.38	69.42	68.76	63.15	62.22
Allocated equity	22.91	27.56	23.88	26.57	31.42
Retained earnings	3.72	3.02	7.35	10.28	6.36
Total equity	26.62	30.58	31.24	36.85	37.78
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	94.21	88.71	91.72	94.66	94.36
Gross margin	5.79	11.29	8.28	5.34	5.64
Service and other income	0.27	1.22	0.09	0.64	1.59
Gross revenue	6.07	12.51	8.37	5.98	7.24
Expenses					
Wages	3.40	3.39	2.74	1.97	1.91
Depreciation	0.67	0.67	0.63	0.38	0.51
Interest	0.42	0.31	0.49	0.10	0.31
Other	1.12	6.55	3.03	2.54	4.11
Total expenses	5.62	10.93	6.90	4.99	6.83
Net operating margins	0.45	1.59	1.47	0.99	0.40
Patronage income	0.06	0.03	0.04	0.05	0.31
Non-operating income	0.12	-0.27	0.06	0.08	0.09
Net income before taxes	0.63	1.35	1.57	1.13	0.80
Taxes	0.12	0.06	0.09	0.06	0.00
Net income	0.51	1.29	1.49	1.07	0.80
Ratios					
	<i>Percent or number</i>				
Current	1.13	1.12	1.56	1.25	1.09
Debt to asset	0.73	0.69	0.69	0.63	0.62
Debt to equity	2.76	2.27	2.20	1.71	1.65
Times interest earned	2.49	5.28	4.18	11.93	3.63
Total asset turnover	3.19	5.19	4.40	5.90	8.75
Fixed asset turnover	17.59	17.03	16.19	28.89	39.68
Gross profit margin	5.79	11.29	8.28	5.34	5.64
Return on assets	3.36	8.63	9.10	7.28	9.70
Return on member equity	7.04	24.33	27.40	23.75	22.28

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (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	71.25	56.69	60.34	56.62
Other assets	2.52	12.24	9.91	16.86
Investments	12.51	18.35	10.26	0.00
PP&E (net)	13.72	12.71	19.49	26.52
Total assets	100.00	100.00	100.00	100.00
Current liabilities	57.97	44.74	48.98	50.22
Total liabilities	63.86	49.58	55.13	62.84
Allocated equity	29.70	42.22	35.39	23.83
Retained earnings	6.44	8.20	9.48	13.33
Total equity	36.14	50.42	44.87	37.16
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	94.92	93.61	92.63	92.29
Gross margin	5.08	6.39	7.37	7.71
Service and other income	1.47	1.67	3.53	8.63
Gross revenue	6.55	8.06	10.90	16.33
Expenses				
Wages	1.88	2.78	3.26	6.34
Depreciation	0.27	0.52	0.61	1.73
Interest	0.20	0.23	0.37	0.78
Other	3.61	3.92	6.55	8.15
Total expenses	5.97	7.46	10.58	17.00
Net operating margins	0.58	0.61	0.33	-0.67
Patronage income	0.27	0.29	-0.13	0.01
Non-operating income	0.09	0.46	0.25	0.57
Net income before taxes	0.94	1.36	0.45	-0.09
Taxes	0.03	0.00	0.02	0.00
Net income	0.92	1.36	0.43	-0.09
Ratios				
	<i>Percent or number</i>			
Current	1.23	1.27	1.23	1.13
Debt to asset	0.64	0.50	0.55	0.63
Debt to equity	1.77	0.98	1.23	1.69
Times interest earned	5.68	6.94	2.22	0.88
Total asset turnover	7.90	6.38	4.86	2.36
Fixed asset turnover	57.59	50.19	24.95	8.90
Gross profit margin	5.08	6.39	7.37	7.71
Return on assets	9.03	10.17	4.00	1.63
Return on member equity	24.35	20.59	5.93	-0.90

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (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	57.40	58.66	57.97	59.15	73.66	62.12
Other assets	5.85	11.51	7.69	5.29	7.96	16.58
Investments	4.29	3.46	2.42	5.28	2.57	0.00
PP&E (net)	32.47	26.37	31.92	30.28	15.81	21.30
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	38.55	43.00	45.64	45.42	54.26	52.82
Total liabilities	61.76	58.61	60.71	53.26	71.68	62.64
Allocated equity	20.64	27.65	28.19	35.28	19.94	24.80
Retained earnings	17.60	13.74	11.10	11.46	8.37	12.56
Total equity	38.24	41.39	39.29	46.74	28.32	37.36
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	76.38	83.86	76.46	83.15	81.04	83.17
Gross margin	23.62	16.14	23.54	16.85	18.96	16.83
Service and other income	1.69	5.43	4.37	6.88	20.82	23.02
Gross revenue	25.31	21.58	27.91	23.72	39.78	39.84
Expenses						
Wages	13.12	8.99	10.88	9.88	14.35	22.35
Depreciation	1.55	1.29	1.54	1.78	1.65	2.59
Interest	0.63	0.72	1.58	0.58	2.53	0.52
Other	8.66	9.27	11.52	10.02	19.58	13.12
Total expenses	23.96	20.26	25.52	22.26	38.11	38.59
Net operating margins	1.35	1.31	2.40	1.47	1.66	1.26
Patronage income	0.10	0.19	0.10	0.38	0.34	0.00
Non-operating income	0.39	0.95	0.29	0.76	2.65	0.34
Net income before taxes	1.84	2.46	2.78	2.60	4.66	1.60
Taxes	0.18	0.23	0.04	0.06	0.10	0.02
Net income	1.65	2.23	2.74	2.55	4.56	1.58
Ratios						
	<i>Percent or number</i>					
Current	1.49	1.36	1.27	1.30	1.36	1.18
Debt to asset	0.62	0.59	0.61	0.53	0.72	0.63
Debt to equity	1.61	1.42	1.55	1.14	2.53	1.68
Times interest earned	3.92	4.42	2.76	5.46	2.84	4.04
Total asset turnover	2.55	2.80	2.68	1.70	0.97	1.48
Fixed asset turnover	7.87	10.60	8.39	5.62	6.13	6.93
Gross profit margin	23.62	16.14	23.54	16.85	18.96	16.83
Return on assets	6.29	8.88	11.67	5.43	6.96	3.13
Return on member equity	20.43	22.53	26.01	12.30	22.17	9.40

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Fruit and vegetable (processed and fresh sales)				
	Cooperative sales size > \$300 million	\$100 to \$300 million	\$10 to \$100 million	\$1 to \$10 million	Less than \$1 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	54.54	66.52	65.45	78.73	55.24
Other assets	14.78	5.07	4.35	16.93	9.51
Investments	2.02	1.98	6.26	0.34	3.33
PP&E (net)	28.66	26.44	23.93	4.00	31.92
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	36.54	47.03	58.48	68.26	22.23
Total liabilities	66.61	68.43	69.55	75.09	66.51
Allocated equity	26.73	16.33	26.03	22.76	12.50
Retained earnings	6.66	15.24	4.42	2.15	20.99
Total equity	33.39	31.57	30.45	24.91	33.49
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	75.87	80.04	78.08	86.74	69.86
Gross margin	24.13	19.96	21.92	13.26	30.14
Service and other income	3.27	0.51	3.48	36.64	0.17
Gross revenue	27.39	20.47	25.40	49.90	30.31
Expenses					
Wages	8.68	9.95	9.04	11.59	23.23
Depreciation	2.18	1.85	1.45	1.12	2.75
Interest	1.09	1.20	1.32	1.46	1.91
Other	7.84	4.43	13.37	13.03	1.63
Total expenses	19.78	17.43	25.18	27.20	29.52
Net operating margins	7.61	3.04	0.21	22.70	0.79
Patronage income	0.05	0.03	0.61	0.04	0.21
Non-operating income	0.25	0.07	0.51	1.73	0.00
Net income before taxes	7.90	3.15	1.34	24.47	1.00
Taxes	-0.12	0.02	-0.01	3.88	0.15
Net income	8.02	3.13	1.35	20.58	0.84
Ratios					
	<i>Percent or number</i>				
Current	1.49	1.41	1.12	1.15	2.49
Debt to asset	0.67	0.68	0.70	0.75	0.67
Debt to equity	1.99	2.17	2.28	3.02	1.99
Times interest earned	8.24	3.62	2.01	17.81	1.52
Total asset turnover	1.83	1.61	1.45	0.60	1.67
Fixed asset turnover	6.40	6.09	6.08	14.94	5.23
Gross profit margin	24.13	19.96	21.92	13.26	30.14
Return on assets	16.49	7.01	3.87	15.49	4.85
Return on member equity	55.02	30.86	7.52	54.04	11.27

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Supply (with 100% supply sales)				
	Cooperative sales size > \$500 million	\$100 million to \$310 million	\$50 to \$100 million	\$30 to \$50 million	\$25 to 30 million
Balance sheet					
	<i>Percent of total assets</i>				
Current assets	58.84	58.81	54.53	54.97	50.81
Other assets	17.72	4.70	3.02	2.80	6.46
Investments	9.09	4.84	17.63	17.99	19.15
PP&E (net)	14.35	31.65	24.82	24.24	23.58
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	40.11	45.69	36.64	39.75	38.59
Total liabilities	59.50	62.24	45.49	46.27	48.41
Allocated equity	26.15	24.11	30.55	31.60	32.84
Retained earnings	14.35	13.65	23.96	22.14	18.75
Total equity	40.50	37.76	54.51	53.73	51.59
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	91.54	87.41	86.45	85.47	84.71
Gross margin	8.46	12.59	13.55	14.53	15.29
Service and other income	0.78	1.23	3.45	2.56	2.42
Gross revenue	9.24	13.82	17.00	17.09	17.71
Expenses					
Wages	4.02	5.94	7.20	7.45	8.02
Depreciation	0.50	1.42	1.17	1.42	1.46
Interest	0.63	0.97	0.70	0.76	0.81
Other	2.14	3.44	4.56	5.50	5.45
Total expenses	7.30	11.76	13.63	15.12	15.74
Net operating margins	1.94	2.06	3.37	1.97	1.97
Patronage income	0.89	0.83	1.48	1.70	2.37
Non-operating income	0.05	0.25	0.13	0.16	0.13
Net income before taxes	2.88	3.14	4.98	3.83	4.45
Taxes	0.37	0.63	0.71	0.50	0.43
Net income	2.51	2.51	4.26	3.33	4.02
Ratios					
	<i>Percent or number</i>				
Current	1.47	1.29	1.49	1.38	1.32
Debt to asset	0.60	0.62	0.45	0.46	0.48
Debt to equity	1.47	1.65	0.83	0.86	0.94
Times interest earned	5.58	4.25	8.07	6.06	6.48
Total asset turnover	3.16	2.23	2.49	2.22	2.17
Fixed asset turnover	22.00	7.04	10.02	9.14	9.22
Gross profit margin	8.46	12.59	13.55	14.53	15.29
Return on assets	11.09	9.15	14.13	10.16	11.45
Return on member equity	30.31	23.23	34.70	23.33	26.62

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Supply (with 100% supply sales)						
	Cooperative sales size	\$20 to \$25 million	\$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	56.16	50.60	53.72	58.71	54.44	61.91	
Other assets	1.69	3.39	2.89	4.91	9.25	11.26	
Investments	19.69	20.19	20.43	14.45	16.07	6.39	
PP&E (net)	22.46	25.82	22.95	21.93	20.24	20.43	
Total assets	100.00	100.00	100.00	100.00	100.00	100.00	
Current liabilities	42.28	34.13	37.49	34.78	31.22	39.93	
Total liabilities	50.65	42.44	43.67	40.97	39.96	50.23	
Allocated equity	31.80	36.00	37.11	38.57	42.75	36.76	
Retained earnings	17.18	21.55	19.22	20.46	17.29	13.01	
Total equity	49.35	57.56	56.33	59.03	60.04	49.77	
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	84.44	85.80	85.34	85.37	85.45	83.96	
Gross margin	15.56	14.20	15.93	14.63	14.55	16.04	
Service and other income	2.38	2.65	3.72	2.93	4.15	6.98	
Gross revenue	17.94	16.85	19.65	17.56	18.70	23.01	
Expenses							
Wages	8.84	8.07	8.61	9.36	10.20	16.02	
Depreciation	1.65	1.62	1.62	1.40	1.44	1.37	
Interest	0.93	0.64	0.68	0.57	0.70	0.80	
Other	5.36	4.89	5.59	4.74	5.35	5.99	
Total expenses	16.78	15.22	16.51	16.07	17.71	24.18	
Net operating margins	1.17	1.62	3.15	1.50	1.01	-1.17	
Patronage income	2.07	2.12	1.99	1.37	1.55	0.29	
Non-operating income	0.43	0.39	0.23	0.14	0.47	0.31	
Net income before taxes	3.67	4.14	4.10	3.01	3.04	-0.57	
Taxes	0.40	0.47	0.37	0.26	0.27	0.02	
Net income	3.27	3.67	3.73	2.74	2.74	-0.59	
Ratios		<i>Percent or number</i>					
Current	1.33	1.48	1.43	1.69	1.74	1.55	
Debt to asset	0.51	0.42	0.44	0.41	0.40	0.50	
Debt to equity	1.03	0.74	0.78	0.69	0.67	1.01	
Times interest earned	4.94	7.50	6.98	6.31	5.34	0.29	
Total asset turnover	2.04	2.10	1.97	2.02	1.75	1.73	
Fixed asset turnover	9.10	8.15	8.58	9.20	8.65	8.46	
Gross profit margin	15.56	14.20	15.93	14.63	14.55	16.04	
Return on assets	9.40	10.05	9.41	7.21	6.55	0.39	
Return on member equity	21.01	21.45	19.77	14.34	11.23	-2.78	

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Mixed supply (with 99% to 50% supply sales)			
	Cooperative sales size \$250 to \$900 million	\$100 to \$200 million	\$50 to \$100 million	\$30 to \$50 million
Balance sheet				
	<i>Percent of total assets</i>			
Current assets	63.63	60.45	58.70	57.99
Other assets	1.45	3.41	4.42	4.46
Investments	11.59	13.88	16.88	13.59
PP&E (net)	23.33	22.26	19.99	23.96
Total assets	100.00	100.00	100.00	100.00
Current liabilities	47.42	48.58	47.37	43.29
Total liabilities	64.00	59.61	57.49	52.67
Allocated equity	24.99	20.89	21.37	31.05
Retained earnings	11.01	19.50	21.14	16.28
Total equity	36.00	40.39	42.51	47.33
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	89.94	88.49	88.14	86.93
Gross margin	10.06	11.51	11.86	13.07
Service and other income	3.38	3.39	4.04	4.30
Gross revenue	13.44	14.90	15.90	17.37
Expenses				
Wages	5.61	6.56	7.21	7.97
Depreciation	1.35	1.50	1.42	1.70
Interest	1.36	1.16	1.14	0.94
Other	4.10	4.69	5.24	5.51
Total expenses	12.42	13.91	15.01	16.11
Net operating margins	1.02	0.99	0.88	1.26
Patronage income	1.77	1.29	1.52	1.49
Non-operating income	0.63	0.48	0.68	0.41
Net income before taxes	3.43	2.76	3.08	3.15
Taxes	0.51	0.61	0.52	0.31
Net income	2.92	2.15	2.56	2.84
Ratios				
	<i>Percent or number</i>			
Current	1.34	1.24	1.24	1.34
Debt to asset	0.64	0.60	0.57	0.53
Debt to equity	1.78	1.48	1.35	1.11
Times interest earned	3.51	3.38	3.71	4.37
Total asset turnover	2.43	2.31	2.32	2.06
Fixed asset turnover	10.40	10.40	11.62	8.61
Gross profit margin	10.06	11.51	11.86	13.07
Return on assets	11.62	9.07	9.81	8.43
Return on member equity	28.34	23.82	27.81	18.83

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (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	59.91	57.75	60.31	56.08
Other assets	4.57	3.99	2.78	7.48
Investments	15.55	15.20	16.16	10.89
PP&F (net)	19.97	23.06	20.75	25.55
Total assets	100.00	100.00	100.00	100.00
Current liabilities	47.96	39.68	36.55	33.72
Total liabilities	55.26	46.65	42.06	42.77
Allocated equity	28.56	33.70	34.02	40.36
Retained earnings	16.18	19.64	23.92	17.33
Total equity	44.74	53.35	57.94	57.23
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	88.73	87.28	87.76	86.96
Gross margin	11.27	12.72	11.88	13.04
Service and other income	4.04	4.99	4.47	4.88
Gross revenue	15.31	17.71	16.35	16.98
Expenses				
Wages	6.96	8.10	7.60	10.26
Depreciation	1.48	1.66	1.62	1.45
Interest	1.03	0.74	0.71	0.66
Other	4.51	5.42	5.70	5.23
Total expenses	13.98	15.98	15.63	17.61
Net operating margins	1.33	1.73	0.72	-0.63
Patronage income	1.61	1.32	1.43	0.77
Non-operating income	0.52	0.11	0.28	0.37
Net income before taxes	3.45	3.16	2.79	1.45
Taxes	0.40	0.32	0.22	0.09
Net income	3.05	2.84	2.57	1.36
Ratios				
	<i>Percent or number</i>			
Current	1.25	1.46	1.65	1.66
Debt to asset	0.55	0.47	0.42	0.43
Debt to equity	1.24	0.87	0.73	0.75
Times interest earned	4.34	5.24	4.93	3.18
Total asset turnover	2.10	1.96	2.18	1.90
Fixed asset turnover	10.54	8.50	10.48	7.44
Gross profit margin	11.27	12.72	11.88	13.04
Return on assets	9.45	7.66	7.62	4.01
Return on member equity	22.49	16.55	16.45	6.39

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)**Type of cooperative Mixed grain and oilseed marketing (with 49% to 25% supply sales)**

Cooperative sales size	\$225 to \$450 million	\$100 to \$200 million	\$50 to \$100 million	\$30 to \$50 million
Balance sheet				
	<i>Percent of total assets</i>			
Current assets	67.36	63.58	68.66	69.01
Other assets	1.92	10.81	2.01	2.05
Investments	9.30	9.24	10.00	10.11
PP&E (net)	21.43	16.36	19.33	18.83
Total assets	100.00	100.00	100.00	100.00
Current liabilities	59.00	56.86	57.81	58.65
Total liabilities	72.50	72.21	66.94	65.96
Allocated equity	16.06	16.27	20.39	21.68
Retained earnings	11.45	11.52	12.67	12.36
Total equity	27.50	27.79	33.06	34.04
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	91.31	91.59	91.15	91.84
Gross margin	8.69	8.41	8.85	8.16
Service and other income	3.06	5.19	3.70	4.45
Gross revenue	11.75	13.60	12.56	12.61
Expenses				
Wages	3.75	4.80	4.81	4.86
Depreciation	1.38	1.27	1.31	1.35
Interest	1.37	1.75	1.27	1.11
Other	4.07	4.43	4.18	4.07
Total expenses	10.56	12.25	11.56	11.48
Net operating margins	1.19	1.35	1.00	1.14
Patronage income	1.09	0.84	0.92	0.93
Non-operating income	0.29	0.29	0.73	0.66
Net income before taxes	2.57	2.48	2.65	2.73
Taxes	0.44	0.34	0.42	0.22
Net income	2.13	2.14	2.23	2.52
Ratios				
	<i>Percent or number</i>			
Current	1.14	1.12	1.19	1.18
Debt to asset	0.72	0.72	0.67	0.66
Debt to equity	2.64	2.60	2.02	1.94
Times interest earned	2.88	2.42	3.09	3.47
Total asset turnover	1.90	1.83	2.15	2.05
Fixed asset turnover	8.89	11.21	11.13	10.87
Gross profit margin	8.69	8.41	8.85	8.16
Return on assets	7.50	7.76	8.44	7.86
Return on member equity	25.23	24.10	23.51	23.74

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (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	65.60	69.29	66.25	67.25	64.88
Other assets	4.11	4.23	5.71	6.45	9.12
Investments	9.33	6.67	7.86	6.94	5.53
PP&E (net)	20.96	19.81	20.18	19.36	20.47
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	53.39	59.21	52.65	49.62	44.99
Total liabilities	60.55	66.35	60.65	56.79	53.38
Allocated equity	25.38	21.21	23.60	26.49	28.90
Retained earnings	14.08	12.44	15.76	16.72	17.72
Total equity	39.45	33.65	39.35	43.21	46.62
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	91.85	91.68	91.86	91.69	90.01
Gross margin	8.15	8.32	8.14	8.31	9.99
Service and other income	4.06	4.15	3.85	4.18	4.80
Gross revenue	12.22	12.47	11.76	12.49	14.79
Expenses					
Wages	4.78	4.83	5.25	5.38	7.12
Depreciation	1.42	1.52	1.50	1.46	1.45
Interest	0.93	1.10	1.03	0.70	0.70
Other	4.07	4.26	3.64	4.30	4.64
Total expenses	11.19	11.70	11.43	11.69	13.91
Net operating margins	1.02	0.77	0.33	0.80	1.17
Patronage income	0.80	0.88	0.76	0.53	0.40
Non-operating income	0.34	0.46	0.29	0.31	0.22
Net income before taxes	2.17	2.10	1.61	1.64	1.50
Taxes	0.19	0.15	0.12	0.05	0.02
Net income	1.98	1.96	1.48	1.59	1.47
Ratios					
	<i>Percent or number</i>				
Current	1.23	1.17	1.26	1.36	1.44
Debt to asset	0.61	0.66	0.61	0.57	0.53
Debt to equity	1.53	1.97	1.54	1.31	1.14
Times interest earned	3.32	2.92	2.56	3.35	3.13
Total asset turnover	2.19	1.96	2.20	2.04	1.99
Fixed asset turnover	10.47	9.90	10.90	10.55	9.74
Gross profit margin	8.15	8.32	8.14	8.31	9.99
Return on assets	6.80	6.28	5.80	4.78	4.38
Return on member equity	17.11	18.08	13.81	12.23	10.16

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)**Type of cooperative Grain and oilseed marketing (with less than 25% supply sales)**

Cooperative sales size	\$100 to \$250 million	\$50 to \$100 million	\$30 to \$50 million	\$20 to \$30 million
Balance sheet				
	<i>Percent of total assets</i>			
Current assets	67.60	68.75	68.89	66.12
Other assets	3.38	2.15	3.57	4.15
Investments	6.34	6.75	5.64	5.43
PP&E (net)	22.68	22.35	21.90	24.31
Total assets	100.00	100.00	100.00	100.00
Current liabilities	58.78	57.95	55.99	58.10
Total liabilities	70.83	67.83	63.96	66.02
Allocated equity	18.09	19.75	22.22	17.94
Retained earnings	11.08	12.42	13.82	16.03
Total equity	29.17	32.17	36.04	33.98
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	92.59	93.40	92.37	93.87
Gross margin	7.41	6.60	7.63	6.13
Service and other income	2.84	2.98	2.56	3.02
Gross revenue	10.25	9.58	10.19	9.15
Expenses				
Wages	2.81	3.04	4.31	2.84
Depreciation	1.15	1.06	1.18	1.20
Interest	1.29	1.24	1.15	1.24
Other	3.26	2.51	2.96	2.50
Total expenses	8.50	7.85	9.60	7.78
Net operating margins	1.75	1.74	0.58	1.37
Patronage income	0.50	0.41	0.39	0.25
Non-operating income	0.72	0.22	0.26	0.77
Net income before taxes	2.97	2.37	1.23	2.40
Taxes	0.32	0.30	0.13	0.29
Net income	2.65	2.07	1.09	2.11
Ratios				
	<i>Percent or number</i>			
Current	1.15	1.19	1.23	1.14
Debt to asset	0.71	0.68	0.64	0.66
Debt to equity	2.43	2.11	1.77	1.94
Times interest earned	3.31	2.91	2.06	2.94
Total asset turnover	1.98	2.44	2.31	2.30
Fixed asset turnover	8.74	10.93	10.56	9.46
Gross profit margin	7.41	6.60	7.63	6.13
Return on assets	8.43	8.83	5.52	8.36
Return on member equity	29.01	25.64	11.40	27.06

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)**Type of cooperative Grain and oilseed marketing (with less than 25% supply sales)**

Cooperative sales size	\$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	67.86	65.31	65.32	61.53
Other assets	1.44	2.95	5.84	10.03
Investments	5.72	6.45	4.55	3.98
PP&E (net)	24.98	25.28	24.29	24.47
Total assets	100.00	100.00	100.00	100.00
Current liabilities	57.60	49.25	47.67	45.71
Total liabilities	68.00	55.78	56.65	56.02
Allocated equity	17.13	22.56	23.51	29.49
Retained earnings	14.86	21.66	19.83	14.49
Total equity	32.00	44.22	43.35	43.98
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	94.65	94.47	93.11	91.16
Gross margin	5.35	5.53	6.89	8.84
Service and other income	2.65	3.25	3.38	5.91
Gross revenue	8.00	8.78	10.26	14.75
Expenses				
Wages	2.56	3.24	3.37	5.36
Depreciation	1.04	1.22	1.12	1.49
Interest	0.93	0.77	0.86	0.80
Other	2.45	2.61	3.66	5.85
Total expenses	6.99	7.84	9.01	13.51
Net operating margins	1.01	0.94	1.25	1.24
Patronage income	0.28	0.27	0.14	0.22
Non-operating income	0.17	0.88	0.49	0.08
Net income before taxes	1.45	2.09	1.88	1.53
Taxes	0.09	0.21	0.06	0.01
Net income	1.36	1.88	1.82	1.52
Ratios				
	<i>Percent or number</i>			
Current	1.18	1.33	1.37	1.35
Debt to asset	0.68	0.56	0.57	0.56
Debt to equity	2.13	1.26	1.31	1.27
Times interest earned	2.56	3.72	3.19	2.90
Total asset turnover	2.46	2.62	2.70	1.99
Fixed asset turnover	9.86	10.36	11.13	8.13
Gross profit margin	5.35	5.53	6.89	8.84
Return on assets	5.87	7.50	7.41	4.64
Return on member equity	19.56	21.80	20.96	10.23

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Fish marketing				Poultry marketing	
	> \$10 million	\$5 to \$10 million	\$1 to \$5 million	Less than \$1 million	> \$100 million	< \$50 million
Balance sheet						
	<i>Percent of total assets</i>					
Current assets	62.86	34.65	55.92	46.02	64.41	54.72
Other assets	11.70	0.24	0.19	0.18	0.37	12.53
Investments	0.04	0.00	0.00	0.00	1.54	1.36
PP&E (net)	25.40	65.11	43.89	53.80	33.67	31.39
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	50.35	17.61	45.33	34.23	28.63	34.83
Total liabilities	59.10	75.52	66.66	60.02	43.45	44.19
Allocated equity	26.55	22.30	24.72	39.55	16.93	26.93
Retained earnings	14.35	2.12	8.62	0.44	39.62	28.88
Total equity	40.90	23.93	33.34	39.98	56.55	55.81
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	79.51	74.55	85.57	86.96	86.69	74.27
Gross margin	20.49	25.45	14.43	13.04	13.31	25.73
Service and other income	2.75	5.89	1.14	3.20	12.48	0.63
Gross revenue	22.81	25.91	15.52	17.73	25.79	26.35
Expenses						
Wages	13.90	7.41	5.13	8.53	5.63	10.93
Depreciation	1.28	2.92	0.86	0.90	0.96	1.08
Interest	0.85	0.40	0.57	0.52	0.59	0.13
Other	5.77	15.67	7.09	7.64	17.56	13.52
Total expenses	21.80	26.39	13.65	17.59	24.74	25.65
Net operating margins	1.02	-0.49	1.88	0.14	1.05	0.70
Patronage income	0.00	0.02	0.05	0.10	3.25	0.05
Non-operating income	0.44	5.44	0.04	0.00	1.25	0.01
Net income before taxes	1.46	4.95	1.97	0.24	5.55	0.76
Taxes	0.02	0.00	0.14	0.00	0.06	-0.11
Net income	1.44	4.97	1.84	0.24	5.49	0.87
Ratios						
	<i>Percent or number</i>					
Current	1.25	1.97	1.23	1.34	2.25	1.57
Debt to asset	0.59	0.76	0.67	0.60	0.43	0.44
Debt to equity	1.45	3.18	2.00	1.50	0.77	0.79
Times interest earned	2.72	13.43	4.45	1.47	10.34	6.93
Total asset turnover	2.50	2.39	7.51	1.88	3.38	2.04
Fixed asset turnover	9.86	3.67	17.12	3.49	10.03	6.49
Gross profit margin	20.49	25.45	14.43	13.04	13.31	25.73
Return on assets	5.78	12.76	19.13	1.42	20.75	1.81
Return on member equity	13.58	53.22	55.85	1.14	109.41	6.57

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Livestock marketing					
	Cooperative sales size > \$300 million	\$60 to \$100 million	\$15 to \$45 million	\$5 to \$10 million	\$1 to \$5 million	Less than \$1 million
Balance sheet						
	<i>Percent of total assets</i>					
Current assets	82.43	89.35	61.96	66.76	50.97	60.86
Other assets	2.20	2.68	6.98	11.67	20.56	15.44
Investments	5.69	1.97	0.07	0.00	8.78	0.05
PP&E (net)	9.68	6.00	30.99	21.57	19.70	23.65
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Current liabilities	69.12	69.34	49.62	38.25	35.37	49.08
Total liabilities	81.52	78.30	75.75	46.23	40.10	59.62
Allocated equity	10.19	16.49	12.71	41.08	44.30	25.25
Retained earnings	8.29	5.21	11.54	12.69	15.60	15.14
Total equity	18.48	21.70	24.25	53.77	59.90	40.38
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	99.30	98.57	90.97	96.79	87.35	88.08
Gross margin	0.70	1.43	9.03	3.21	12.65	11.92
Service and other income	1.07	3.68	3.44	3.17	4.80	6.25
Gross revenue	1.76	5.11	12.47	6.38	17.45	18.16
Expenses						
Wages	0.84	1.79	6.16	2.17	7.95	8.81
Depreciation	0.06	0.19	1.17	0.60	0.93	1.19
Interest	0.28	1.65	0.60	0.29	0.42	0.56
Other	0.53	0.66	4.41	3.02	7.23	6.64
Total expenses	1.71	4.29	12.34	6.08	16.53	17.20
Net operating margins	0.06	0.82	0.13	0.30	0.92	0.96
Patronage income	0.03	0.05	0.19	0.00	0.00	0.04
Non-operating income	0.12	0.16	0.04	0.03	0.24	0.02
Net income before taxes	0.20	1.02	0.36	0.32	1.16	1.02
Taxes	0.00	0.27	0.08	0.00	0.00	0.00
Net income	0.20	0.76	0.28	0.32	1.16	1.02
Ratios						
	<i>Percent or number</i>					
Current	1.19	1.29	1.25	1.75	1.44	1.24
Debt to asset	0.82	0.78	0.76	0.46	0.40	0.60
Debt to equity	4.41	3.61	3.12	0.86	0.67	1.48
Times interest earned	1.73	1.62	1.60	2.11	3.77	2.82
Total asset turnover	15.59	1.79	3.22	10.88	3.64	0.88
Fixed asset turnover	161.02	29.80	10.40	50.42	18.46	3.74
Gross profit margin	0.70	1.43	9.03	3.21	12.65	11.92
Return on assets	7.56	4.79	3.08	6.70	5.75	1.40
Return on member equity	30.99	8.20	7.12	8.59	9.52	3.57

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Dry bean and pea marketing		Nut marketing		Ethanol mktg.
Cooperative sales size	> \$15 million	< \$8 million	> \$25 million	< \$15 million	All sizes
Balance sheet	<i>Percent of total assets</i>				
Current assets	75.47	71.44	62.45	43.31	25.91
Other assets	0.07	0.11	12.16	5.83	0.73
Investments	6.49	1.95	1.72	1.05	2.26
PP&E (net)	17.97	26.50	23.67	49.81	71.10
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	65.32	47.21	41.71	34.55	17.50
Total liabilities	68.91	53.68	65.66	64.89	34.61
Allocated equity	25.97	25.76	23.51	29.10	33.56
Retained earnings	5.12	20.56	10.84	6.01	31.83
Total equity	31.09	46.32	34.34	35.11	65.39
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	85.83	75.87	78.03	74.25	73.72
Gross margin	14.17	24.13	21.97	25.75	26.28
Service and other income	0.51	13.54	0.00	11.24	1.30
Gross revenue	14.69	37.66	21.97	36.99	27.58
Expenses					
Wages	7.38	17.58	10.46	14.82	1.37
Depreciation	1.86	3.40	1.04	2.97	3.56
Interest	1.21	2.17	2.01	1.63	0.76
Other	3.32	14.27	7.25	9.08	2.99
Total expenses	13.78	37.42	20.75	28.50	8.68
Net operating margins	0.91	0.24	1.22	8.50	18.90
Patronage income	0.48	0.00	0.11	0.05	0.00
Non-operating income	0.65	1.82	1.36	0.19	1.87
Net income before taxes	2.04	2.06	2.69	8.74	20.77
Taxes	0.03	-1.24	0.32	0.04	1.10
Net income	2.01	3.29	2.38	8.69	19.67
Ratios	<i>Percent or number</i>				
Current	1.16	1.51	1.50	1.25	1.48
Debt to asset	0.69	0.54	0.66	0.65	0.35
Debt to equity	2.22	1.16	1.91	1.85	0.53
Times interest earned	2.68	1.95	2.34	6.37	28.41
Total asset turnover	1.45	1.03	1.91	1.40	1.33
Fixed asset turnover	8.07	3.90	8.06	2.81	1.88
Gross profit margin	14.17	24.13	21.97	25.75	26.28
Return on assets	4.72	4.36	8.96	14.52	28.71
Return on member equity	11.26	13.20	19.27	41.87	78.19

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Rice marketing		Tobacco marketing		Wool marketing
Cooperative sales size	> \$100 million	< \$35 million	> \$ 5 million	< \$5 million	All sizes
Balance sheet	<i>Percent of total assets</i>				
Current assets	57.89	84.90	57.99	78.77	34.36
Other assets	1.33	3.94	38.53	2.51	53.19
Investments	0.37	3.15	0.00	0.00	0.00
PP&E (net)	40.41	8.01	3.48	18.73	12.45
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	38.94	66.58	20.44	6.07	17.07
Total liabilities	49.64	79.05	20.65	9.57	37.55
Allocated equity	44.50	23.88	8.78	82.03	39.56
Retained earnings	5.86	-2.93	70.57	8.40	22.89
Total equity	50.36	20.95	79.35	90.43	62.45
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	71.86	85.83	93.49	58.22	62.75
Gross margin	28.14	14.17	6.51	41.78	37.25
Service and other income	3.02	3.29	1.42	12.70	3.46
Gross revenue	31.16	17.46	7.93	54.48	40.70
Expenses					
Wages	10.61	2.60	3.59	8.55	7.41
Depreciation	1.92	0.25	0.40	1.86	0.61
Interest	0.47	0.12	2.96	0.29	0.03
Other	16.97	4.32	7.14	39.45	30.22
Total expenses	29.97	7.28	14.10	50.16	38.13
Net operating margins	1.19	10.17	-6.17	4.32	2.58
Patronage income	0.02	0.00	0.00	0.00	0.00
Non-operating income	0.13	0.08	13.29	3.39	0.00
Net income before taxes	1.34	10.25	7.12	7.71	2.58
Taxes	0.03	0.02	1.19	2.55	0.00
Net income	1.30	10.23	5.93	5.16	2.58
Ratios	<i>Percent or number</i>				
Current	1.49	1.28	2.84	12.97	2.01
Debt to asset	0.50	0.79	0.21	0.10	0.38
Debt to equity	0.99	3.77	0.26	0.11	0.60
Times interest earned	3.86	88.38	3.41	27.16	80.81
Total asset turnover	2.60	3.29	0.23	0.15	0.69
Fixed asset turnover	6.43	41.05	6.57	0.83	5.53
Gross profit margin	28.14	14.17	6.51	41.78	37.25
Return on assets	4.68	34.09	2.30	1.24	1.80
Return on member equity	7.61	140.86	15.43	0.97	4.49

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Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Sugar marketing			
	Cooperative sales size > \$300 million	\$100 to \$200 million	\$30 to \$100 million	Less than \$21 million
Balance sheet				
		<i>Percent of total assets</i>		
Current assets	37.74	40.28	31.36	62.82
Other assets	21.12	2.41	2.36	14.92
Investments	0.85	12.48	4.12	0.00
PP&E (net)	40.30	44.83	62.16	22.27
Total assets	100.00	100.00	100.00	100.00
Current liabilities	34.88	37.47	28.48	48.29
Total liabilities	66.20	52.17	42.39	59.42
Allocated equity	37.06	39.38	53.29	24.21
Retained earnings	-3.26	8.45	4.31	16.38
Total equity	33.80	47.83	57.61	40.58
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	74.88	70.66	73.27	94.00
Gross margin	25.12	29.34	26.73	6.00
Service and other income	5.43	4.96	0.13	3.35
Gross revenue	30.55	34.30	26.85	9.36
Expenses				
Wages	11.33	8.44	10.14	3.28
Depreciation	3.41	2.60	2.17	0.39
Interest	2.01	1.69	2.11	0.19
Other	10.41	19.33	11.12	4.76
Total expenses	27.18	32.06	25.53	8.61
Net operating margins	3.37	2.24	1.32	0.74
Patronage income	0.03	0.00	0.12	0.00
Non-operating income	-1.18	0.43	1.72	0.02
Net income before taxes	2.23	2.68	3.16	0.76
Taxes	0.04	0.01	0.26	0.00
Net income	2.18	2.67	2.90	0.76
Ratios				
		<i>Percent or number</i>		
Current	1.08	1.07	1.10	1.30
Debt to asset	0.66	0.52	0.42	0.59
Debt to equity	1.96	1.09	0.74	1.46
Times interest earned	2.11	2.58	2.50	5.07
Total asset turnover	1.50	1.90	1.74	3.85
Fixed asset turnover	3.73	4.23	2.79	17.29
Gross profit margin	25.12	29.34	26.73	6.00
Return on assets	6.38	8.29	9.15	3.65
Return on member equity	8.86	12.83	9.45	12.09

Appendix table 6—Common size analysis, by cooperative type and size, 2007 (continued)

Type of cooperative	Rice drier	Transportation		Storage	Hulling
Cooperative sales size	All sizes	> \$1 million	< \$ 1 million	All sizes	All sizes
Balance sheet			<i>Percent of total assets</i>		
Current assets	37.32	44.38	44.48	50.07	44.77
Other assets	0.39	1.81	4.55	4.43	4.61
Investments	0.00	2.00	1.79	0.00	0.02
PP&E (net)	62.28	51.81	49.17	45.50	50.60
Total assets	100.00	100.00	100.00	100.00	100.00
Current liabilities	31.89	29.51	21.63	18.10	32.75
Total liabilities	31.95	37.97	24.75	22.87	49.77
Allocated equity	63.32	49.40	68.20	64.87	41.30
Retained earnings	4.73	12.63	7.05	12.26	8.93
Total equity	68.05	62.03	75.25	77.13	50.23
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	100.20	100.00	100.00	100.00	100.00
Expenses					
Wages	22.56	28.42	46.73	28.74	19.74
Depreciation	5.54	6.00	5.78	1.46	5.27
Interest	0.10	0.43	0.64	0.30	1.10
Other	39.34	59.79	43.76	53.32	40.19
Total expenses	67.54	94.64	96.91	83.83	66.30
Net operating margins	32.46	5.36	3.09	16.17	33.70
Patronage income	0.00	0.30	0.20	0.00	0.00
Non-operating income	1.13	0.62	0.79	0.05	0.25
Net income before taxes	33.58	6.28	4.08	16.21	33.95
Taxes	0.00	0.01	0.00	0.33	0.45
Net income	33.58	6.27	4.08	15.88	33.51
Ratios			<i>Percent or number</i>		
Current	1.17	1.50	2.06	2.77	1.37
Debt to asset	0.32	0.38	0.25	0.23	0.50
Debt to equity	0.47	0.61	0.33	0.30	0.99
Times interest earned	339.90	15.51	7.39	54.49	31.79
Return on assets	25.13	17.98	4.28	11.05	37.55
Return on member equity	39.57	34.01	5.42	16.38	86.89

Appendix Table 7—Net income of cooperatives, 1998-2007¹

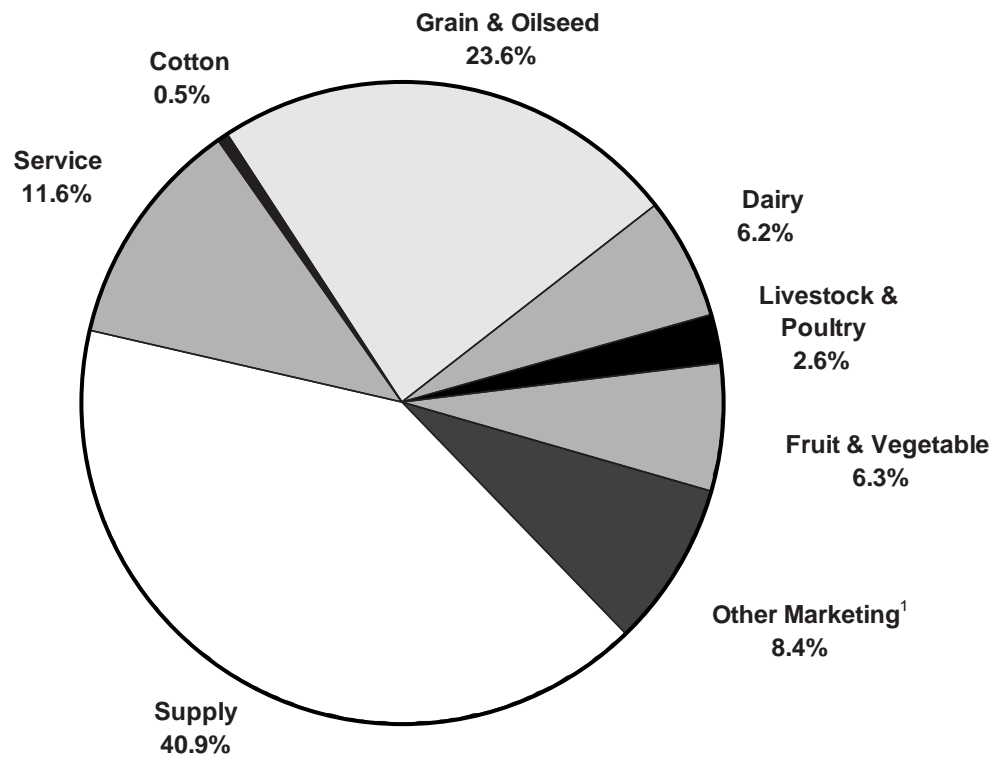
Year	Net operating margins	From other cooperatives ²	Total
		<i>Million dollars</i>	
1998	1,169	573	1,742
1999	945	384	1,328
2000	1,041	235	1,276
2001	1,039	318	1,357
2002	847	362	1,210
2003	1,013	92	1,105
2004	1,993	335	2,328
2005	2,147	401	2,548
2006	2,665	498	3,163
2007	3,184	646	3,830

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

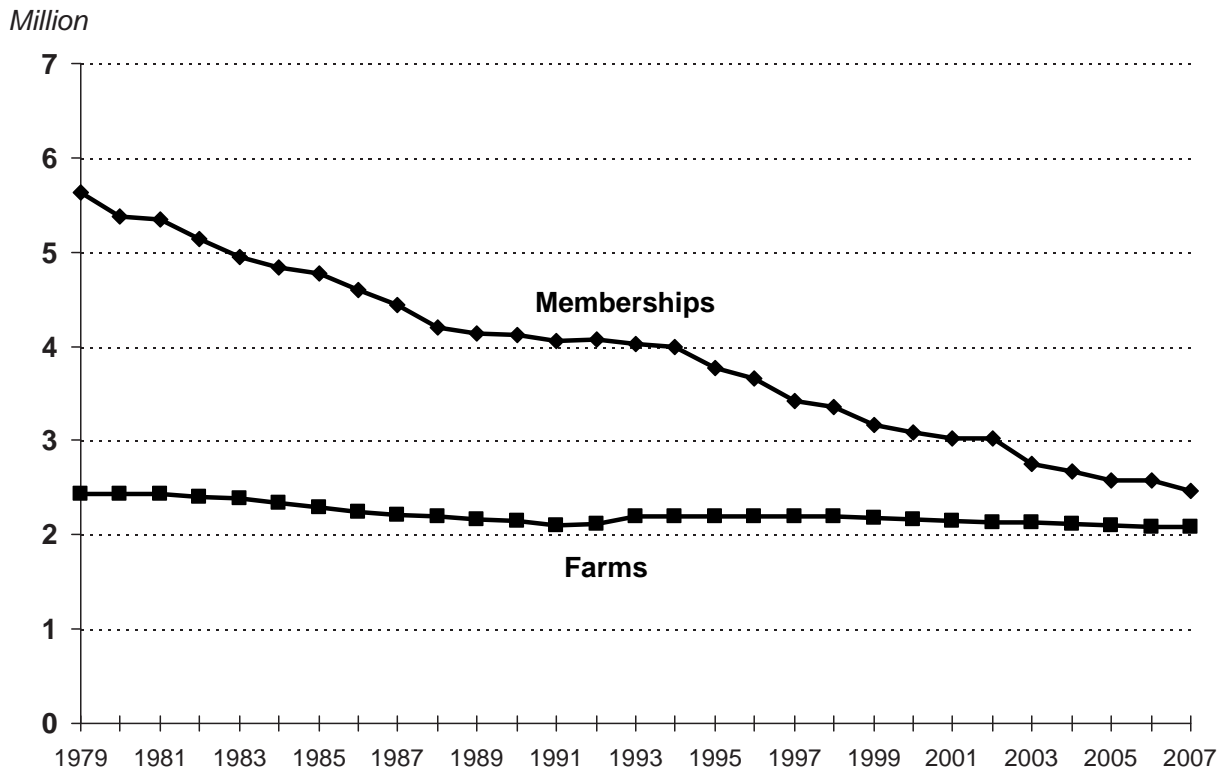
Appendix Figure 1—Distribution of Cooperatives by Type, 2007



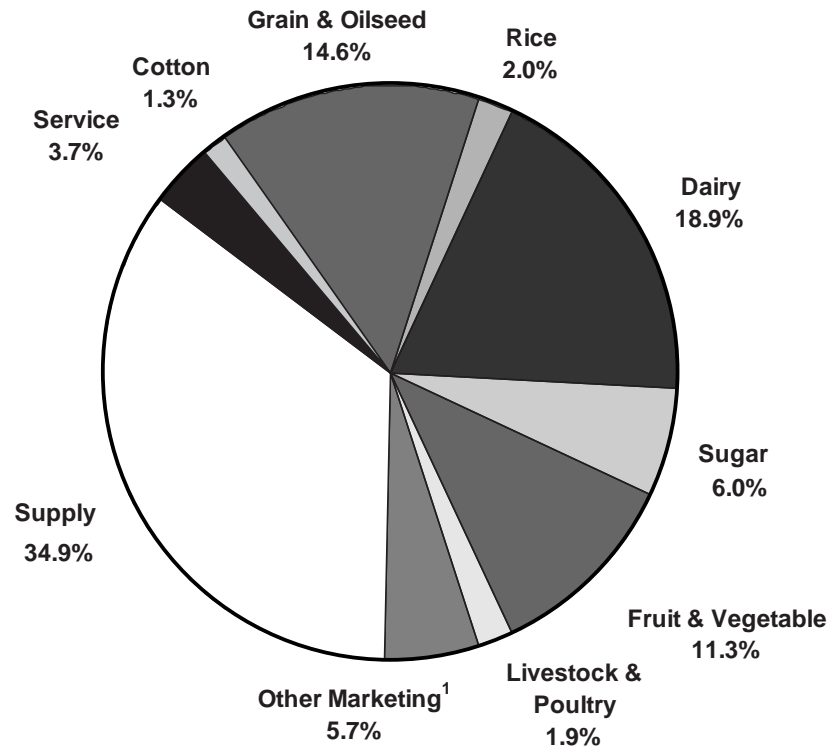
Percentages are based on a total of 2,594 cooperatives.

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, 1979-2007



Appendix Figure 3—Distribution of Full-Time Employees by Cooperatives Type, 2007

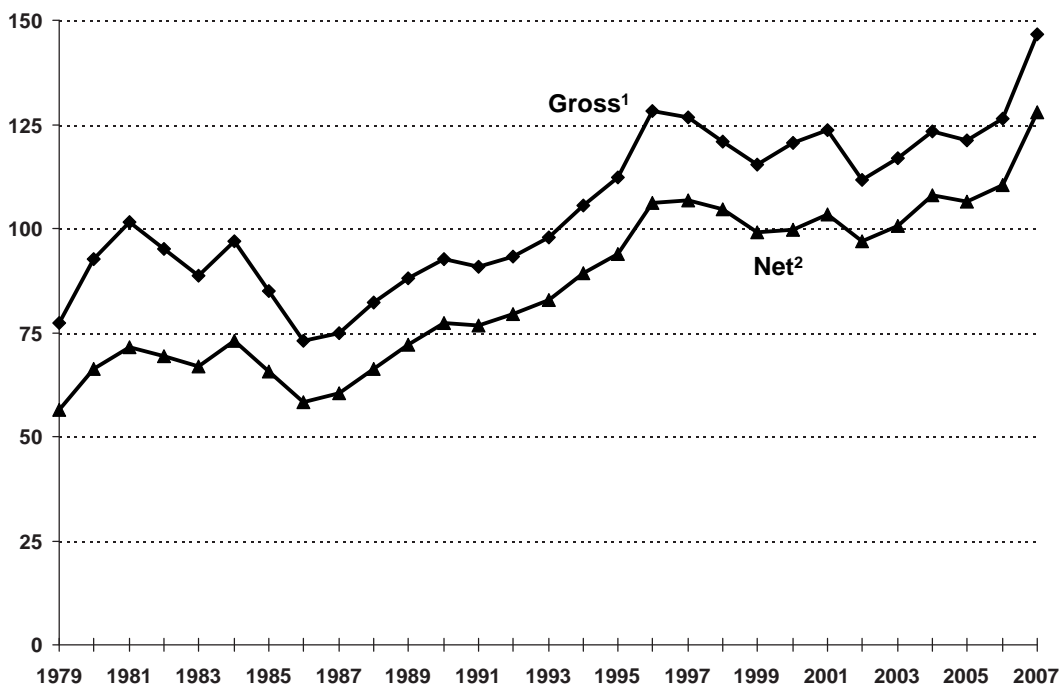


Percentages are based on a total of 125.1 thousand full-time employees.

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, 1979-2007

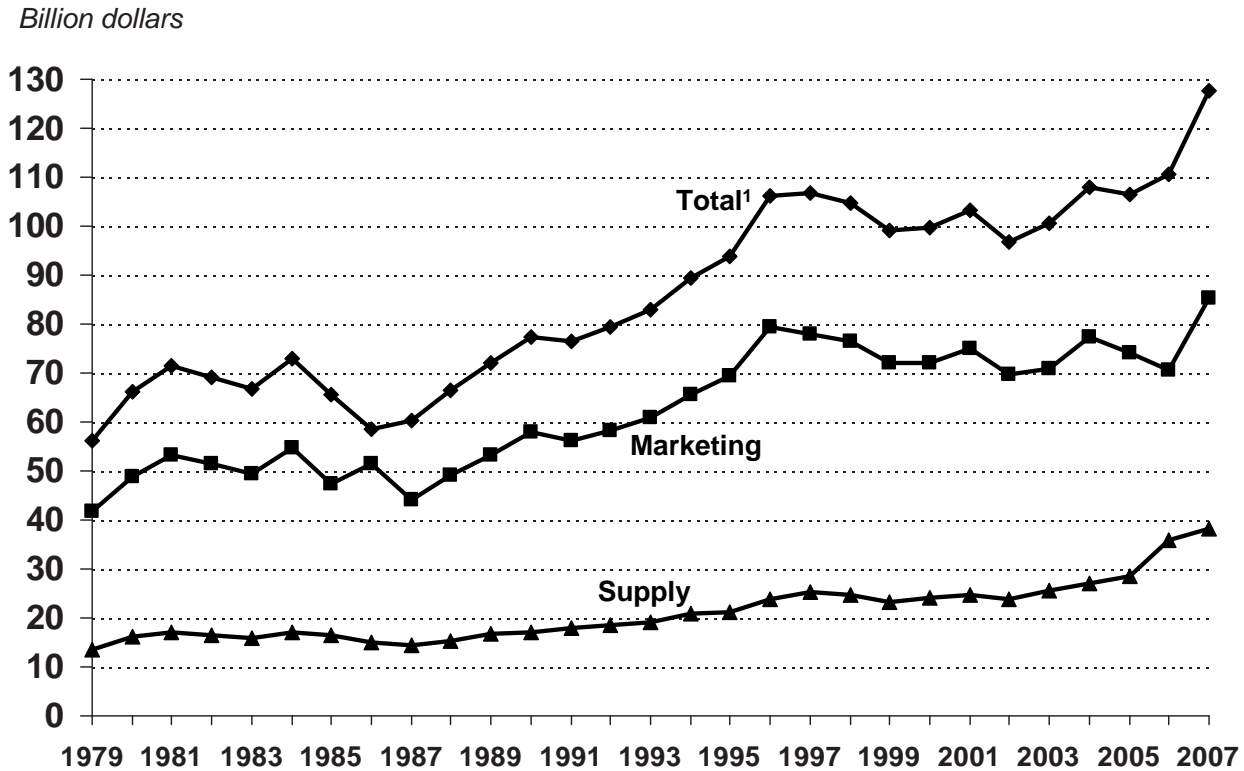
Billion dollars



¹ Includes inter-cooperative business.

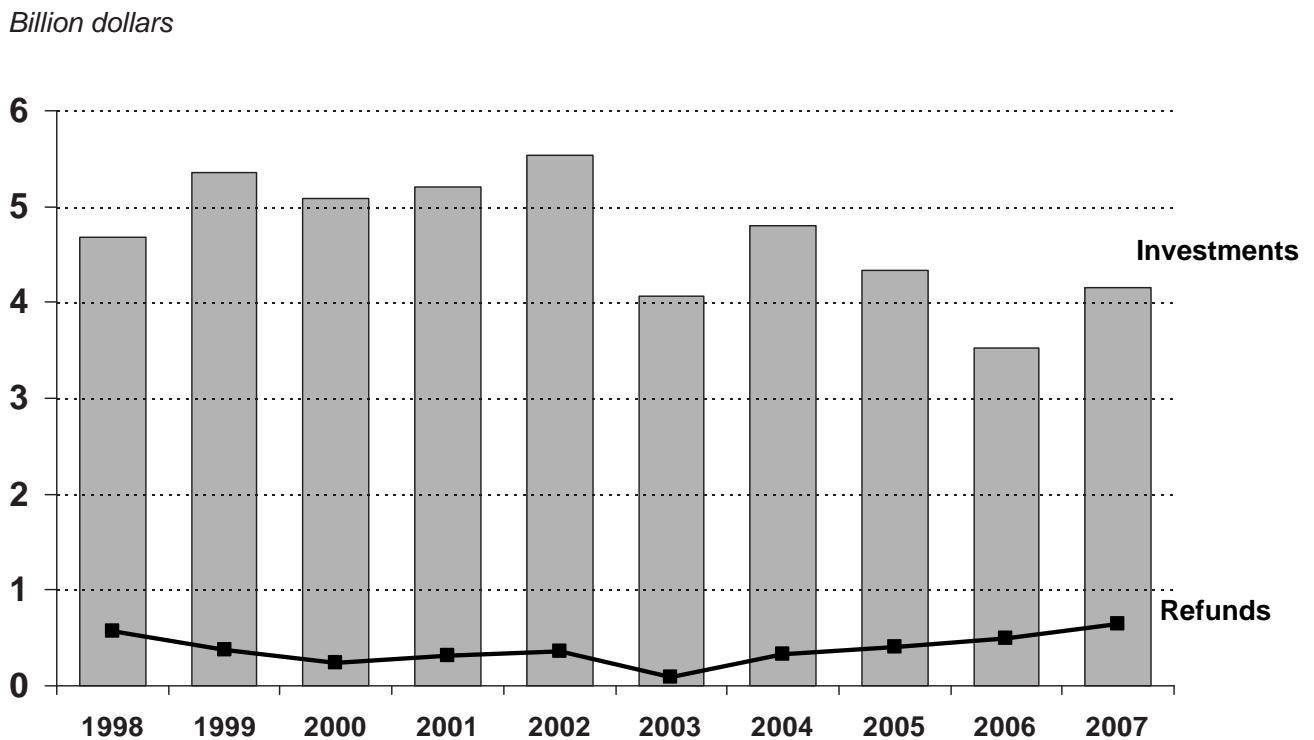
² Excludes inter-cooperative business.

Appendix Figure 5—Cooperative’s Net Business Volume, 1979-2007



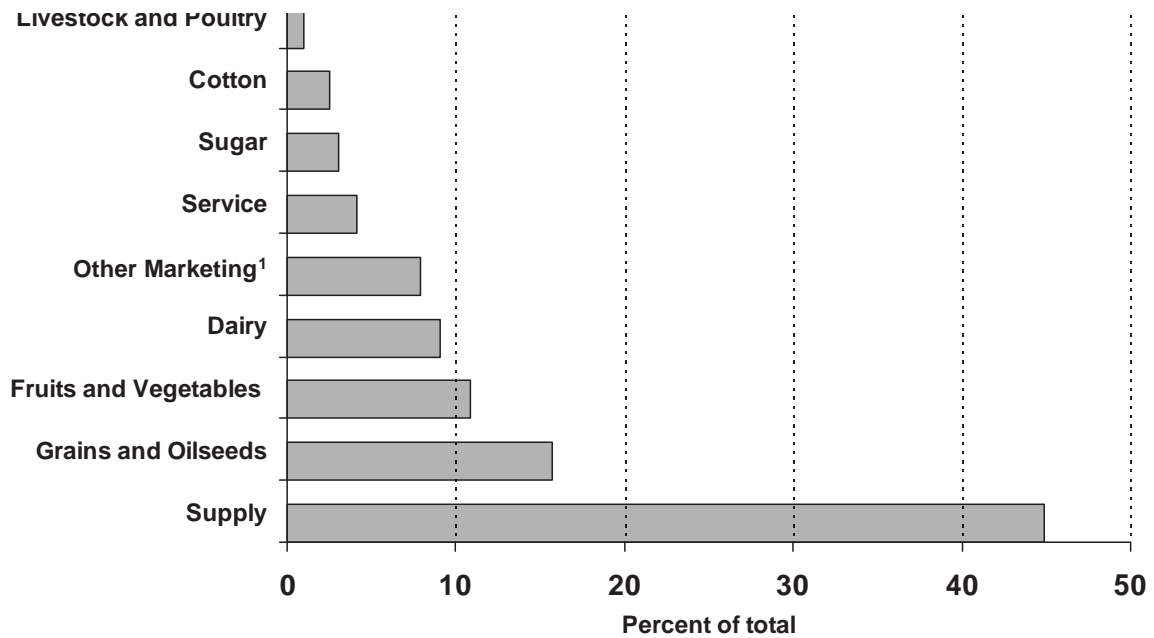
¹ Total includes value of related services and other income.

Appendix Figure 6—Cooperatives’ Investments in Other Cooperatives and Patronage Refunds Received from Other Cooperatives¹, 1998-2007



¹ Includes other cooperatives and CoBank.

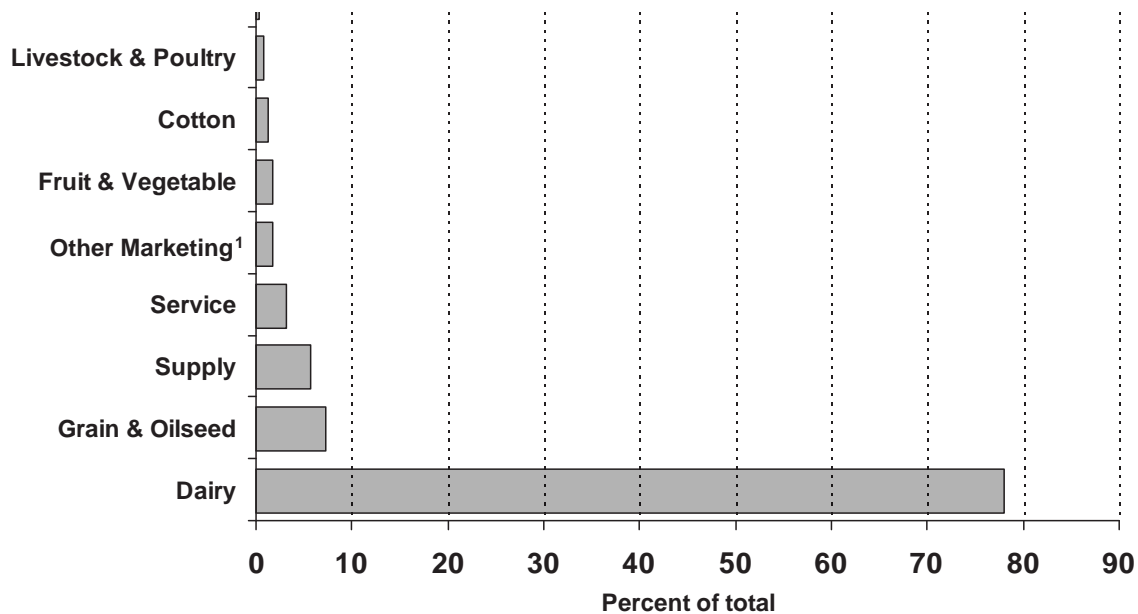
Appendix Figure 7—Distribution Net Income, by Cooperative Type, 2007



Percentage based on net income before taxes of \$3.8 billion.

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

Appendix Figure 8—Distribution Losses, by Cooperatives Type, 2007



Percentage based on total losses of \$155 million.

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



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