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Service Report 67

FARMER COOPERATIVE STATISTICS, 2006



ABSTRACT

A survey of 2,675 U.S. farmer-owned cooperatives ending their business year during calendar year 2006 showed a net business volume of \$110.5 billion with a net income of \$3.2 billion. These cooperatives had assets totaling \$48 billion, about \$28 billion of liabilities, and \$20 billion in equity. Cooperatives were a major employer in rural areas, with 123,000 full-time workers and 57,000 part-time or seasonal employees. Business volume by commodity is reported for all cooperatives.

Number of cooperatives, cooperative memberships, and number of employees are classified according to whether the business is a marketing, farm 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, net income, financial ratios.

FARMER COOPERATIVE STATISTICS, 2006

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PREFACE

Farmer cooperative statistics are collected annually to provide information on the progress and trends among the nation's farmer-owned cooperatives. These statistics are used for research, technical assistance, education, planning, and public policy. The collection, analysis, and dissemination of farmer cooperative statistics by 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 farmer cooperatives for business years ending in calendar year 2006. 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 2006 were compiled on a state and national basis. The information was collected from individual farmer and fishery cooperatives by a mail survey of all organizations identified by USDA Rural Development's Cooperative Programs as farmer or aquacultural

cooperatives. Information was requested for the cooperatives' 2006 business year.

USDA 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 cooperatives in 2006.

Rural Development depends on the cooperative community's response to its annual survey to develop a detailed and comprehensive set of statistics on farmer 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 2,675 U.S. farmer-owned cooperatives, according to the 2006 survey of marketing, farm supply, and related-service cooperatives by USDA Rural Development's Cooperative Programs.

- ❑ Total gross business volume (includes inter-cooperative business) handled by cooperatives was \$126.5 billion; net business (excludes inter-cooperative business) was \$110.5 billion.
- ❑ Total net income was \$3.2 billion, which includes inter-cooperative dividends and refunds of \$497.5 million.
- ❑ Cooperative memberships were 2.6 million, virtually unchanged from 2005.
- ❑ Cooperatives employed 123,000 full-time and 57,000 part-time and seasonal employees. Full-time employee numbers were down 2 percent while part-time and seasonal employee numbers were up 3 percent.
- ❑ Gross value of farm products marketed by cooperatives was \$76 billion, with a net value (after eliminating duplication from inter-cooperative business) of \$70 billion.
- ❑ Gross value of farm supplies handled by farmer cooperatives was \$46 billion, with a net value of \$36 billion. Gross farm supply sales were up 17 percent, primarily due to increasing energy costs.
- ❑ Receipts for services related to marketing farm products and handling farm supplies, plus other income, totaled \$4 billion.
- ❑ Farmer cooperatives had \$47.9 billion in combined assets. Net assets, after eliminating inter-cooperative investments, was \$44.4 billion. Inter-cooperative investments included those in CoBank.
- ❑ Total liabilities were \$28 billion.
- ❑ Net worth, or member and patron equity, was \$20 billion. Member and patron equity financed 42 percent of total assets.

Table A—Highlights, 2006

| | 2006 | 2005 | Change |
|---------------------------------------------|-------|-------|--------|
| Number of cooperatives | 2,675 | 2,896 | -221 |
| Memberships (millions) | 2.6 | 2.6 | 0.00 |
| Gross business volume (billion \$) | 126.5 | 121.7 | 4.81 |
| Net business volume (billion \$) | 110.5 | 106.5 | 3.97 |
| Net income before taxes (billion \$) | 3.2 | 2.5 | 0.61 |
| Total assets (billion \$) | 47.9 | 46.6 | 1.31 |
| Net worth (billion \$) | 19.9 | 19.5 | 0.40 |
| Full-time employees (thousand) | 123.4 | 125.4 | -2.03 |
| Part-time and seasonal employees (thousand) | 57.3 | 54.4 | 2.87 |

Farmer Cooperative Statistics, 2006

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I. DEFINITION OF A FARMER COOPERATIVE

USDA Rural Development's Cooperative Programs considers four major criteria in identifying an organization as a farmer-owned cooperative:

- (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 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

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

cooperatives.

Marketing cooperatives derive most of their total dollar volume from the sale of members' farm products. These cooperatives are further classified into one of 13 commodities or commodity groups, depending upon which accounts for most of its business volume. USDA may reclassify a cooperative into a different commodity category if its primary business volume changes significantly.

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

Service cooperatives provide specialized services related to the agricultural business operations of farmers, ranchers, or cooperatives, such as cotton ginning, trucking, storing, drying, and artificial insemination. Live-stock shipping associations and rice drying cooperatives are also classified as service.

Many cooperatives handle multiple commodities and provide both marketing and farm 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

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

Centralized

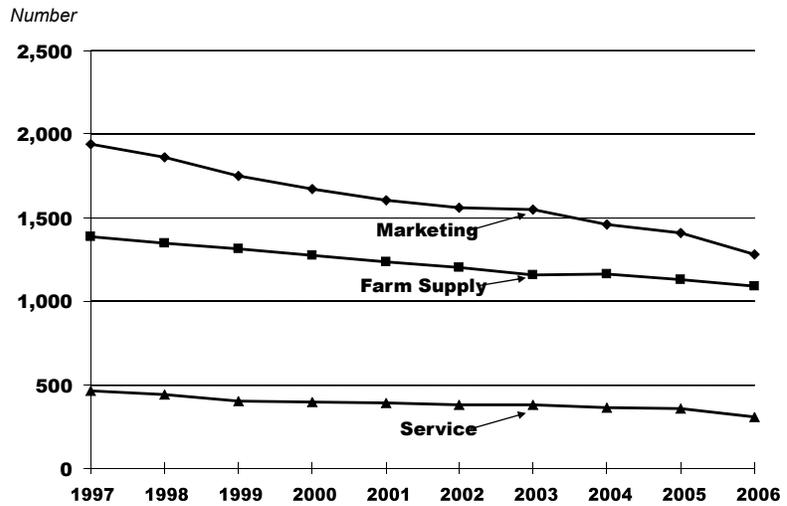
Of the 2,675 farmer cooperatives in 2006, 2,605 were centralized organizations, mostly locals with individual farmer-members. Centralized cooperatives usually serve a local area or community, county, or several counties. Most usually perform a limited number of initial marketing functions. Most farm supply sales are at the retail level. A few centralized cooperatives, principally region-

als, operate over multi-state areas and provide more vertically integrated services, such as processing farm 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 farm products. Only a few bargain to purchase farm 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 1—Farmer Cooperatives in the United States, 1997-2006



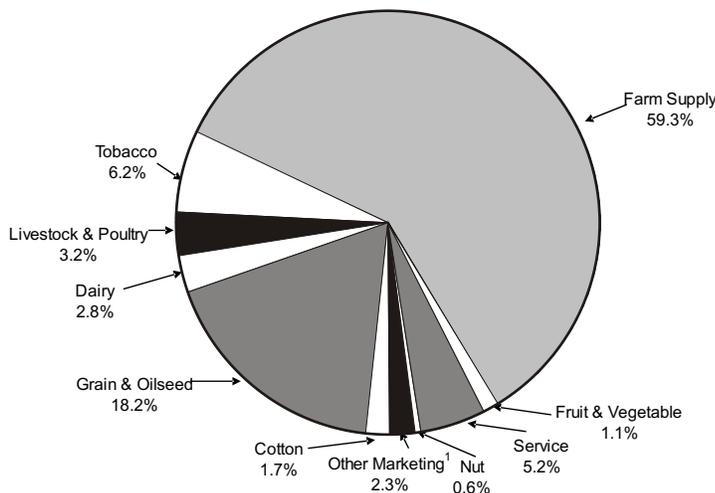
Federated

The 48 federated cooperatives—two or more member associations organized to market farm 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 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.

Figure 2—Distribution of Memberships, by Type of Cooperative, 2006



Percentages are based on 2.6 million total memberships.
¹ Includes dry bean and pea, wool and mohair, rice, sugar, fishery, and other product marketing cooperatives.

II. 2006 STATISTICS

Cooperatives' total net business volume was \$110.5 billion in 2006, while net income was \$3.2 billion. There were 2,675 agricultural cooperatives in 2006, and they had 2.6 million members. Together they had \$48 billion in assets with \$20 billion in equity. Although employment levels had fallen due

Table 1—Number of cooperatives and memberships, by major business activity, 2006

| Major business activity | Cooperatives <i>Number</i> | Memberships <i>Thousands</i> |
|--------------------------------|-------------------------------|---------------------------------|
| Bean and pea, dry edible | 6 | 1.6 |
| Cotton | 13 | 42.7 |
| Dairy | 172 | 71.4 |
| Fruit and vegetable | 167 | 28.7 |
| Grain and oilseed ¹ | 642 | 467.0 |
| Livestock | 48 | 82.3 |
| Nuts | 17 | 15.4 |
| Poultry ² | 12 | 0.4 |
| Rice | 15 | 12.2 |
| Sugar ³ | 38 | 11.8 |
| Tobacco | 15 | 158.6 |
| Wool and mohair | 61 | 9.8 |
| Other products | 74 | 11.7 |
| Total marketing | 1,280 | 913.7 |
| Farm supply | 1,090 | 1,522.4 |
| Service | 305 | 133.5 |
| Total | 2,675 | 2,569.6 |

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.

to fewer cooperatives, cooperatives remained a major employer in rural areas, using 123,000 full-time workers.

Number of Cooperatives

The 2006 survey counted 2,675 marketing, farm supply, and related-service cooperatives¹, compared with 2,896 in 2005. Of the 2,675 cooperatives, 1,280 primarily marketed farm products, 1,090 primarily handled farm production supplies, and 305 provided services related to marketing or purchasing activities (Table 1, Appendix Figure 1). The proportion of marketing, farm supply, and service cooperatives to the total number of cooperatives remained virtually unchanged from 2005. Marketing cooperatives comprise about 48 percent of all cooperatives, farm supply, 41 percent, and service, 11 percent of the total (Figure 1 and Appendix Table 1).

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

There was a net decrease of 221 associations (8 percent) from 2005 to 2006, largely reflecting a continuing trend involving merger, acquisition, or dissolution. The largest decrease was in service cooperatives (51), followed by grain and oilseed cooperatives and, farm supply, and, losing 41 and 38, respectively.

Cooperative numbers by marketing, farm supply, and service functions by State are shown in Table 2. Minnesota had the most marketing cooperatives (118), followed closely by North Dakota (107). Texas had the most farm supply and service cooperatives (154).

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 farm supply cooperatives operated almost 4,400 branches—1,897 and 2,498, respectively. Grain and oilseed cooperatives averaged almost three branches, while farm supply cooperatives averaged just over two branches per cooperative.

Memberships

Memberships in marketing, farm supply, and related-service cooperatives totaled an estimated 2.6 million in 2006, virtually unchanged from 2005 (Table 3). By major business activity, 59 percent and 18 percent were memberships of farm supply and grain cooperatives, respectively (Appendix Table 2, Figure 2). Dairy cooperative memberships were only 3 percent of the total, but accounted for 25 percent, or \$27 billion, of cooperatives' net business volume in 2006.

Memberships in farmer cooperatives dropped from 3.4 million in 1997 to 2.6 million in 2006 (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 are members of more than one cooperative and each membership is counted. Consequently, the number of memberships exceeds the number of farmers. 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 farm products handled by the cooperative; another may use a cooperative classified in the marketing group to purchase one or more production items. A member's business with the cooperative, therefore, may not be in the group that

Table 2—Number of cooperatives, by major function and State, 2006

| Function | Marketing | Farm supply & service | Total |
|---------------------------|--------------|--------------------------|--------------|
| <i>State</i> | | <i>Number</i> | |
| Alabama | 7 | 50 | 57 |
| Arizona | 5 | 4 | 9 |
| Arkansas | 10 | 39 | 49 |
| California | 82 | 61 | 143 |
| Colorado | 17 | 16 | 33 |
| Florida | 26 | 7 | 33 |
| Georgia | 5 | 8 | 13 |
| Hawaii | 10 | 6 | 16 |
| Idaho | 21 | 12 | 33 |
| Illinois | 95 | 49 | 144 |
| Indiana | 11 | 28 | 39 |
| Iowa | 78 | 49 | 127 |
| Kansas | 78 | 31 | 109 |
| Kentucky | 12 | 27 | 39 |
| Louisiana | 13 | 29 | 42 |
| Maryland | 1 | 10 | 11 |
| Massachusetts | 5 | 5 | 10 |
| Michigan | 29 | 23 | 52 |
| Minnesota | 118 | 113 | 231 |
| Mississippi | 12 | 57 | 69 |
| Missouri | 17 | 44 | 61 |
| Montana | 25 | 29 | 54 |
| Nebraska | 42 | 31 | 73 |
| New Jersey | 11 | 2 | 13 |
| New Mexico | 3 | 6 | 9 |
| New York | 60 | 12 | 72 |
| North Carolina | 11 | 5 | 16 |
| North Dakota | 107 | 93 | 200 |
| Ohio | 39 | 18 | 57 |
| Oklahoma | 29 | 38 | 67 |
| Oregon | 18 | 13 | 31 |
| Pennsylvania | 33 | 12 | 45 |
| South Dakota | 52 | 48 | 100 |
| Tennessee | 7 | 66 | 73 |
| Texas | 50 | 154 | 204 |
| Utah | 6 | 6 | 12 |
| Virginia | 13 | 39 | 52 |
| Washington | 35 | 29 | 64 |
| West Virginia | 12 | 13 | 25 |
| Wisconsin | 32 | 98 | 130 |
| Wyoming | 5 | 5 | 10 |
| Other States ¹ | 38 | 10 | 48 |
| United States | 1,280 | 1,395 | 2,675 |

¹ Includes states with fewer than three cooperatives for any function. States with at least three cooperatives were: Alaska, 6; Connecticut, 4; Delaware, 3; Maine, 23; South Carolina, 5; and Vermont, 3.

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 related-service and marketing cooperatives decreased at more than twice the rate of memberships in farm supply cooperatives. Memberships in marketing cooperatives dropped 584,000 (39 percent) and service cooperatives had a decline of 50,000 (27 percent), while memberships in farm supply cooperatives decreased 221,000 (13 percent).

Employees

Farmer cooperatives had an estimated 123,000 full-time employees in 2006, a decrease of 2,000 from 2005 (Table 4), and far less than the peak of 176,665 in 2000. Marketing cooperatives had a decrease of about 1,000 employees, farm supply cooperatives decreased about 2,000, while service cooperatives had an increase of 1,000 employees.

Farmer 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 2006, farmer cooperatives employed an estimated 181,000 full-time and part-time and seasonal employees (Table 5). Among marketing cooperatives, those primarily handling fruits and vegetables had the most employees (33,000), followed by dairy (26,000), then grains and oilseeds (23,000).

By type, marketing cooperatives had 111,000 full-time and part-time and seasonal employees (61 percent of total); farm supply cooperatives had 59,000 (33 percent); and related-service cooperatives had 11,000 (6 percent).

Figure 4 shows the number of full-time employees by type of cooperative for 2006. Farm supply, fruit and vegetable, and dairy cooperatives used the most employees; cotton cooperatives 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 57,000 part-time and seasonal employees in 2006, up about 3,000, or 3 percent, from 2005. Most of the increase was in fruit and vegetable and dairy cooperatives.

In 2006, marketing cooperatives reported 36,000 part-time and seasonal employees, or 63 percent of that type of worker used. Marketing cooperatives averaged 28

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2006³

| 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 | 114.886 | 109.938 | North Carolina | 3 | 0.1 | 16.877 | 16.877 |
| COTTON⁶ | | | | | Oregon | 10 | 0.8 | 706.939 | 666.775 |
| Texas | 5 | 27.9 | 927.541 | 214.796 | Pennsylvania | 3 | 0.2 | 119.273 | 119.273 |
| Other States | 8 | 14.8 | 2,100.634 | 216.525 | Texas | 3 | 0.2 | 66.945 | 58.008 |
| Foreign ⁷ | 0 | 0.0 | 7.097 | 7.097 | Washington | 10 | 3.0 | 509.280 | 508.459 |
| United States | 13 | 42.7 | 3,028.175 | 431.321 | Other States | 28 | 3.3 | 976.596 | 972.648 |
| DAIRY | | | | | Foreign ⁷ | 0 | 0.1 | 26.172 | 17.027 |
| California | 5 | 0.7 | 2,717.836 | 2,711.209 | United States | 167 | 28.7 | 7,188.483 | 5,790.762 |
| Idaho | 3 | 0.0 | 279.802 | 279.802 | GRAINS AND OILSEEDS⁸ | | | | |
| Illinois | 4 | 1.5 | 1,332.370 | 1,328.725 | California | 3 | 0.4 | 7.999 | 7.999 |
| Iowa | 4 | 8.2 | 1,334.953 | 1,303.475 | Colorado | 13 | 9.6 | 196.219 | 196.219 |
| Massachusetts | 3 | 1.4 | 50.020 | 50.020 | Idaho | 3 | 0.5 | 26.109 | 26.109 |
| Minnesota | 28 | 12.9 | 3,684.952 | 3,642.991 | Illinois | 87 | 63.4 | 2,274.243 | 2,274.243 |
| New Mexico | 3 | 0.1 | 599.289 | 188.706 | Indiana | 8 | 4.8 | 404.808 | 404.808 |
| New York | 47 | 4.7 | 2,060.106 | 1,707.595 | Iowa | 69 | 60.6 | 3,741.427 | 3,639.555 |
| North Dakota | 3 | 0.7 | 292.396 | 290.451 | Kansas | 76 | 88.8 | 1,716.302 | 1,712.133 |
| Ohio | 4 | 0.3 | 166.017 | 159.483 | Michigan | 4 | 2.1 | 96.684 | 96.684 |
| Pennsylvania | 16 | 0.8 | 424.592 | 352.865 | Minnesota | 70 | 35.8 | 3,257.447 | 3,237.567 |
| Wisconsin | 27 | 13.7 | 5,320.245 | 5,067.282 | Mississippi | 4 | 7.7 | 180.247 | 179.097 |
| Other States | 25 | 26.4 | 10,766.578 | 10,331.269 | Missouri | 11 | 12.6 | 623.660 | 412.553 |
| Foreign ⁷ | 0 | 0.0 | 88.623 | 88.623 | Montana | 7 | 1.4 | 332.492 | 332.492 |
| United States | 172 | 71.4 | 29,029.155 | 27,413.872 | Nebraska | 35 | 45.8 | 2,052.060 | 2,048.084 |
| FRUITS AND VEGETABLES | | | | | North Dakota | 89 | 26.0 | 1,731.672 | 1,731.672 |
| Arizona | 4 | 0.2 | 86.877 | 42.192 | Ohio | 30 | 21.4 | 905.344 | 905.344 |
| Arkansas | 3 | 0.1 | 1.414 | 1.414 | Oklahoma | 26 | 26.8 | 224.155 | 224.155 |
| California | 45 | 13.6 | 2,974.046 | 2,142.899 | South Dakota | 50 | 30.8 | 1,377.566 | 1,377.566 |
| Colorado | 3 | 0.3 | 4.827 | 4.827 | Texas | 28 | 12.7 | 430.862 | 430.862 |
| Florida | 18 | 1.1 | 1,033.320 | 590.691 | Washington | 17 | 7.8 | 406.204 | 406.204 |
| Hawaii | 4 | 0.1 | 6.848 | 6.848 | Other States | 15 | 4.6 | 1,417.545 | 1,416.810 |
| Michigan | 14 | 2.8 | 431.759 | 415.549 | Foreign ⁷ | 0 | 0.0 | 298.266 | 298.266 |
| Minnesota | 3 | 0.2 | 3.635 | 3.635 | United States | 642 | 463.6 | 21,701.312 | 21,358.422 |
| New Jersey | 7 | 0.6 | 184.932 | 184.932 | <i>(continued next page)</i> | | | | |
| New York | 9 | 1.9 | 38.742 | 38.709 | | | | | |

¹ Includes centralized and federated cooperatives and those with mixed organizational structures. Headquartered in the State listed. State factors for sales and membership not collected in 2006; 2005 factors used on 2006 data to estimate State data.

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 2006. 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 while oil sales are included in other marketing sales.

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2006³*(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 | | | | | TOBACCO⁷ | | | | |
| Alabama | 4 | 2.9 | 25.427 | 25.427 | Kentucky | 5 | 3.2 | 27.370 | 27.370 |
| Alabama | 3 | 1.6 | 17.801 | 17.801 | Tennessee | 6 | 64.0 | 11.323 | 11.323 |
| Kentucky | 3 | 0.2 | 2.555 | 2.555 | Other States | 4 | 91.4 | 118.240 | 118.240 |
| North Dakota | 4 | 0.5 | 24.401 | 24.401 | United States | 15 | 158.6 | 156.933 | 156.933 |
| West Virginia | 3 | 0.2 | 3.069 | 3.069 | WOOL AND MOHAIR | | | | |
| Wisconsin | 3 | 46.8 | 423.026 | 423.026 | Idaho | 3 | 0.0 | 0.016 | 0.016 |
| Other States | 32 | 33.0 | 2,916.870 | 2,799.029 | Montana | 15 | 0.5 | 0.321 | 0.321 |
| United States | 48 | 82.3 | 3,387.721 | 3,269.881 | North Dakota | 3 | 0.1 | 0.025 | 0.025 |
| NUT⁹ | | | | | Pennsylvania | 11 | 0.9 | 0.158 | 0.158 |
| California | 6 | 3.6 | 676.263 | 676.263 | Virginia | 6 | 0.3 | 0.020 | 0.020 |
| Other States | 11 | 11.6 | 128.118 | 128.118 | West Virginia | 9 | 0.7 | 0.120 | 0.120 |
| Foreign ⁷ | 0 | 0.1 | 0.000 | 0.000 | Other States | 14 | 7.3 | 2.601 | 2.601 |
| United States | 17 | 15.4 | 804.381 | 804.381 | Foreign ⁷ | 0 | 0.1 | 0.090 | 0.090 |
| POULTRY¹⁰ | | | | | United States | 61 | 9.8 | 3.352 | 3.352 |
| California | 3 | 0.1 | 146.393 | 146.393 | OTHER MARKETING¹² | | | | |
| Other States | 9 | 0.3 | 1,232.062 | 1,232.062 | Alaska | 6 | 3.2 | 6.477 | 6.477 |
| United States | 12 | 0.4 | 1,378.455 | 1,378.455 | California | 8 | 1.3 | 121.687 | 121.687 |
| RICE | | | | | Florida | 4 | 0.1 | 32.031 | 32.031 |
| California | 4 | 0.9 | 160.922 | 160.922 | Hawaii | 4 | 0.4 | 1.600 | 1.600 |
| Louisiana | 3 | 0.0 | 23.389 | 23.389 | Maine | 14 | 0.7 | 78.925 | 78.925 |
| Texas | 5 | 0.5 | 41.351 | 41.351 | Minnesota | 12 | 4.6 | 1,264.924 | 1,221.059 |
| Other States | 3 | 10.8 | 840.156 | 840.156 | Washington | 5 | 0.7 | 174.376 | 174.376 |
| United States | 15 | 12.2 | 1,065.818 | 1,065.818 | Other States | 32 | 6.5 | 2,922.423 | 2,880.682 |
| SUGAR¹¹ | | | | | United States | 74 | 11.7 | 4,421.590 | 4,335.984 |
| Idaho | 7 | 1.8 | 595.864 | 7.215 | TOTAL MARKETING | | | | |
| Louisiana | 5 | 1.4 | 490.583 | 401.881 | Alabama | 7 | 2.2 | 353.627 | 274.887 |
| Michigan | 5 | 0.0 | 14.740 | 14.740 | Alaska | 6 | 3.2 | 6.477 | 6.477 |
| Minnesota | 3 | 3.5 | 1,185.749 | 1,074.533 | Arizona | 5 | 0.2 | 713.530 | 641.467 |
| Wyoming | 4 | 0.4 | 37.835 | 37.835 | Arkansas | 10 | 11.6 | 1,590.509 | 1,300.947 |
| Other States | 14 | 4.6 | 1,402.326 | 1,083.779 | California | 82 | 22.0 | 7,260.234 | 6,388.734 |
| Foreign ⁷ | 0 | 0.0 | 7.532 | 7.532 | Colorado | 17 | 10.0 | 353.005 | 353.005 |
| United States | 38 | 11.8 | 3,734.629 | 2,627.516 | Florida | 26 | 1.7 | 2,033.381 | 1,471.751 |
| | | | | | Georgia | 5 | 6.1 | 423.015 | 257.149 |
| | | | | | Hawaii | 10 | 0.6 | 12.436 | 12.436 |
| | | | | | Idaho | 21 | 2.8 | 1,020.001 | 431.352 |
| | | | | | Illinois | 95 | 70.3 | 3,710.222 | 3,706.578 |
| | | | | | Indiana | 11 | 5.2 | 1,090.860 | 1,077.617 |
| | | | | | Iowa | 78 | 69.2 | 6,612.506 | 6,463.406 |
| | | | | | Kansas | 78 | 88.9 | 2,303.953 | 2,299.784 |
| | | | | | Kentucky | 12 | 5.8 | 154.032 | 154.032 |
| | | | | | Louisiana | 13 | 1.7 | 885.984 | 686.079 |
| | | | | | Maine | 21 | 1.4 | 138.362 | 137.415 |
| | | | | | Massachusetts | 5 | 2.1 | 521.250 | 521.250 |
| | | | | | Michigan | 29 | 8.4 | 1,645.263 | 1,602.738 |
| | | | | | Minnesota | 118 | 57.0 | 9,839.245 | 9,621.333 |
| | | | | | Mississippi | 12 | 20.7 | 1,026.288 | 429.094 |

⁹ Membership fluctuates annually and is affected by the extent to which producers participate in price stabilization programs.

¹⁰ Includes eggs, turkeys, ratite, squab, and related products.

¹¹ Includes sugar, sugarcane, sugar beets, honey, maple syrup, molasses, and sorghum.

¹² Includes forest products, fish, 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.

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2006³*(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) | | | | |
| Missouri | 17 | 32.7 | 3,054.906 | 2,801.687 | Minnesota | | | 293.615 | 293.034 |
| Montana | 25 | 2.2 | 491.589 | 490.790 | Mississippi | | | 59.238 | 59.235 |
| Nebraska | 42 | 50.2 | 3,236.369 | 3,232.393 | Missouri | | | 112.933 | 80.501 |
| New Jersey | 11 | 1.5 | 214.563 | 212.474 | Montana | | | 47.889 | 47.457 |
| New Mexico | 3 | 0.1 | 633.301 | 222.718 | Nebraska | | | 212.729 | 212.297 |
| New York | 60 | 6.9 | 2,302.914 | 1,846.636 | New York | | | 4.013 | 0.946 |
| North Carolina | 11 | 93.4 | 337.936 | 309.958 | North Dakota | | | 139.355 | 139.355 |
| North Dakota | 107 | 30.9 | 2,682.565 | 2,626.138 | Ohio | | | 93.162 | 91.785 |
| Ohio | 39 | 35.5 | 2,165.436 | 2,148.194 | Oklahoma | | | 23.588 | 23.588 |
| Oklahoma | 29 | 29.6 | 630.666 | 630.666 | Oregon | | | 85.699 | 85.268 |
| Oregon | 18 | 3.1 | 1,749.573 | 1,624.395 | Pennsylvania | | | 9.130 | 2.000 |
| Pennsylvania | 33 | 2.0 | 866.361 | 794.634 | South Dakota | | | 121.334 | 121.334 |
| South Carolina | 3 | 0.2 | 38.939 | 32.919 | Tennessee | | | 113.007 | 68.908 |
| South Dakota | 52 | 30.9 | 2,013.762 | 2,006.651 | Texas | | | 43.935 | 42.207 |
| Tennessee | 7 | 64.1 | 114.511 | 31.653 | Utah | | | 8.838 | 8.407 |
| Texas | 50 | 45.3 | 3,120.680 | 2,859.217 | Virginia | | | 19.478 | 17.654 |
| Utah | 6 | 10.2 | 492.098 | 488.105 | Washington | | | 132.269 | 131.406 |
| Vermont | 3 | 0.8 | 420.279 | 418.859 | West Virginia | | | 1.913 | 1.675 |
| Virginia | 13 | 4.1 | 189.277 | 157.506 | Wisconsin | | | 128.372 | 119.417 |
| Washington | 35 | 12.2 | 2,420.589 | 2,404.597 | Wyoming | | | 1.844 | 1.844 |
| West Virginia | 12 | 0.9 | 19.991 | 16.845 | Other States | | | 48.268 | 34.630 |
| Wisconsin | 32 | 60.7 | 6,565.364 | 6,298.542 | Foreign ⁷ | | | 24.968 | 2.497 |
| Wyoming | 5 | 0.4 | 58.274 | 58.274 | United States | | | 3,344.981 | 3,025.434 |
| Other States | 6 | 1.4 | 536.597 | 469.924 | | | | | |
| Foreign ⁷ | 0 | 0.3 | 429.218 | 420.074 | | | | | |
| United States | 1,280 | 910.7 | 76,479.937 | 70,441.379 | | | | | |
| FARM SUPPLIES PROVIDED | | | | | FEED¹³ | | | | |
| CROP PROTECTANTS¹³ | | | | | Alabama | | | 46.711 | 26.513 |
| Alabama | | | 71.190 | 69.451 | Arkansas | | | 66.391 | 65.361 |
| Arkansas | | | 131.806 | 125.112 | California | | | 215.107 | 194.021 |
| California | | | 33.967 | 33.103 | Colorado | | | 38.045 | 38.045 |
| Colorado | | | 47.997 | 47.997 | Florida | | | 38.275 | 36.922 |
| Florida | | | 10.962 | 10.357 | Georgia | | | 18.858 | 15.708 |
| Georgia | | | 61.735 | 56.701 | Idaho | | | 94.277 | 73.190 |
| Idaho | | | 21.193 | 21.193 | Illinois | | | 223.037 | 223.033 |
| Illinois | | | 398.677 | 286.321 | Indiana | | | 80.234 | 80.220 |
| Indiana | | | 277.479 | 269.184 | Iowa | | | 1,587.305 | 1,409.511 |
| Iowa | | | 337.069 | 305.217 | Kansas | | | 186.414 | 179.385 |
| Kansas | | | 126.741 | 125.446 | Kentucky | | | 52.249 | 45.796 |
| Kentucky | | | 37.343 | 31.414 | Louisiana | | | 40.492 | 40.492 |
| Louisiana | | | 25.507 | 25.507 | Maryland | | | 33.606 | 29.941 |
| Maryland | | | 13.453 | 10.431 | Massachusetts | | | 10.099 | 9.993 |
| Massachusetts | | | 0.161 | 0.161 | Michigan | | | 76.684 | 76.684 |
| Michigan | | | 24.123 | 22.396 | Minnesota | | | 880.503 | 765.290 |
| | | | | | Mississippi | | | 55.242 | 55.233 |
| | | | | | Missouri | | | 214.325 | 182.607 |
| | | | | | Montana | | | 30.972 | 21.265 |
| | | | | | Nebraska | | | 307.759 | 262.908 |
| | | | | | New York | | | 51.426 | 43.571 |
| | | | | | North Dakota | | | 57.618 | 50.590 |

¹³ Headquartered in State and Membership values are not collected for individual farm supply products; rather they are collected for total farm supplies.

(continued next page)

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2006³*(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 | |
| FEED (continued) | | | | | FERTILIZER (continued) | | | | |
| Ohio | | | 124.594 | 124.553 | Virginia | | | 82.362 | 73.328 |
| Oklahoma | | | 62.569 | 62.569 | Washington | | | 169.071 | 169.071 |
| Oregon | | | 367.447 | 280.422 | West Virginia | | | 7.871 | 6.831 |
| Pennsylvania | | | 27.584 | 25.841 | Wisconsin | | | 281.197 | 265.696 |
| South Dakota | | | 190.386 | 166.628 | Wyoming | | | 7.068 | 7.031 |
| Tennessee | | | 195.627 | 127.930 | Other States | | | 132.050 | 101.266 |
| Texas | | | 127.028 | 127.028 | Foreign ⁷ | | | 49.946 | 19.893 |
| Utah | | | 94.715 | 94.715 | United States | | | 6,605.309 | 5,930.193 |
| Virginia | | | 118.007 | 108.146 | | | | | |
| Washington | | | 287.612 | 214.651 | PETROLEUM¹³ | | | | |
| West Virginia | | | 16.833 | 14.650 | Alabama | | | 12.585 | 12.463 |
| Wisconsin | | | 825.660 | 689.440 | Arkansas | | | 112.068 | 110.389 |
| Wyoming | | | 4.579 | 4.579 | California | | | 4.594 | 4.472 |
| Other States | | | 244.712 | 215.570 | Colorado | | | 532.755 | 312.809 |
| Foreign ⁷ | | | 168.142 | 147.042 | Florida | | | 5.213 | 5.213 |
| United States | | | 7,261.125 | 6,330.044 | Georgia | | | 326.406 | 106.217 |
| | | | | | Idaho | | | 392.873 | 190.035 |
| FERTILIZER¹³ | | | | | Illinois | | | 1,782.861 | 1,200.305 |
| Alabama | | | 79.447 | 75.473 | Indiana | | | 1,455.238 | 842.425 |
| Arkansas | | | 119.381 | 107.720 | Iowa | | | 1,941.210 | 1,531.804 |
| California | | | 134.311 | 134.299 | Kansas | | | 3,058.040 | 2,722.022 |
| Colorado | | | 67.031 | 66.439 | Kentucky | | | 156.675 | 107.287 |
| Florida | | | 50.878 | 37.810 | Louisiana | | | 11.537 | 11.537 |
| Georgia | | | 60.764 | 50.137 | Maryland | | | 136.817 | 109.391 |
| Idaho | | | 37.701 | 37.701 | Massachusetts | | | 0.018 | 0.018 |
| Illinois | | | 748.385 | 592.338 | Michigan | | | 423.111 | 178.144 |
| Indiana | | | 420.419 | 418.827 | Minnesota | | | 1,191.797 | 973.663 |
| Iowa | | | 845.224 | 778.566 | Mississippi | | | 22.292 | 20.559 |
| Kansas | | | 291.896 | 291.859 | Missouri | | | 1,087.719 | 730.493 |
| Kentucky | | | 118.936 | 103.812 | Montana | | | 627.885 | 476.435 |
| Louisiana | | | 21.170 | 20.873 | Nebraska | | | 1,181.323 | 858.780 |
| Maryland | | | 33.809 | 29.361 | New York | | | 7.221 | 5.749 |
| Massachusetts | | | 11.467 | 4.925 | North Dakota | | | 837.671 | 626.979 |
| Michigan | | | 54.979 | 54.720 | Ohio | | | 341.865 | 265.744 |
| Minnesota | | | 461.642 | 460.408 | Oklahoma | | | 645.901 | 315.585 |
| Mississippi | | | 41.982 | 40.756 | Oregon | | | 477.914 | 315.582 |
| Missouri | | | 446.382 | 305.278 | Pennsylvania | | | 16.630 | 14.006 |
| Montana | | | 99.066 | 99.066 | South Dakota | | | 624.513 | 412.095 |
| Nebraska | | | 420.067 | 410.559 | Tennessee | | | 496.311 | 200.288 |
| New York | | | 25.730 | 12.554 | Texas | | | 188.916 | 187.301 |
| North Dakota | | | 234.284 | 234.284 | Utah | | | 310.241 | 98.327 |
| Ohio | | | 263.847 | 230.630 | Virginia | | | 645.900 | 365.693 |
| Oklahoma | | | 80.262 | 80.262 | Washington | | | 545.436 | 401.073 |
| Oregon | | | 129.938 | 129.938 | West Virginia | | | 37.001 | 31.054 |
| Pennsylvania | | | 43.990 | 20.873 | Wisconsin | | | 1,098.568 | 865.047 |
| South Dakota | | | 212.886 | 212.775 | Wyoming | | | 445.052 | 295.468 |
| Tennessee | | | 207.210 | 132.198 | Other States | | | 102.555 | 86.381 |
| Texas | | | 91.418 | 91.393 | Foreign ⁷ | | | 487.793 | 181.515 |
| Utah | | | 21.242 | 21.242 | United States | | | 21,772.501 | 15,172.346 |

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2006³

| 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 | |
| SEED¹³ | | | | | OTHER FARM SUPPLIES (continued) | | | | |
| Alabama | | | 16.602 | 16.087 | Colorado | | | 80.434 | 76.924 |
| Arkansas | | | 49.457 | 48.483 | Florida | | | 52.698 | 52.435 |
| California | | | 21.088 | 21.088 | Georgia | | | 44.282 | 31.374 |
| Colorado | | | 6.892 | 6.867 | Idaho | | | 39.468 | 35.958 |
| Florida | | | 3.139 | 2.835 | Illinois | | | 177.240 | 142.181 |
| Georgia | | | 8.486 | 6.912 | Indiana | | | 112.449 | 78.807 |
| Idaho | | | 73.147 | 13.270 | Iowa | | | 229.488 | 212.523 |
| Illinois | | | 244.529 | 163.042 | Kansas | | | 105.571 | 97.115 |
| Indiana | | | 87.877 | 54.155 | Kentucky | | | 82.934 | 64.875 |
| Iowa | | | 337.965 | 171.497 | Louisiana | | | 17.095 | 17.076 |
| Kansas | | | 35.495 | 35.495 | Maryland | | | 28.261 | 24.855 |
| Kentucky | | | 31.624 | 27.935 | Massachusetts | | | 13.396 | 11.943 |
| Louisiana | | | 11.597 | 11.597 | Michigan | | | 87.024 | 76.766 |
| Maryland | | | 9.185 | 7.784 | Minnesota | | | 276.564 | 267.857 |
| Massachusetts | | | 0.799 | 0.663 | Mississippi | | | 50.762 | 50.724 |
| Michigan | | | 12.039 | 11.641 | Missouri | | | 201.977 | 153.591 |
| Minnesota | | | 228.023 | 161.460 | Montana | | | 70.395 | 67.603 |
| Mississippi | | | 21.087 | 21.039 | Nebraska | | | 143.078 | 138.282 |
| Missouri | | | 314.973 | 80.633 | New York | | | 35.185 | 29.023 |
| Montana | | | 42.312 | 29.007 | North Dakota | | | 250.046 | 246.916 |
| Nebraska | | | 100.042 | 79.947 | Ohio | | | 105.025 | 70.422 |
| New York | | | 2.795 | 2.308 | Oklahoma | | | 42.681 | 38.939 |
| North Dakota | | | 77.951 | 57.993 | Oregon | | | 183.493 | 181.763 |
| Ohio | | | 53.819 | 53.204 | Pennsylvania | | | 30.537 | 22.442 |
| Oklahoma | | | 6.674 | 6.670 | South Dakota | | | 99.790 | 98.158 |
| Oregon | | | 38.789 | 38.789 | Tennessee | | | 303.803 | 177.434 |
| Pennsylvania | | | 5.893 | 3.789 | Texas | | | 101.905 | 91.882 |
| South Dakota | | | 101.452 | 81.494 | Utah | | | 61.833 | 56.756 |
| Tennessee | | | 94.571 | 59.288 | Virginia | | | 150.555 | 140.926 |
| Texas | | | 24.119 | 24.119 | Washington | | | 178.273 | 174.731 |
| Utah | | | 3.077 | 3.077 | West Virginia | | | 26.647 | 23.528 |
| Virginia | | | 26.861 | 23.851 | Wisconsin | | | 360.472 | 356.628 |
| Washington | | | 47.564 | 40.912 | Wyoming | | | 30.895 | 29.834 |
| West Virginia | | | 3.790 | 3.244 | Other States | | | 199.397 | 156.747 |
| Wisconsin | | | 171.237 | 100.731 | Foreign ⁷ | | | 143.483 | 100.682 |
| Wyoming | | | 0.856 | 0.856 | United States | | | 4,537.071 | 3,965.310 |
| Other States | | | 31.160 | 25.573 | | | | | |
| Foreign ⁷ | | | 4.070 | 1.661 | | | | | |
| United States | | | 2,351.035 | 1,498.997 | | | | | |
| OTHER FARM SUPPLIES^{13, 14} | | | | | FARM SUPPLY | | | | |
| Alabama | | | 98.063 | 57.287 | Alabama | 44 | 20.0 | 324.600 | 257.274 |
| Arkansas | | | 95.796 | 87.544 | Arkansas | 34 | 32.9 | 574.900 | 544.609 |
| California | | | 226.076 | 222.778 | California | 18 | 13.9 | 635.142 | 609.760 |
| | | | | | Colorado | 15 | 18.9 | 773.154 | 549.081 |
| | | | | | Florida | 6 | 6.9 | 161.164 | 145.570 |
| | | | | | Georgia | 5 | 0.9 | 520.531 | 267.049 |
| | | | | | Idaho | 10 | 6.9 | 658.658 | 371.347 |
| | | | | | Illinois | 48 | 68.1 | 3,574.729 | 2,607.219 |
| | | | | | Indiana | 26 | 40.1 | 2,433.695 | 1,743.618 |
| | | | | | Iowa | 48 | 47.9 | 5,278.261 | 4,409.118 |

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

(continued next page)

Table 3—Number¹ of cooperatives, memberships², and gross and net sales by State, 2006³*(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 | |
| FARM SUPPLY (continued) | | | | | SERVICE (continued) | | | | |
| Kansas | 30 | 28.9 | 3,804.157 | 3,451.322 | North Carolina | 3 | 0.1 | 15.690 | 15.690 |
| Kentucky | 26 | 98.5 | 479.761 | 381.119 | North Dakota | 3 | 1.8 | 58.115 | 58.115 |
| Louisiana | 19 | 5.6 | 127.399 | 127.083 | Ohio | 3 | 4.2 | 111.380 | 111.380 |
| Maryland | 10 | 21.9 | 255.130 | 211.763 | Oklahoma | 12 | 4.6 | 38.537 | 38.537 |
| Massachusetts | 4 | 2.5 | 35.940 | 27.702 | Pennsylvania | 5 | 0.1 | 5.674 | 5.674 |
| Michigan | 20 | 6.7 | 677.960 | 420.352 | Texas | 113 | 18.5 | 293.580 | 293.580 |
| Minnesota | 108 | 124.4 | 3,332.145 | 2,921.711 | Virginia | 3 | 10.3 | 20.722 | 20.722 |
| Mississippi | 36 | 77.4 | 250.603 | 247.547 | Washington | 4 | 0.1 | 59.238 | 59.238 |
| Missouri | 43 | 96.6 | 2,378.308 | 1,533.102 | Wisconsin | 22 | 41.8 | 87.720 | 87.720 |
| Montana | 29 | 12.5 | 918.519 | 740.834 | Other States | 22 | 17.8 | 1,369.177 | 1,369.177 |
| Nebraska | 29 | 25.8 | 2,364.998 | 1,962.774 | United States | 305 | 133.5 | 3,335.889 | 3,335.889 |
| New York | 7 | 1.4 | 126.370 | 94.152 | | | | | |
| North Dakota | 90 | 34.9 | 1,596.926 | 1,356.117 | TOTAL | | | | |
| Ohio | 15 | 13.3 | 982.311 | 836.337 | Alabama | 57 | 22.3 | 691.288 | 545.221 |
| Oklahoma | 26 | 18.3 | 861.674 | 527.614 | Alaska | 6 | 3.2 | 68.741 | 65.231 |
| Oregon | 12 | 24.8 | 1,283.281 | 1,031.762 | Arizona | 9 | 0.4 | 753.113 | 680.885 |
| Pennsylvania | 7 | 2.2 | 133.763 | 88.950 | Arkansas | 49 | 46.5 | 2,227.180 | 1,907.327 |
| South Dakota | 48 | 34.2 | 1,350.361 | 1,092.483 | California | 143 | 39.3 | 8,308.989 | 7,412.107 |
| Tennessee | 65 | 62.8 | 1,410.529 | 766.046 | Colorado | 33 | 28.8 | 1,162.342 | 938.269 |
| Texas | 41 | 28.2 | 577.321 | 563.931 | Connecticut | 4 | 0.5 | 238.901 | 236.515 |
| Utah | 5 | 5.1 | 499.946 | 282.523 | Delaware | 3 | 5.8 | 101.818 | 74.177 |
| Virginia | 36 | 391.2 | 1,043.162 | 729.598 | Florida | 33 | 19.1 | 2,309.817 | 1,732.594 |
| Washington | 25 | 9.1 | 1,360.224 | 1,131.843 | Georgia | 13 | 7.3 | 951.941 | 532.593 |
| West Virginia | 13 | 46.2 | 94.054 | 80.982 | Hawaii | 16 | 0.8 | 70.993 | 56.928 |
| Wisconsin | 76 | 80.1 | 2,865.506 | 2,396.959 | Idaho | 33 | 9.9 | 1,715.357 | 839.397 |
| Wyoming | 5 | 3.4 | 490.294 | 339.612 | Illinois | 144 | 138.4 | 7,499.823 | 6,528.669 |
| Other States | 11 | 10.0 | 758.143 | 620.166 | Indiana | 39 | 45.4 | 3,615.042 | 2,911.722 |
| Foreign ⁷ | 0 | 1.2 | 878.402 | 453.290 | Iowa | 127 | 118.0 | 12,205.868 | 11,187.625 |
| United States | 1,090 | 1,523.6 | 45,872.022 | 35,922.324 | Kansas | 109 | 117.8 | 6,247.656 | 5,890.651 |
| | | | | | Kentucky | 39 | 105.9 | 637.943 | 539.302 |
| | | | | | Louisiana | 42 | 7.9 | 1,155.686 | 955.465 |
| | | | | | Maine | 23 | 5.4 | 204.465 | 202.852 |
| | | | | | Maryland | 11 | 21.9 | 509.217 | 401.207 |
| | | | | | Massachusetts | 10 | 5.0 | 558.782 | 550.545 |
| | | | | | Michigan | 52 | 16.4 | 2,375.259 | 2,075.127 |
| | | | | | Minnesota | 231 | 192.1 | 13,599.013 | 12,970.668 |
| | | | | | Mississippi | 69 | 112.1 | 1,392.619 | 792.369 |
| | | | | | Missouri | 61 | 130.1 | 5,493.921 | 4,395.496 |
| | | | | | Montana | 54 | 14.7 | 1,416.006 | 1,237.521 |
| | | | | | Nebraska | 73 | 76.0 | 5,762.084 | 5,355.884 |
| | | | | | New Jersey | 13 | 1.5 | 256.252 | 244.501 |
| | | | | | New Mexico | 9 | 1.5 | 652.581 | 239.856 |
| | | | | | New York | 72 | 8.6 | 2,451.985 | 1,963.489 |
| | | | | | North Carolina | 16 | 94.0 | 607.608 | 520.758 |
| | | | | | North Dakota | 200 | 67.6 | 4,337.605 | 4,040.370 |
| | | | | | Ohio | 57 | 53.0 | 3,259.127 | 3,095.911 |
| | | | | | Oklahoma | 67 | 52.6 | 1,530.878 | 1,196.818 |
| | | | | | Oregon | 31 | 28.0 | 3,084.273 | 2,707.577 |

¹⁵ 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, 2006³ (Continued)

| State | Head- quartered in State | Member- ships | Business volume | |
|--------------------------|--------------------------------|------------------|--------------------|------------------|
| | | | Gross ⁴ | Net ⁵ |
| | Number | Thousands | Millions | |
| TOTAL (continued) | | | | |
| Pennsylvania | 45 | 4.4 | 1,005.798 | 889.258 |
| South Carolina | 5 | 0.4 | 102.909 | 81.773 |
| South Dakota | 100 | 65.1 | 3,435.096 | 3,170.107 |
| Tennessee | 73 | 128.5 | 1,557.253 | 829.913 |
| Texas | 204 | 91.9 | 3,991.581 | 3,716.728 |
| Utah | 12 | 16.7 | 1,011.383 | 789.967 |
| Vermont | 3 | 0.8 | 445.007 | 442.798 |
| Virginia | 52 | 405.6 | 1,253.161 | 907.826 |
| Washington | 64 | 21.5 | 3,840.051 | 3,595.678 |
| West Virginia | 25 | 47.1 | 114.371 | 98.153 |
| Wisconsin | 130 | 182.6 | 9,518.591 | 8,783.222 |
| Wyoming | 10 | 3.8 | 551.693 | 401.010 |
| Other States | 4 | 3.8 | 99.161 | 94.166 |
| Foreign ⁷ | 0 | 1.5 | 1,307.620 | 873.364 |
| United States | 2,675 | 2,569.6 | 125,687.848 | 109,699.592 |

part-time and seasonal employees per cooperative. Fruit and vegetable cooperatives, with 19,000, accounted for about 34 percent of all part-time and seasonal employees used by cooperatives. Farm supply cooperatives had about 14,000 part-time and seasonal employees, an average of 13 per cooperative.

Most types of marketing cooperatives operated with more employees than did farm supply cooperatives. For example, sugar cooperatives averaged 265 employees; fruit and vegetable, 196; rice, 180; while farm supply cooperatives averaged 54 (Figure 5).

Business Size

Most farmer 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.

In 2006, 66 percent of all farmer cooperatives reported a business volume of less than \$15 million. However, they accounted for only 6 percent of the total gross dollar volume (Table 6 and Figure 6). Only 3 percent of farmer cooperatives reported a business volume of at least \$200 million, but they accounted for 65 percent of the total sales.

Business Volume

Total gross business volume of the 2,675 marketing, farm supply, and related-service cooperatives for 2006 was \$126.5 billion (table 7), up 5 percent from \$121.7 billion in 2005. 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 2005 and 2006 can be attributable to higher energy costs.

Gross dollar volume of farm products marketed by cooperatives decreased about \$1.5 billion, from \$78 billion in 2005 to \$76.5 billion in 2006 (2 percent). Dairy cooperatives had an almost \$2 billion decline in sales due to lowered prices. Gross volume of all farm supplies handled by cooperatives was \$45.9 billion, up 17 percent from \$39 billion in 2005 (almost the entire increase was due to higher petroleum prices).

Total net business volume of farmer cooperatives in 2006 was \$110.5 billion—\$70.4 billion from farm products marketed, \$36 billion from farm supply sales, and \$4.1 billion from services performed and other income sources. The total net figure, which excludes inter-cooperative business, was up 3 percent from \$107 billion in 2005. The \$110.5 billion was a record net business volume—surpassing \$106.7 billion in 1997 by almost \$4 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 started in 2003. Adjusted for inflation where 1991 = 100², net business volume totaled \$97 billion in 1997 and dropped to \$88 billion in 2006 (Figure 7). Consequently, the difference between actual and real net business volume in 2006 was \$23 billion. The real net business volume was lower than the actual value in 2006 due to lower prices received for farm products and higher prices paid for farm production inputs. The index for prices received for all farm commodities from 1997 to 2006 rose 9 points, while the index for prices paid for farm production items increased 28 points, hence the large gap between actual and real cooperative net business volume when adjusted by prices paid and prices received for farm production.

Net volume of farm products marketed decreased from 2005, from \$74 billion to \$70 billion—a decline of 5 percent. Net marketing business volume accounted for 64 percent of total cooperative sales in 2006, down 6

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 3—Cooperative Memberships by Function, 1997-2006

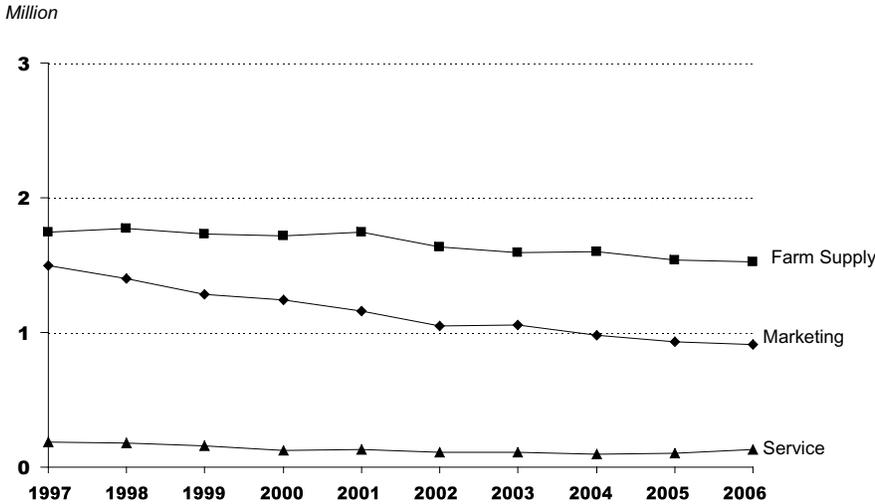
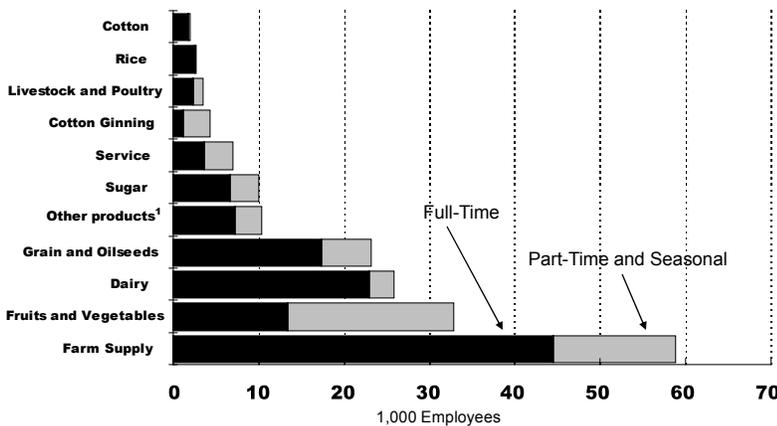
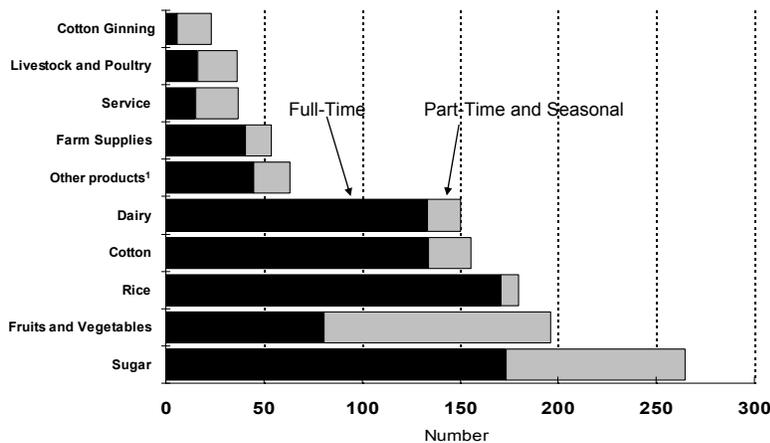


Figure 4—Full-Time and Part-Time and Seasonal Employees, by Cooperative Type, 2006



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

Figure 5—Average Full-Time and Part-Time and Seasonal Employees, 2006



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

percent from 2005.

Figure 8 illustrates the leading products marketed by cooperatives based on net marketing business volume. Dairy (milk and milk products) led with 39 percent, followed by grains and oilseeds (excluding cottonseed) with 30 percent, and fruit and vegetable with 8 percent.

Net farm supply volume of \$36 billion, up 26 percent from \$28 billion, accounted for 33 percent of the total net business volume. The leading farm production goods handled by cooperatives in terms of farm supply net business volume were petroleum, 42 percent; feed, 18 percent; and fertilizer, 17 percent (Figure 9). Petroleum sales increased by more than \$5 billion over 2005 sales.

Receipts for services provided by marketing, farm supply, and related-service cooperatives, plus other income, decreased 5 percent to \$4 billion. Service receipts and other income represented 4 percent of total net business volume.

Marketing sales of four major commodity groups—dairy; grains and oilseeds; fruits and vegetables; and livestock—were down from 83 percent of marketing sales in 1997 to 82 percent in 2006 (Figure 10). Grains and oilseeds were down from sales of \$25 billion in 1997 to \$21 billion in 2006 but will no doubt rebound with increased prices in 2006 and 2007. Net volume among commodity groups was highest in 2006 for dairy, with \$27 billion (\$23 billion in 1997), followed by grains and oilseeds.

Milk and milk product sales showed the strongest dollar sales during 1997-2006 and with increased prices in 2007, will probably continue this trend. Dairy sales in 2004 at \$29 billion were the highest ever and with increased prices in 2007 may challenge that record.

In the farm supply group, feed and fertilizer were important farm inputs (Figure 11) but petroleum was especially important with sales 20 percent larger than the combined feed and fertilizer amounts. With the large price increase of petroleum, its share of farm supply sales increased from 27 percent in 1997 to 42 percent in 2006. The combination of petroleum, feed, and fertilizer sales accounted for 76 percent of cooperatives' total farm supply sales in 2006 and 72 percent in 1997. In 2006, the sales of all farm supplies increased except crop protectants which stayed the same as 2005 at \$3.0 billion.

Net marketing of farm products totaled \$78 billion in 1997—\$8 billion higher than the sales of \$70 billion in 2006. Higher dairy sales and lower grain and oilseed sales about cancel each other but livestock and fruits and vegetable sales account for a drop in sales of \$7.5 billion over the last decade. Farm supply sales have been about \$23 to \$25 billion each year until 2004 when petroleum prices started to increase. Service receipts (includes other income and revenue) increased from \$3.6 billion in 1997 to \$4.1 billion in 2006, equaling the record of \$4.1 billion in 2003.

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 \$13.6 billion and \$13 billion, respectively, followed by Iowa with \$12.2 billion in gross business and \$11.2 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 farmer cooperatives totaled \$47.8 billion in 2006, \$1.3 billion higher than 2005 (Table 8). Total assets of cooperatives,

Figure 6—Distribution of Farmer Cooperatives and Volume, by Size, 2006

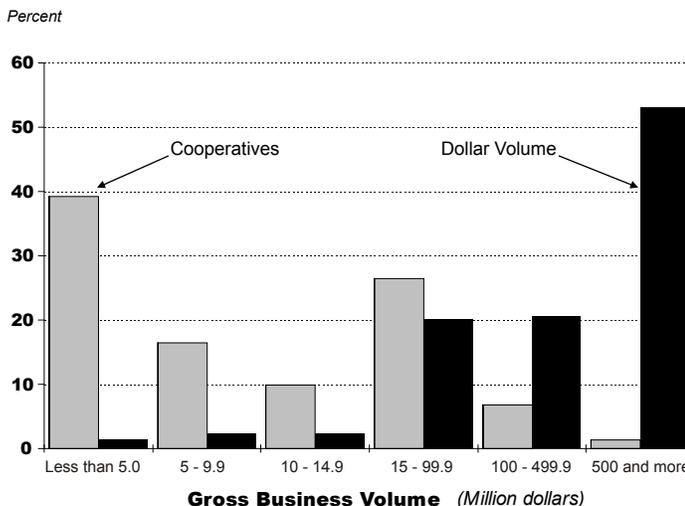
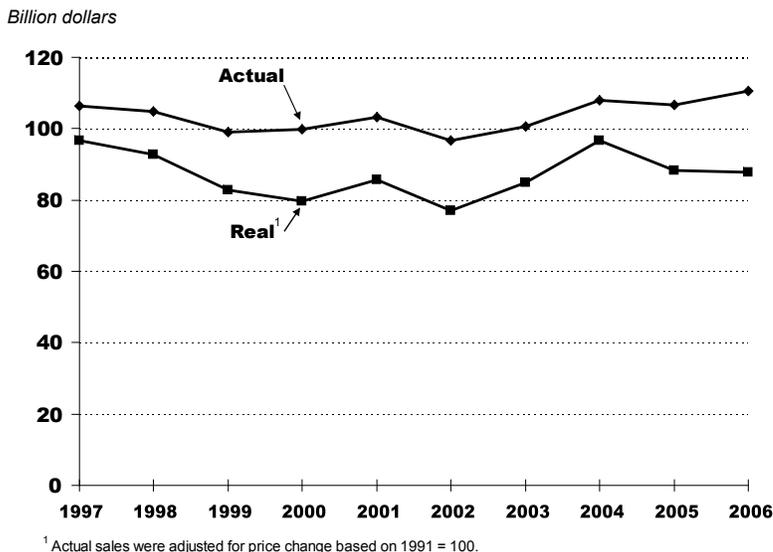
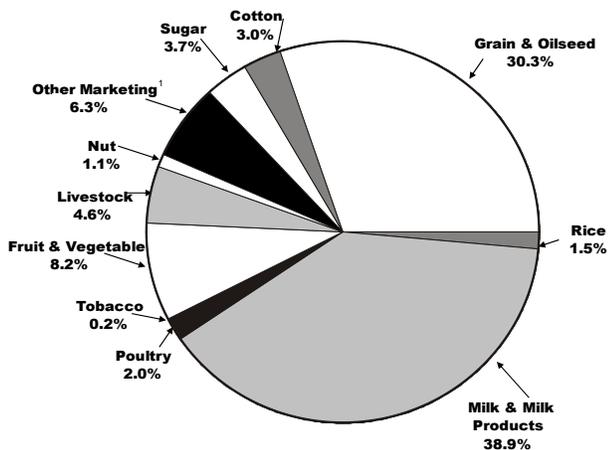


Figure 7—Cooperatives' Net Business Volume, Actual and Adjusted, 1997-2006



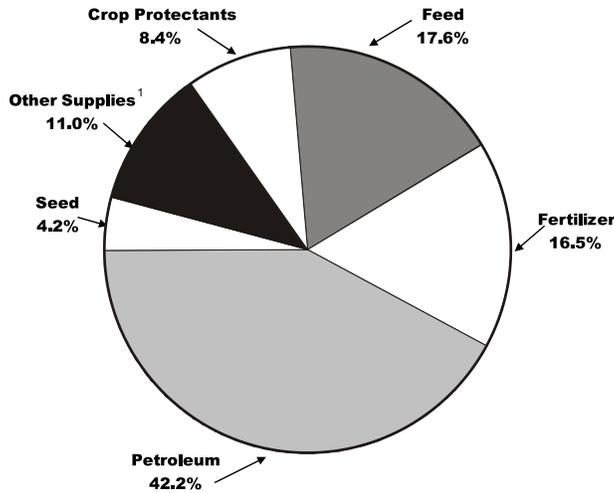
¹ Actual sales were adjusted for price change based on 1991 = 100.

Figure 8—Relative Importance of Products Marketed by Cooperatives, 2006



Percentages are based on a total net marketing business volume of \$70.4 billion.
¹ Includes wool and mohair, dry beans and peas, fish, and other product marketing.

Figure 9—Relative Importance of Farm Supplies Handled by Cooperatives, 2006



Percentages are based on a total net farm supply business volume of \$35.9 billion.

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

excluding inter-cooperative investments, increased by \$2 billion to \$44 billion. Cooperatives' total assets grew from \$44 billion in 1997 to \$48 billion in 2006 (Appendix Table 5 and Figure 12), mainly through growth in their own operations as investments in other cooperatives has been trending downwards. In 1997, \$4.1 billion (9 percent of total assets) was invested in other cooperatives, including CoBank and this investment peaked at \$5.5 billion in 2002. In 2006, these investments were \$3.5 billion, down \$0.6 billion from 1997, and at 7 percent of total assets, two points lower than a decade ago.

Of the \$48 billion in total assets, marketing cooperatives accounted for \$30 billion, up \$1 billion from 2005. Dairy cooperatives had about \$9.5 billion in assets and grain and oilseed cooperatives had about \$8.7 billion in assets, more than double the assets of any other type of marketing cooperative but only about half of the more than \$16.7 billion assets of farm supply cooperatives.

Table 9 compares common-size balance sheets for five 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 cooperatives.

Current assets

Current assets are generally comprised of cash and cash equivalents, accounts and notes (with short-term maturities) receivable, inventories, prepaid expenses. Current assets for all cooperative sizes was about 50 percent or more for all sizes of cooperatives, down from at least 53 percent in 2005.

Investments and other assets

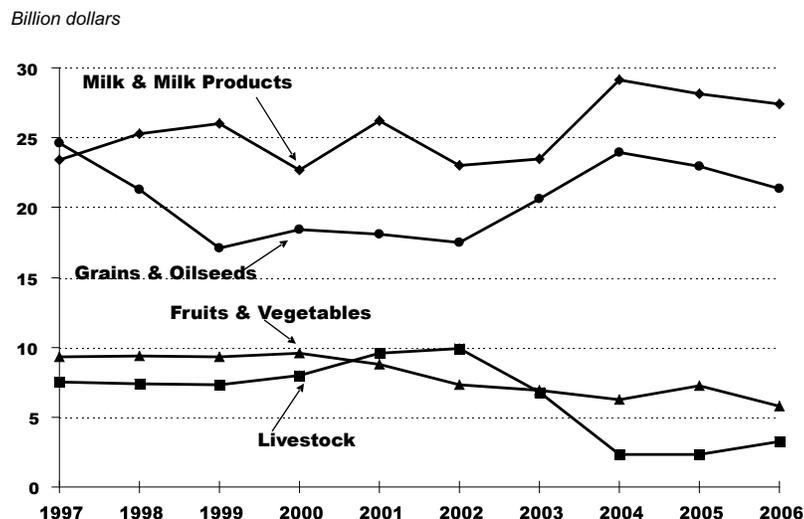
Investments were most often in other cooperatives and CoBank, while other assets is a catch-all account in this study and, as imagined, contained a wide variety of items. Investments and

other assets ranged from 11 percent for small cooperatives down to 5 percent for large cooperatives. Investments were larger for farm supply cooperatives than most marketing cooperatives. All but the largest farm supply cooperatives generally purchase their farm inputs from regional farm supply cooperatives, hence the large investments in other cooperatives. Small dairy cooperatives, large fresh fruit and vegetable cooperatives and large livestock marketing cooperatives all had investments 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

Figure 10—Cooperatives' Net Sales of Selected Commodities, 1997-2006



26 and 28 percent of total assets. Large fish marketing cooperatives only had PP&E of 7 percent. Ethanol cooperatives, large sugar cooperatives, large cotton ginning cooperatives, and service cooperatives all had PP&E of at least 40 percent of their assets.

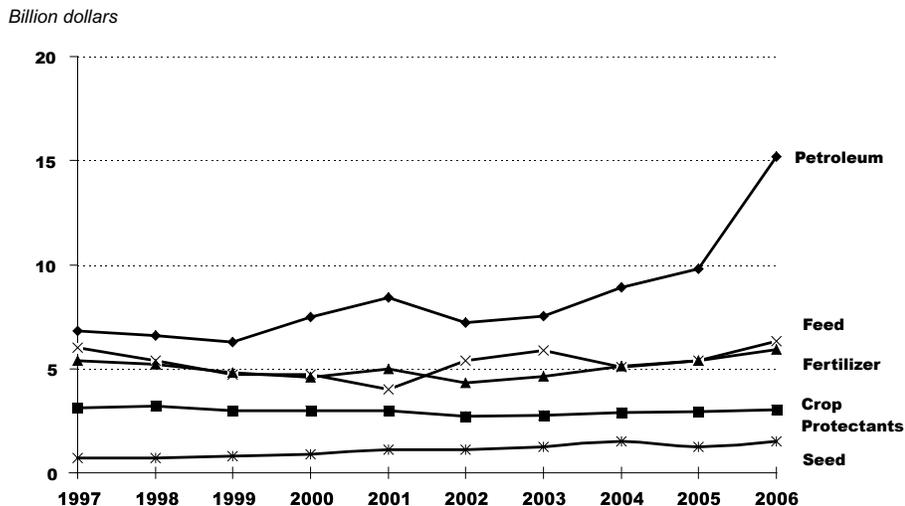
Current liabilities

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 43 percent for larger cooperatives. Product marketing cooperatives tended to have higher levels of current liabilities than farm supply cooperatives.

Total liabilities

Total liabilities includes current liabilities plus long-term debt. In the aggregate, all types and sizes of cooperatives had some long-term debt. The first four sizes of cooperatives in Table 9 all had about 10 percent of their

Figure 11—Cooperatives' Net Sales of Selected Farm Supplies, 1997-2006



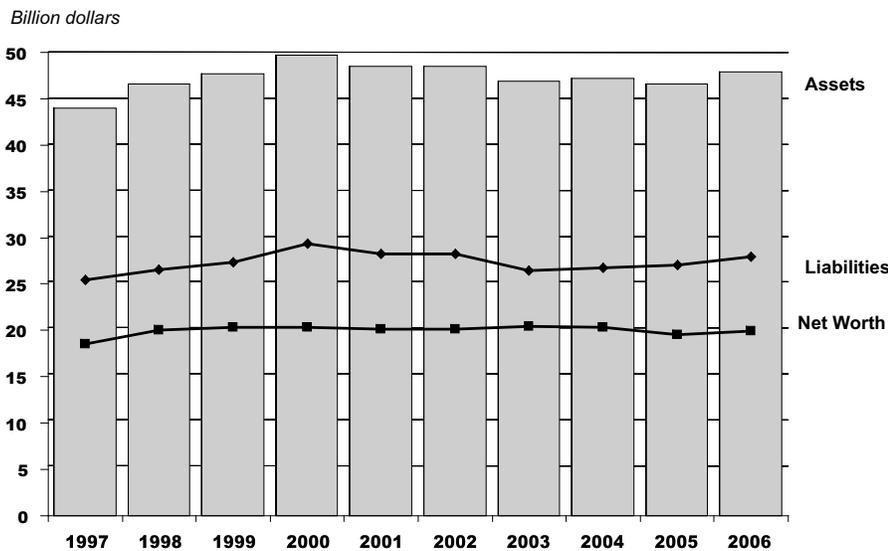
assets financed through long-term debt. The very largest cooperatives used the most debt, financing 13 percent of their assets. Total liabilities were \$28 billion, up \$1 billion from 2005 (Table 10). Cooperatives' total liabilities grew from \$25 billion in 1997 to \$28 billion in 2006 but continued to remain just below 60 percent of total assets.

Allocated (or member) equities

Comparing allocated equities to total assets determines the percent of the cooperative's assets owned by members. Allocated equity comprised about 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 \$20 billion, up about \$0.5 billion from 2005. The proportion of total assets financed by member and patron equity was 42 percent, virtually unchanged from 2005. Net worth for all marketing cooperatives totaled \$11.5 billion, up \$0.5 billion from 2005. Marketing cooperatives accounted for 58 percent of farmer cooperatives' combined net worth, the same as 2005. Net worth for farm supply cooperatives totaled almost \$8 billion and was 38 percent of the total. For marketing cooperatives, the highest percentage of total assets represented by net worth shown in Figure 13 (57 percent)

Figure 12—Cooperatives' Assets, Liabilities, and Net Worth, 1997-2006



was for other marketing cooperatives. The lowest, 26 percent, was for cooperatives marketing livestock and poultry.

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 five different sizes. Each item in a common-size income statement is represented as a percent of total sales. 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 farm supplies sold or products marketed. For all sizes of cooperatives, COGS was at least 85 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 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 income from own operations. 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 to be profitable and afford to finance essential future-directed discretionary expenditures, such as expansion and advertising.

Table 4—Cooperatives' number of full-time employees, 2006-2001

| Commodity | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-----------------------|------------------|-------|-------|-------|-------|-------|
| | <i>Thousands</i> | | | | | |
| Cotton | 1.7 | 1.8 | 1.7 | 1.9 | 2.0 | 1.8 |
| Dairy | 22.9 | 24.4 | 24.0 | 23.4 | 23.7 | 20.7 |
| Fruits and vegetables | 13.4 | 13.5 | 14.3 | 18.4 | 18.7 | 19.9 |
| Grains and oilseeds | 17.4 | 17.6 | 17.5 | 20.4 | 18.9 | 19.6 |
| Livestock and poultry | 2.4 | 1.9 | 20.6 | 34.4 | 34.4 | 35.8 |
| Rice | 2.6 | 2.4 | 2.5 | 2.6 | 2.5 | 2.4 |
| Sugar | 6.6 | 6.8 | 7.1 | 4.9 | 4.5 | 4.4 |
| Other marketing | 7.2 | 7.2 | 7.8 | 5.8 | 6.8 | 6.3 |
| Total marketing | 74.3 | 75.5 | 95.3 | 111.9 | 111.3 | 111.0 |
| Total farm supply | 44.4 | 46.0 | 49.7 | 48.2 | 50.7 | 50.6 |
| Service | 4.7 | 3.9 | 4.4 | 5.0 | 4.0 | 4.0 |
| Total | 123.4 | 125.4 | 149.5 | 165.1 | 166.1 | 165.7 |

Gross margin equals net sales less cost of goods sold, so cooperatives with higher COGS had lower gross margins. COGS were about four points higher for the very largest cooperatives than the other sizes. As discussed earlier in COGS, those cooperatives with 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, grinding (feed), locker plants, pest management and scouting, and other miscellaneous services. Service income is important to marketing and farm 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 income 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 (14 percent of sales) and diminishes as size increases to cooperatives with over \$500 million in sales (1 percent of sales). Many of the cotton ginning cooperatives have mainly service income and limited sales, hence service

Table 5—Full-time and part-time and seasonal employees of farmer cooperatives, by cooperative type, 2006-2005¹

| Principal product(s) marketed or major function | Total employees | | Full-time | | Part-time & seasonal | |
|-------------------------------------------------|------------------|-------|-----------|-------|----------------------|------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Products marketed | <i>Thousands</i> | | | | | |
| Cotton | 2.0 | 2.2 | 1.7 | 1.8 | 0.3 | 0.4 |
| Dairy | 25.9 | 25.8 | 22.9 | 24.4 | 2.9 | 1.4 |
| Fruit and vegetable | 32.8 | 31.2 | 13.4 | 13.5 | 19.3 | 17.7 |
| Grain and oilseed ² | 23.2 | 23.3 | 17.4 | 17.6 | 5.8 | 5.7 |
| Livestock and poultry | 3.5 | 3.1 | 2.4 | 1.9 | 1.2 | 1.2 |
| Rice | 2.7 | 3.0 | 2.6 | 2.4 | 0.1 | 0.5 |
| Sugar | 10.1 | 10.2 | 6.6 | 6.8 | 3.5 | 3.4 |
| Other marketing ³ | 10.4 | 10.5 | 7.2 | 7.2 | 3.1 | 3.4 |
| Marketing | 110.6 | 109.2 | 74.3 | 75.5 | 36.3 | 33.7 |
| Farm supply | 58.8 | 60.7 | 44.4 | 46.0 | 14.4 | 14.7 |
| Service | 11.3 | 10.0 | 4.7 | 3.9 | 6.6 | 6.1 |
| Total | 180.7 | 179.9 | 123.4 | 125.4 | 57.3 | 54.4 |

¹ Totals may not add due to rounding.

² Excludes oilseed meal and oil. Oilseed meal is included in feed sales while oil sales are included in other marketing sales.

³ Includes dry edible bean and pea, nut, tobacco, wool, fishery, and other product marketing cooperatives.

income ranges from 20 percent to 83 percent of sales for these cooperatives.

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 per-

cent 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 36 percent of sales and other service cooperatives averaged 22 percent of sales. Larger livestock marketing (auctions) had wage expenses averaging 1 percent of sales and ethanol cooperatives averaged 2 percent.

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 have some of the highest depreciation expenses (4 percent) relative to sales. Larger livestock cooperatives had little PP&E so depreciation expenses were low (less than 0.15 percent).

Interest expenses were relatively minor for all sizes of cooperatives, comprising less than 1 percent of total sales. 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 could be larger than expected.

Income from own operations

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. Income from own operations for all cooperatives in 2006 was \$2.7 billion, excluding inter-cooperative dividends and refunds (Table 11).

Income from own operations as a percent of net sales was about 2 percent for all cooperatives by size (Table 9). Most service cooperatives, rice drier, hulling, artificial insemination, cotton ginning and ethanol cooperatives had high income from own operations. Dairy cooperatives, rice marketing and larger livestock marketing had low income from own operations.

Table 6—Farmer cooperatives and memberships, by gross business volume, 2006¹

| 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 | 1,048 | 39.2 | 1,722 | 1.4 | 340 | 13.2 |
| 5 - 9.9 | 440 | 16.4 | 2,917 | 2.4 | 269 | 10.5 |
| 10 - 14.9 | 264 | 9.9 | 2,871 | 2.3 | 143 | 5.6 |
| 15 - 24.9 | 268 | 10.0 | 4,951 | 4.0 | 232 | 9.0 |
| 25 - 49.9 | 280 | 10.5 | 9,060 | 7.4 | 309 | 12.0 |
| 50 - 99.9 | 160 | 6.0 | 10,628 | 8.7 | 211 | 8.2 |
| 100 - 199.9 | 133 | 5.0 | 11,193 | 9.1 | 415 | 16.2 |
| 200 - 499.9 | 47 | 1.8 | 13,964 | 11.4 | 87 | 3.4 |
| 500 - 999.9 | 16 | 0.6 | 10,750 | 8.8 | 119 | 4.6 |
| 1,000 and more | 19 | 0.7 | 54,297 | 44.4 | 444 | 17.3 |
| Total ⁴ | 2,675 | 100.0 | 122,352 | 100.0 | 2,570 | 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 Excludes inter-cooperative business volume.

⁴ Total may not add due to rounding.

Patronage income

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

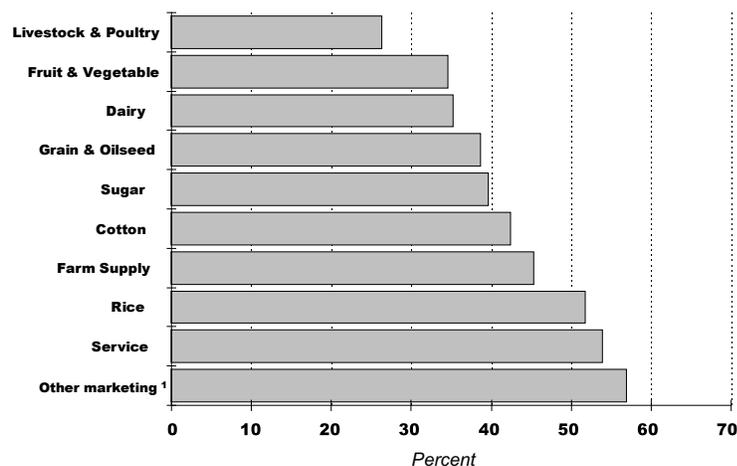
Patronage refunds received from other cooperatives, including CoBank, totaled \$498 million, up (24 percent) from \$401 million in 2005 (Appendix Figure 6). In 1997, refunds from other cooperatives totaled \$757 million, or 33 percent

of total net income. In 2006, refunds had fallen to 16 percent of total net income.

Patronage refunds were a little more than 1 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 equal to 5 percent of sales. Live-stock marketing, poultry marketing, tobacco marketing, wool marketing and service cooperatives 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 property, plant, and equipment, rentals, and extraordinary items. Sometimes property, plant, and equipment were sold to generate income, but usually they are fully depreciated. When sold, if the market value was greater than the book value, income is generated. In some cases, disposal of a fully depreciated asset may mean a loss. Rental income from unused facilities or equipment provided income flows. Extraordinary items might be either a gain or a loss. A gain could result from a fire loss where the insurance

Figure 13—Percentage of Assets Financed by Net Worth, by Cooperative Type, 2006

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, 2006 & 2005¹

| Commodity | Gross volume | | Net volume | |
|-------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 | 2005 | 2006 | 2005 |
| <i>Billion \$</i> | | | | |
| Products marketed: | | | | |
| Beans and peas (dry edible) | .115 | .065 | .110 | .061 |
| Cotton | 3.493 | 3.522 | 2.126 | 3.411 |
| Dairy | 29.029 | 31.001 | 27.414 | 28.163 |
| Fruits and vegetables | 7.188 | 7.598 | 5.791 | 7.258 |
| Grains and oilseeds ² | 21.701 | 22.981 | 21.358 | 22.977 |
| Livestock | 3.388 | 2.322 | 3.270 | 2.297 |
| Nuts | .804 | .781 | .804 | .771 |
| Poultry ³ | 1.378 | 1.154 | 1.378 | 1.140 |
| Rice | 1.066 | 1.036 | 1.066 | .856 |
| Sugar | 3.735 | 3.516 | 2.628 | 3.357 |
| Tobacco | .157 | .153 | .157 | .153 |
| Wool and mohair | .003 | .005 | .003 | .005 |
| Other marketing ⁴ | 4.422 | 3.890 | 4.336 | 3.703 |
| Total farm products | 76.480 | 78.024 | 70.441 | 74.152 |
| Supplies purchased: | | | | |
| Crop protectants | 3.345 | 3.317 | 3.025 | 2.952 |
| Feed | 7.261 | 7.022 | 6.330 | 5.381 |
| Fertilizer | 6.605 | 6.417 | 5.930 | 5.370 |
| Petroleum | 21.773 | 16.308 | 15.172 | 9.799 |
| Seed | 2.351 | 2.069 | 1.499 | 1.252 |
| Other supplies ⁵ | 4.537 | 4.169 | 3.965 | 3.672 |
| Total farm supplies | 45.872 | 39.302 | 35.922 | 28.426 |
| Services and other income ⁶ | 4.118 | 4.330 | 4.118 | 4.330 |
| Total business | 126.470 | 121.657 | 110.482 | 106.909 |

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

² Excludes cottonseed. Cottonseed oil is included in other marketings while 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 farm 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, farm machinery and equipment, meats and groceries, automotive supplies, hardware, chicks, and other supplies not separately classified.

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 0.3 percent of sales.

Net income before taxes

Net income before taxes was a record \$3.2 billion, an increase of 24 percent from the \$2.5 billion in 2003. Net income was \$2.3 billion in 1997, \$0.9 billion less than the record in 2006 (Appendix Table 7 and Figure 14).

Marketing cooperatives' total net income of \$1.5 billion was up 8 percent from the \$1.4 billion generated in 2005. Fruit and vegetable cooperatives increased their net incomes \$100 million, the most of any marketing cooperative.

Total net income of farm supply cooperatives was \$1.5 billion in 2006, up 46 percent from \$1.0 billion in 2005 (Figure 15). They accounted for 47 percent of cooperatives' total net income in 2006, compared with 40 percent in 2005 (Appendix Figure 7).

Losses totaled \$82 million in 2006, a 50-percent increase over the \$54 million in losses in 2005. Dairy cooperatives had over a third of the losses (\$28 million, Appendix Figure 8). The number of cooperatives with losses was up from 242 to 263, or an increase of 8 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. Nonmember business has an impact on retained earnings because cooperatives can allocate the earnings to nonmembers or retain the income. By size, all cooperatives paid less than 0.28 percent of sales as income taxes.

Net Income

Net income after taxes (income from own operations plus patronage refunds and non-operating income minus taxes) was the highest for smaller cooperatives (4 percent) but fell to less than 2 percent for cooperatives with sales of \$100 million to \$500 million. The largest cooperatives averaged net incomes after taxes of 2.4

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.

Table 8—Combined assets for farmer cooperatives, 2006¹

| 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 | 13 | .949 | .028 | .977 | 2.9 |
| Dairy | 172 | 9.343 | .219 | 9.562 | 2.3 |
| Fruits and vegetables | 167 | 3.839 | .106 | 3.944 | 2.7 |
| Grains and oilseeds ⁴ | 642 | 7.833 | .881 | 8.714 | 10.1 |
| Livestock and poultry | 60 | .560 | .016 | .576 | 2.8 |
| Rice | 15 | .532 | .003 | .535 | 0.5 |
| Sugar | 38 | 2.448 | .096 | 2.544 | 3.8 |
| Other marketing ⁵ | 173 | 2.779 | .052 | 2.831 | 1.8 |
| Total marketing | 1,280 | 28.283 | 1.400 | 29.682 | 4.7 |
| Total farm supply | 1,090 | 14.763 | 2.015 | 16.778 | 12.0 |
| Service | 305 | 1.314 | .108 | 1.422 | 7.6 |
| Total | 2,675 | 44.359 | 3.522 | 47.882 | 7.4 |

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 farm supplies (feed).

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

percent of sales. Hulling, rice drier, ethanol marketing, cotton ginning and artificial insemination cooperatives all had higher than average net incomes while dairy and rice 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 five 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 1.5 meaning current assets exceed current liabilities by 1.5 times. If needed, these current assets could be sold to cover all short-term

Table 9—Common size analysis by cooperative size, 2006

| Cooperative sales size | < \$5 million | From \$5 to \$15 million | From \$15 to \$100 million | From \$100 to \$500 million | > \$500 million |
|------------------------------|--------------------------------|--------------------------|----------------------------|-----------------------------|-----------------|
| Balance sheet | | | | | |
| | <i>Percent of total assets</i> | | | | |
| Current assets | 49.80 | 55.90 | 57.53 | 58.68 | 51.63 |
| Other assets | 13.43 | 5.50 | 3.81 | 5.76 | 17.56 |
| Investments | 10.37 | 10.94 | 11.18 | 7.28 | 4.79 |
| PP&E (net) | 26.32 | 27.65 | 27.47 | 28.28 | 26.02 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 33.24 | 38.88 | 43.99 | 42.50 | 38.39 |
| Total liabilities | 43.44 | 48.11 | 54.15 | 61.08 | 61.45 |
| Allocated equity | 40.26 | 33.91 | 28.69 | 26.35 | 31.04 |
| Retained earnings | 16.16 | 17.98 | 17.08 | 12.57 | 7.51 |
| Total equity | 56.48 | 51.89 | 45.85 | 38.92 | 38.55 |
| 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 | 84.97 | 87.87 | 87.45 | 86.28 | 90.39 |
| Gross margin | 15.03 | 12.13 | 12.56 | 13.72 | 9.61 |
| Service and other income | 14.47 | 7.69 | 4.53 | 3.39 | 1.04 |
| Gross revenue | 29.50 | 19.78 | 17.08 | 17.10 | 10.65 |
| Expenses | | | | | |
| Wages | 11.80 | 8.26 | 6.61 | 6.54 | 3.94 |
| Depreciation | 2.14 | 1.71 | 1.57 | 1.43 | 0.96 |
| Interest | 0.80 | 0.71 | 0.81 | 0.96 | 0.55 |
| Other | 12.00 | 7.30 | 5.88 | 6.81 | 3.15 |
| Total expenses | 26.68 | 17.98 | 14.87 | 15.74 | 8.59 |
| Income from own operations | 2.62 | 1.79 | 2.21 | 1.36 | 2.06 |
| Patronage income | 1.04 | 0.78 | 0.74 | 0.43 | 0.22 |
| Non-operating income | 0.23 | 0.26 | 0.26 | 0.29 | 0.20 |
| Net income before taxes | 4.30 | 2.85 | 3.21 | 2.07 | 2.48 |
| Taxes | 0.12 | 0.11 | 0.24 | 0.27 | 0.08 |
| Net income | 3.97 | 2.73 | 2.97 | 1.81 | 2.39 |
| Ratios | | | | | |
| | <i>Percent or number</i> | | | | |
| Current | 1.50 | 1.44 | 1.31 | 1.38 | 1.34 |
| Debt to asset | 0.44 | 0.48 | 0.54 | 0.61 | 0.61 |
| Debt to equity | 0.77 | 0.93 | 1.18 | 1.57 | 1.59 |
| Times interest earned | 6.39 | 4.98 | 4.98 | 3.15 | 5.53 |
| Total asset turnover | 1.41 | 1.98 | 2.19 | 2.40 | 2.96 |
| Fixed asset turnover | 5.36 | 7.16 | 7.98 | 8.47 | 11.37 |
| Gross profit margin | 15.03 | 12.13 | 12.56 | 13.72 | 9.61 |
| Return on assets | 7.20 | 7.05 | 8.80 | 7.26 | 8.94 |
| Return on member equity | 13.92 | 15.97 | 22.65 | 16.48 | 22.78 |

Table 10—Combined balance sheet data for farmer cooperatives, 2006¹

| Principal product(s) marketed and major function | | Co-ops | Total assets | Total liabilities | Net worth |
|--------------------------------------------------|--------------|-----------------|--------------|-------------------|-----------|
| Products marketed: | No. | Billion dollars | | | |
| Cotton | 13 | .98 | .56 | .41 | |
| Dairy | 172 | 9.56 | 6.19 | 3.37 | |
| Fruits and vegetables | 167 | 3.94 | 2.58 | 1.37 | |
| Grains and oilseeds ² | 642 | 8.71 | 5.35 | 3.36 | |
| Livestock and poultry | 60 | .58 | .42 | .15 | |
| Rice | 15 | .53 | .26 | .28 | |
| Sugar | 38 | 2.54 | 1.53 | 1.01 | |
| Other marketing ³ | 173 | 2.83 | 1.22 | 1.61 | |
| Total marketing | 1,280 | 29.68 | 18.12 | 11.56 | |
| Total farm supply | 1,090 | 16.78 | 9.18 | 7.60 | |
| Service | 305 | 1.42 | .65 | .77 | |
| Total | 2,675 | 47.88 | 27.95 | 19.93 | |

¹ Totals may not add due to rounding.

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

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

liabilities and the cooperative would still have some liquid assets left. By type, the current ratio exceeds two for tobacco marketing cooperatives, small transportation cooperatives and storage cooperatives.

Leverage ratios

Leverage or debt-to-asset 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 debt plus short-term debt 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 61 percent for the largest cooperatives. Service cooperatives (except hulling) and tobacco marketing

Table 11—Farmer cooperatives' net income before taxes, 2006¹

| Principal product(s) marketed and major function | | Co-ops ² | Income from own operations | | Patronage income ³ |
|--------------------------------------------------|--------------|---------------------|----------------------------|--------------|-------------------------------|
| Products marketed: | No. | Million dollars | | | |
| Cotton | 13 | 101.5 | 100.2 | 1.4 | |
| Dairy | 172 | 295.5 | 225.0 | 70.4 | |
| Fruits and vegetables | 167 | 295.1 | 289.0 | 6.2 | |
| Grains and oilseeds ⁴ | 642 | 374.3 | 253.8 | 120.5 | |
| Livestock and poultry | 60 | 18.2 | 17.4 | .9 | |
| Rice | 15 | 2.3 | 2.0 | .3 | |
| Sugar | 38 | 110.3 | 108.0 | 2.3 | |
| Other marketing ⁵ | 173 | 297.6 | 293.8 | 3.7 | |
| Total marketing | 1,280 | 1,494.8 | 1,289.2 | 205.6 | |
| Total farm supply | 1,090 | 1,483.7 | 1,210.1 | 273.6 | |
| Service | 305 | 184.1 | 165.8 | 18.3 | |
| Total | 2,675 | 3,162.7 | 2,665.1 | 497.5 | |

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 Includes a number of cooperatives operating on a strictly pooling basis, but not their pool proceeds.

³ Includes patronage refunds from CoBank.

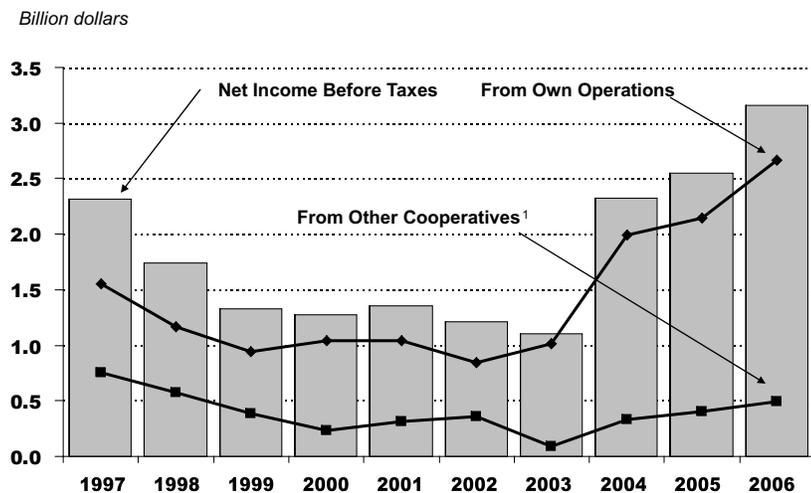
⁴ Excludes cottonseed and other oilseed oils and meals. Oilseed oil is included in othemarketings while meal is included in farm supplies (feed).

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

cooperatives had the lowest use of debt financing.

Debt to equity ratio is calculated by dividing debt 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 there is owners' equity 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

Figure 14—Cooperatives' Net Income Before Taxes, 1997-2006



¹ Includes dividends and patronage refunds from other farmer cooperatives, CoBank, and Banks for Cooperatives.

long-term loans. Other ways include increasing local equity by generating higher levels of income from own operations, 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 1.6 for the largest. Service 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 three and six 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. Cotton ginning and service cooperatives had the highest ratios.

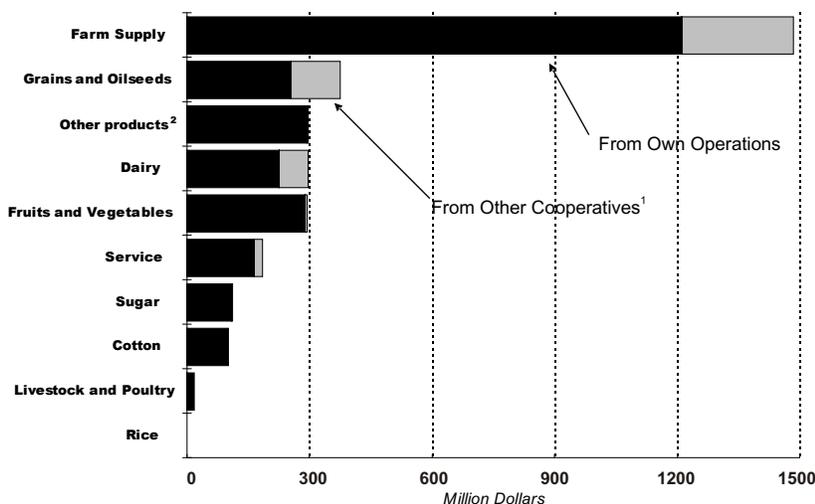
Activity ratios

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 3 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

Figure 15—Net Income or Loss, by Type of Cooperative, 2006



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

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

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 5.4 and 11.4 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 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 seven for the smallest cooperatives to almost nine for cooperatives with sales of \$15 million to \$100 million and then fell to 7.3 for cooperatives with \$100 million to \$500 million in sales before rising to 8.9 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 almost 23 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, 2006-1997

| Major business activity | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|--------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Products marketed: | <i>Number</i> | | | | | | | | | |
| Bean and pea (dry edible) | 6 | 6 | 6 | 8 | 8 | 9 | 8 | 8 | 8 | 8 |
| Cotton | 13 | 14 | 13 | 14 | 14 | 14 | 14 | 15 | 15 | 16 |
| Dairy | 172 | 193 | 195 | 197 | 198 | 204 | 208 | 221 | 228 | 236 |
| Fruits and vegetables | 167 | 188 | 196 | 207 | 212 | 220 | 232 | 231 | 249 | 259 |
| Grain and oilseed ¹ | 642 | 683 | 711 | 772 | 769 | 789 | 826 | 896 | 964 | 1,014 |
| Livestock | 48 | 59 | 63 | 67 | 66 | 70 | 74 | 81 | 80 | 88 |
| Nuts | 17 | 17 | 18 | 17 | 18 | 18 | 18 | 18 | 18 | 18 |
| Poultry ² | 12 | 14 | 17 | 19 | 19 | 19 | 19 | 15 | 18 | 20 |
| Rice | 15 | 15 | 15 | 15 | 15 | 15 | 16 | 17 | 17 | 18 |
| Sugar ³ | 38 | 47 | 44 | 48 | 48 | 48 | 48 | 48 | 52 | 51 |
| Tobacco | 15 | 19 | 19 | 21 | 22 | 24 | 25 | 25 | 26 | 26 |
| Wool and mohair | 61 | 71 | 74 | 76 | 78 | 80 | 83 | 84 | 91 | 88 |
| Other marketing | 74 | 86 | 89 | 90 | 92 | 96 | 101 | 90 | 97 | 99 |
| Total farm products | 1,280 | 1,412 | 1,460 | 1,551 | 1,559 | 1,606 | 1,672 | 1,749 | 1,863 | 1,941 |
| Total farm supplies | 1,090 | 1,128 | 1,161 | 1,156 | 1,201 | 1,234 | 1,277 | 1,313 | 1,347 | 1,386 |
| Total related services | 305 | 356 | 362 | 379 | 380 | 389 | 397 | 404 | 441 | 464 |
| Total business | 2,675 | 2,896 | 2,983 | 3,086 | 3,140 | 3,229 | 3,346 | 3,466 | 3,651 | 3,791 |

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, 2006-1997

| Major business activity | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|--------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Products marketed: | <i>Thousands</i> | | | | | | | | | |
| Bean and pea (dry edible) | 1.6 | 1.7 | 1.7 | 2.1 | 2.2 | 2.7 | 2.8 | 2.8 | 2.9 | 2.9 |
| Cotton | 42.7 | 43.2 | 43.4 | 43.4 | 43.5 | 45.9 | 45.4 | 43.8 | 41.3 | 42.7 |
| Dairy | 71.4 | 60.8 | 71.6 | 80.8 | 81.7 | 91.0 | 96.9 | 90.7 | 92.9 | 104.9 |
| Fruit and vegetable | 28.7 | 29.8 | 30.6 | 32.7 | 32.5 | 37.8 | 41.1 | 40.9 | 44.0 | 44.0 |
| Grain and oilseed ¹ | 467.0 | 479.3 | 496.1 | 555.3 | 542.5 | 581.5 | 615.3 | 657.9 | 728.7 | 745.0 |
| Livestock | 82.3 | 82.9 | 96.0 | 91.9 | 94.0 | 105.3 | 132.1 | 137.1 | 161.5 | 236.0 |
| Nuts | 15.4 | 15.4 | 14.6 | 33.8 | 35.8 | 40.1 | 41.7 | 43.7 | 46.0 | 41.7 |
| Poultry ² | 0.4 | 0.4 | 3.6 | 26.3 | 26.1 | 19.1 | 29.2 | 29.2 | 36.3 | 34.3 |
| Rice | 12.2 | 12.1 | 12.1 | 12.5 | 12.4 | 13.9 | 12.2 | 11.8 | 12.9 | 14.0 |
| Sugar ³ | 11.8 | 14.8 | 13.5 | 13.9 | 13.9 | 16.3 | 15.6 | 15.7 | 15.9 | 13.8 |
| Tobacco | 158.6 | 160.1 | 161.1 | 127.4 | 127.8 | 165.7 | 165.9 | 170.0 | 172.8 | 172.9 |
| Wool and mohair | 9.8 | 10.5 | 11.2 | 10.9 | 11.1 | 12.6 | 13.0 | 15.4 | 17.9 | 16.7 |
| Other marketing | 11.7 | 21.2 | 22.6 | 23.3 | 25.5 | 28.0 | 31.9 | 23.9 | 25.3 | 29.0 |
| Total farm products | 913.7 | 932.2 | 978.0 | 1,054.2 | 1,049.1 | 1,160.0 | 1,243.0 | 1,282.8 | 1,398.4 | 1,497.8 |
| Total farm supplies | 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 | 1,743.2 |
| Total related services | 133.5 | 101.2 | 99.6 | 113.3 | 107.4 | 128.1 | 124.3 | 159.1 | 180.6 | 183.1 |
| Total business | 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 | 3,424.2 |

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, 2006-1997

| Major business activity | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|----------------------------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Products marketed: | <i>Billion \$</i> | | | | | | | | | |
| Beans and peas (dry edible) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | .2 | .1 | .2 | .2 | .2 |
| Cotton | 3.5 | 3.5 | 3.3 | 2.6 | 2.5 | 2.5 | 2.8 | 2.2 | 3.0 | 3.1 |
| Dairy | 29.0 | 31.0 | 30.7 | 26.0 | 25.9 | 29.4 | 25.8 | 28.5 | 27.8 | 26.3 |
| Fruits and vegetables | 7.2 | 7.6 | 7.7 | 7.5 | 8.4 | 9.7 | 10.1 | 10.1 | 9.9 | 9.8 |
| Grains and oilseeds | 21.7 | 23.0 | 24.9 | 23.6 | 20.1 | 22.6 | 22.9 | 21.7 | 25.3 | 28.8 |
| Livestock | 3.4 | 2.3 | 3.0 | 6.8 | 9.9 | 9.6 | 8.0 | 7.4 | 7.6 | 7.5 |
| Nuts | 0.8 | 0.8 | 1.0 | 0.9 | .9 | .9 | .7 | .9 | .9 | .9 |
| Poultry | 1.4 | 1.2 | 3.5 | 2.7 | 2.5 | 2.2 | 2.2 | 2.2 | 2.1 | 2.1 |
| Rice | 1.1 | 1.0 | 1.0 | 1.0 | .8 | .8 | .8 | .9 | .9 | .9 |
| Sugar | 3.7 | 3.5 | 3.6 | 3.5 | 2.4 | 2.7 | 2.7 | 2.7 | 2.7 | 2.4 |
| Tobacco | 0.2 | 0.2 | 0.1 | 0.1 | .2 | .4 | .6 | .3 | .3 | .6 |
| Wool and mohair | 0.0 | 0.0 | 0.0 | 0.0 | .0 | .0 | .0 | .0 | .0 | .0 |
| Other marketing | 4.4 | 3.9 | 3.6 | 2.6 | 2.8 | 3.0 | 3.7 | 3.5 | 3.7 | 3.3 |
| Total farm marketing | 76.5 | 78.0 | 82.7 | 77.2 | 76.6 | 84.0 | 80.4 | 80.5 | 84.5 | 85.9 |
| Supplies purchased: | | | | | | | | | | |
| Crop protectants | 3.3 | 3.3 | 3.2 | 3.2 | 3.1 | 3.6 | 4.0 | 3.8 | 4.1 | 4.4 |
| Feed | 7.3 | 7.0 | 7.2 | 7.2 | 6.7 | 5.5 | 6.6 | 6.4 | 7.2 | 8.1 |
| Fertilizer | 6.6 | 6.4 | 6.1 | 6.5 | 5.2 | 7.4 | 7.3 | 7.3 | 7.8 | 8.9 |
| Petroleum | 21.8 | 16.3 | 14.6 | 12.8 | 11.4 | 14.1 | 13.3 | 8.1 | 8.8 | 10.6 |
| Seed | 2.4 | 2.1 | 1.9 | 1.8 | 1.6 | 1.5 | 1.4 | 1.1 | 1.0 | .9 |
| Other supplies | 4.5 | 4.2 | 3.9 | 4.0 | 3.6 | 4.0 | 4.1 | 4.3 | 4.1 | 4.2 |
| Total farm supplies | 45.9 | 39.3 | 37.0 | 35.5 | 31.5 | 36.1 | 36.8 | 30.9 | 33.0 | 37.1 |
| Services and other income | 4.1 | 4.3 | 3.7 | 4.1 | 3.4 | 3.5 | 3.5 | 3.9 | 3.5 | 3.6 |
| Total business | 126.5 | 121.7 | 123.4 | 116.9 | 111.6 | 123.6 | 120.7 | 115.3 | 121.0 | 126.7 |

Appendix Table 4—Cooperatives' net business volume, by type of cooperative, 2006-1997

| Major business activity | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|----------------------------------|-------------------|--------------|--------------|--------------|-------------|--------------|-------------|-------------|--------------|--------------|
| Products marketed: | <i>Billion \$</i> | | | | | | | | | |
| Beans and peas (dry edible) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 |
| Cotton | 2.1 | 3.4 | 3.2 | 2.5 | 2.5 | 2.4 | 2.7 | 2.1 | 3.0 | 3.0 |
| Dairy | 27.4 | 28.2 | 29.1 | 23.5 | 23.0 | 26.2 | 22.7 | 26.0 | 25.3 | 23.4 |
| Fruits and vegetables | 5.8 | 7.3 | 6.2 | 6.9 | 7.3 | 8.8 | 9.6 | 9.3 | 9.4 | 9.3 |
| Grains and oilseeds | 21.4 | 23.0 | 24.0 | 20.6 | 17.5 | 18.1 | 18.4 | 17.1 | 21.3 | 24.6 |
| Livestock | 3.3 | 2.3 | 2.3 | 6.8 | 9.9 | 9.6 | 8.0 | 7.3 | 7.4 | 7.5 |
| Nuts | 0.8 | 0.8 | 1.0 | 0.9 | 0.9 | 0.9 | 0.7 | 0.9 | 0.9 | 0.9 |
| Poultry | 1.4 | 1.1 | 3.4 | 2.7 | 2.4 | 2.2 | 2.1 | 2.2 | 2.1 | 2.1 |
| Rice | 1.1 | 0.9 | 0.9 | 1.0 | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| Sugar | 2.6 | 3.4 | 3.5 | 3.5 | 2.4 | 2.6 | 2.7 | 2.5 | 2.4 | 2.3 |
| Tobacco | 0.2 | 0.2 | 0.1 | 0.1 | 0.2 | 0.4 | 0.6 | 0.3 | 0.3 | 0.6 |
| 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 | 4.3 | 3.7 | 3.4 | 2.5 | 2.6 | 2.9 | 3.6 | 3.1 | 3.3 | 3.1 |
| Total farm products | 70.4 | 74.2 | 77.2 | 71.0 | 69.7 | 75.0 | 72.1 | 72.0 | 76.6 | 77.8 |
| Supplies sold: | | | | | | | | | | |
| Crop protectants | 3.0 | 3.0 | 2.9 | 2.8 | 2.7 | 3.0 | 3.0 | 3.0 | 3.2 | 3.1 |
| Feed | 6.3 | 5.4 | 5.1 | 5.9 | 5.4 | 4.0 | 4.7 | 4.7 | 5.4 | 6.0 |
| Fertilizer | 5.9 | 5.4 | 5.1 | 4.6 | 4.3 | 5.0 | 4.6 | 4.8 | 5.2 | 5.4 |
| Petroleum | 15.2 | 9.8 | 8.9 | 7.5 | 7.2 | 8.4 | 7.5 | 6.3 | 6.6 | 6.8 |
| Seed | 1.5 | 1.3 | 1.5 | 1.2 | 1.1 | 1.1 | 0.9 | 0.8 | 0.7 | 0.7 |
| Other supplies | 4.0 | 3.7 | 3.4 | 3.5 | 3.0 | 3.3 | 3.4 | 3.7 | 3.5 | 3.2 |
| Total farm supplies | 35.9 | 28.4 | 27.0 | 25.5 | 23.7 | 24.8 | 24.1 | 23.2 | 24.6 | 25.2 |
| Services and other income | 4.1 | 3.9 | 3.7 | 4.1 | 3.4 | 3.5 | 3.5 | 3.9 | 3.5 | 3.6 |
| Total business | 110.5 | 106.5 | 107.9 | 100.6 | 96.8 | 103.3 | 99.7 | 99.1 | 104.7 | 106.7 |

Appendix Table 5—Combined balance sheet data for farmer cooperatives, 1997-2006

| Year | Assets from own operations | Investments in other cooperatives ¹ | Total assets | Total liabilities | Net worth |
|--------------------------------|----------------------------------|------------------------------------------------------|-----------------|----------------------|--------------|
| <i>Billion dollars</i> | | | | | |
| 1997 | 39.922 | 4.074 | 43.996 | 25.459 | 18.537 |
| 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 | 44.369 | 3.522 | 47.892 | 27.960 | 19.931 |
| <i>Percent of total assets</i> | | | | | |
| 1997 | 90.7 | 9.3 | 100.0 | 57.9 | 42.1 |
| 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 |

¹ Includes investments in other farmer cooperatives, CoBank, and Banks for Cooperatives, where applicable.

Appendix table 6—Common size analysis, by cooperative type and size, 2006

| 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 | 54.45 | 61.82 | 70.11 | 65.02 | 79.39 |
| Other assets | 15.81 | 14.59 | 3.86 | 3.34 | 3.42 |
| Investments | 3.49 | 9.69 | 2.98 | 1.45 | 2.23 |
| PP&E (net) | 26.25 | 13.90 | 23.05 | 30.19 | 14.96 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 27.57 | 23.15 | 48.54 | 45.89 | 52.17 |
| Total liabilities | 33.48 | 25.08 | 57.56 | 57.21 | 61.26 |
| Allocated equity | 49.57 | 32.71 | 36.70 | 24.82 | 34.72 |
| Retained earnings | 16.95 | 42.21 | 5.73 | 17.97 | 4.02 |
| Total equity | 66.52 | 74.92 | 42.44 | 42.79 | 38.74 |
| 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 | 20.31 | 31.02 | 91.85 | 81.32 | |
| Gross margin | 79.69 | 68.98 | 8.15 | 19.01 | |
| Service and other income | 6.37 | 13.37 | 1.54 | 1.01 | 100.00 |
| Gross revenue | 86.07 | 82.35 | 9.69 | 20.02 | 100.00 |
| Expenses | | | | | |
| Wages | 36.00 | 44.20 | 2.20 | 4.25 | 21.29 |
| Depreciation | 4.47 | 2.36 | 0.63 | 1.24 | 2.76 |
| Interest | 1.14 | 0.03 | 0.73 | 1.17 | 1.85 |
| Other | 37.28 | 24.63 | 3.50 | 6.44 | 40.75 |
| Total expenses | 78.89 | 71.21 | 7.07 | 13.09 | 66.66 |
| Income from own operations | 7.17 | 11.13 | 2.62 | 6.93 | 33.34 |
| Patronage income | 0.13 | 0.72 | 0.04 | 0.05 | 0.09 |
| Non-operating income | 0.79 | 2.41 | 0.11 | 0.31 | 0.43 |
| Net income before taxes | 8.10 | 14.26 | 2.78 | 6.96 | 33.86 |
| Taxes | 1.61 | 1.12 | 0.01 | 0.04 | 0.00 |
| Net income | 6.49 | 13.15 | 2.76 | 6.92 | 33.86 |
| Ratios | <i>Percent or number</i> | | | | |
| Current | 1.97 | 2.67 | 1.44 | 1.42 | 1.52 |
| Debt to asset | 0.33 | 0.25 | 0.58 | 0.57 | 0.61 |
| Debt to equity | 0.50 | 0.33 | 1.36 | 1.34 | 1.58 |
| Times interest earned | 8.10 | 522.87 | 4.79 | 6.95 | 19.26 |
| Total asset turnover | 1.33 | 1.13 | 3.57 | 2.57 | 0.00 |
| Fixed asset turnover | 5.07 | 8.16 | 15.47 | 8.52 | 0.00 |
| Gross profit margin | 79.69 | 68.98 | 8.15 | 19.01 | 0.00 |
| Return on assets | 12.31 | 16.20 | 12.51 | 20.89 | 11.06 |
| Return on member equity | 17.45 | 45.57 | 26.84 | 71.67 | 30.19 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Cotton ginning | | | | |
|------------------------------|------------------------------------------|------------------------------|-----------------------------|----------------------------|---------------|
| | Cooperative sales size > \$15 million | From \$10 to \$15 million | From \$5 to \$10 million | From \$1 to \$5 million | < \$1 million |
| Balance sheet | | | | | |
| | <i>Percent of total assets</i> | | | | |
| Current assets | 48.06 | 51.22 | 36.08 | 37.87 | 41.23 |
| Other assets | 1.31 | 1.90 | 4.07 | 10.58 | 15.20 |
| Investments | 15.11 | 14.09 | 12.98 | 8.42 | 0.71 |
| PP&E (net) | 35.52 | 32.79 | 46.88 | 43.13 | 42.86 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 35.14 | 34.13 | 29.75 | 28.88 | 30.54 |
| Total liabilities | 50.03 | 47.76 | 46.13 | 46.24 | 44.30 |
| Allocated equity | 45.47 | 32.17 | 42.59 | 42.99 | 42.32 |
| Retained earnings | 4.50 | 20.07 | 11.27 | 10.77 | 13.38 |
| Total equity | 49.97 | 52.24 | 53.87 | 53.76 | 55.70 |
| 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 | 90.01 | 82.26 | 80.11 | 82.16 | 81.07 |
| Gross margin | 9.99 | 17.74 | 19.89 | 17.84 | 18.93 |
| Service and other income | 20.96 | 31.96 | 82.15 | 53.08 | 59.81 |
| Gross revenue | 30.95 | 49.70 | 102.05 | 70.92 | 78.74 |
| Expenses | | | | | |
| Wages | 8.42 | 12.11 | 23.33 | 19.19 | 28.44 |
| Depreciation | 1.66 | 2.76 | 7.20 | 5.72 | 5.09 |
| Interest | 0.63 | 0.97 | 1.58 | 1.69 | 1.28 |
| Other | 11.90 | 24.35 | 47.66 | 37.33 | 32.07 |
| Total expenses | 22.61 | 40.19 | 79.77 | 63.93 | 66.89 |
| Income from own operations | 8.33 | 9.51 | 22.28 | 6.99 | 11.84 |
| Patronage income | 1.18 | 1.88 | 4.68 | 6.16 | 5.34 |
| Non-operating income | 0.41 | 0.96 | 1.62 | 0.59 | -0.09 |
| Net income before taxes | 9.93 | 12.34 | 28.57 | 13.74 | 17.10 |
| Taxes | 0.04 | 0.22 | 0.17 | 0.24 | -0.02 |
| Net income | 9.89 | 12.12 | 28.40 | 13.50 | 17.11 |
| Ratios | | | | | |
| | <i>Percent or number</i> | | | | |
| Current | 1.37 | 1.50 | 1.21 | 1.31 | 1.35 |
| Debt to asset | 0.50 | 0.48 | 0.46 | 0.46 | 0.44 |
| Debt to equity | 1.00 | 0.91 | 0.86 | 0.86 | 0.80 |
| Times interest earned | 16.64 | 13.76 | 19.05 | 9.14 | 14.34 |
| Total asset turnover | 2.55 | 1.45 | 0.79 | 0.83 | 0.60 |
| Fixed asset turnover | 7.18 | 4.44 | 1.68 | 1.92 | 1.40 |
| Gross profit margin | 9.99 | 17.74 | 19.89 | 17.84 | 18.93 |
| Return on assets | 26.94 | 19.36 | 23.69 | 12.79 | 11.03 |
| Return on member equity | 55.47 | 54.81 | 52.37 | 26.02 | 24.26 |

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (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 | 47.75 | 56.25 | 58.34 | 64.80 | 62.82 | |
| Other assets | 30.65 | 11.43 | 4.50 | 6.50 | 3.21 | |
| Investments | 1.79 | 1.73 | 3.51 | 6.07 | 13.91 | |
| PP&E (net) | 19.81 | 30.59 | 33.64 | 22.63 | 20.06 | |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | |
| Current liabilities | 39.74 | 54.26 | 38.66 | 49.11 | 54.38 | |
| Total liabilities | 64.52 | 72.65 | 66.16 | 55.62 | 60.19 | |
| Allocated equity | 28.40 | 23.26 | 25.34 | 30.72 | 33.07 | |
| Retained earnings | 7.08 | 4.10 | 8.50 | 13.66 | 6.74 | |
| Total equity | 35.48 | 27.35 | 33.84 | 44.38 | 39.81 | |
| Total equity and liabilities | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | |
| Income statement | | <i>Percent of total sales</i> | | | | |
| Total sales | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | |
| Cost of goods sold | 93.38 | 90.80 | 91.48 | 91.59 | 93.05 | |
| Gross margin | 6.62 | 9.20 | 8.52 | 8.41 | 6.95 | |
| Service and other income | 0.40 | 1.55 | 0.36 | 1.18 | 0.95 | |
| Gross revenue | 7.02 | 10.76 | 8.87 | 9.59 | 7.90 | |
| Expenses | | | | | | |
| Wages | 4.01 | 3.13 | 3.71 | 3.99 | 1.87 | |
| Depreciation | 0.81 | 0.71 | 0.70 | 0.61 | 0.48 | |
| Interest | 0.59 | 0.46 | 0.34 | 0.15 | 0.19 | |
| Other | 1.25 | 5.65 | 3.14 | 4.09 | 4.85 | |
| Total expenses | 6.66 | 9.96 | 7.90 | 8.84 | 7.39 | |
| Income from own operations | 0.36 | 0.80 | 0.97 | 0.76 | 0.51 | |
| Patronage income | 0.27 | 0.02 | 0.04 | 0.05 | 0.29 | |
| Non-operating income | 0.27 | -0.34 | 0.00 | 0.11 | 0.02 | |
| Net income before taxes | 0.90 | 0.48 | 1.01 | 0.92 | 0.83 | |
| Taxes | 0.04 | 0.09 | 0.05 | 0.02 | 0.01 | |
| Net income | 0.86 | 0.39 | 0.96 | 0.90 | 0.81 | |
| Ratios | | <i>Percent or number</i> | | | | |
| Current | 1.20 | 1.04 | 1.51 | 1.32 | 1.16 | |
| Debt to asset | 0.65 | 0.73 | 0.66 | 0.56 | 0.60 | |
| Debt to equity | 1.82 | 2.66 | 1.96 | 1.25 | 1.51 | |
| Times interest earned | 2.54 | 2.03 | 3.98 | 7.00 | 5.38 | |
| Total asset turnover | 3.12 | 5.34 | 4.78 | 4.57 | 7.07 | |
| Fixed asset turnover | 15.78 | 17.46 | 14.22 | 20.21 | 35.23 | |
| Gross profit margin | 6.62 | 9.20 | 8.52 | 8.41 | 6.95 | |
| Return on assets | 4.66 | 5.02 | 6.44 | 4.91 | 7.17 | |
| Return on member equity | 9.46 | 9.00 | 18.15 | 13.43 | 0.00 | |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (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 | 67.06 | 51.81 | 60.92 | 58.84 |
| Other assets | 3.71 | 7.76 | 12.04 | 11.04 |
| Investments | 14.30 | 19.54 | 6.90 | 9.13 |
| PP&E (net) | 14.93 | 20.89 | 20.14 | 21.00 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 53.87 | 39.58 | 43.18 | 36.59 |
| Total liabilities | 56.35 | 48.30 | 52.65 | 45.80 |
| Allocated equity | 36.90 | 39.35 | 30.56 | 44.69 |
| Retained earnings | 6.75 | 12.35 | 16.80 | 9.52 |
| Total equity | 43.65 | 51.70 | 47.35 | 54.20 |
| Total equity and liabilities | 100.00 | 100.00 | 100.00 | 100.00 |
| Income statement | | | | |
| | <i>Percent of total sales</i> | | | |
| Total sales | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost of goods sold | 95.10 | 92.86 | 91.57 | 92.54 |
| Gross margin | 4.90 | 7.14 | 8.43 | 7.46 |
| Service and other income | 2.26 | 2.57 | 3.72 | 8.21 |
| Gross revenue | 7.16 | 9.71 | 12.16 | 15.67 |
| Expenses | | | | |
| Wages | 1.41 | 1.87 | 3.89 | 7.72 |
| Depreciation | 0.37 | 0.58 | 0.71 | 1.52 |
| Interest | 0.19 | 0.28 | 0.36 | 0.60 |
| Other | 4.88 | 6.30 | 6.43 | 6.15 |
| Total expenses | 6.85 | 9.02 | 11.38 | 15.99 |
| Income from own operations | 0.30 | 0.68 | 0.77 | -0.32 |
| Patronage income | 0.23 | 0.28 | 0.05 | 0.07 |
| Non-operating income | 0.19 | 0.07 | 0.02 | 0.52 |
| Net income before taxes | 0.72 | 1.03 | 0.84 | 0.27 |
| Taxes | 0.01 | 0.01 | 0.00 | 0.00 |
| Net income | 0.72 | 1.02 | 0.84 | 0.27 |
| Ratios | | | | |
| | <i>Percent or number</i> | | | |
| Current | 1.24 | 1.31 | 1.41 | 1.61 |
| Debt to asset | 0.56 | 0.48 | 0.53 | 0.46 |
| Debt to equity | 1.29 | 0.93 | 1.11 | 0.84 |
| Times interest earned | 4.85 | 4.71 | 3.33 | 1.45 |
| Total asset turnover | 7.08 | 6.46 | 5.41 | 2.14 |
| Fixed asset turnover | 47.40 | 30.91 | 26.88 | 10.21 |
| Gross profit margin | 4.90 | 7.14 | 8.43 | 7.46 |
| Return on assets | 6.46 | 8.43 | 6.53 | 1.87 |
| Return on member equity | 13.74 | 16.74 | 14.93 | 1.28 |

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Fresh fruit and vegetable | | | | | |
|------------------------------|------------------------------------------|----------------------|----------------------|---------------------|--------------------|-----------------------|
| | 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 | 61.82 | 54.88 | 54.58 | 69.77 | 66.51 | 62.00 |
| Other assets | 8.58 | 4.46 | 7.33 | 8.15 | 7.27 | 15.75 |
| Investments | 2.63 | 3.35 | 2.93 | 2.84 | 7.13 | 0.00 |
| PP&E (net) | 26.97 | 37.31 | 35.16 | 19.23 | 19.09 | 22.25 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 47.00 | 48.05 | 40.91 | 55.19 | 42.45 | 51.97 |
| Total liabilities | 58.57 | 61.97 | 54.52 | 65.90 | 57.11 | 62.25 |
| Allocated equity | 34.79 | 30.14 | 36.24 | 26.51 | 30.59 | 24.50 |
| Retained earnings | 6.65 | 7.89 | 9.24 | 7.59 | 12.29 | 13.25 |
| Total equity | 41.43 | 38.03 | 45.48 | 34.10 | 42.89 | 37.75 |
| 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 | 76.90 | 74.22 | 76.61 | 88.44 | 81.25 | 88.50 |
| Gross margin | 23.10 | 25.78 | 23.39 | 11.56 | 18.75 | 11.50 |
| Service and other income | 3.46 | 10.64 | 3.98 | 7.51 | 5.83 | 21.69 |
| Gross revenue | 26.57 | 36.42 | 27.37 | 19.07 | 24.58 | 33.18 |
| Expenses | | | | | | |
| Wages | 8.11 | 10.85 | 12.16 | 7.57 | 9.90 | 18.77 |
| Depreciation | 1.65 | 1.70 | 1.86 | 1.26 | 2.06 | 2.61 |
| Interest | 0.28 | 0.79 | 0.53 | 1.77 | 0.80 | 0.60 |
| Other | 15.57 | 21.27 | 11.01 | 7.78 | 9.57 | 10.32 |
| Total expenses | 25.61 | 34.60 | 25.57 | 18.39 | 22.32 | 32.31 |
| Income from own operations | 0.95 | 1.82 | 1.80 | 0.68 | 2.26 | 0.87 |
| Patronage income | 0.02 | 0.16 | 0.12 | 0.24 | 0.14 | 0.00 |
| Non-operating income | 0.15 | 0.21 | 0.20 | 0.19 | 0.25 | -0.03 |
| Net income before taxes | 1.13 | 2.19 | 2.13 | 1.10 | 2.65 | 0.84 |
| Taxes | -0.12 | 0.08 | 0.04 | 0.00 | 0.04 | 0.00 |
| Net income | 1.25 | 2.12 | 2.09 | 1.10 | 2.61 | 0.84 |
| Ratios | <i>Percent or number</i> | | | | | |
| Current | 1.32 | 1.14 | 1.33 | 1.26 | 1.57 | 1.19 |
| Debt to asset | 0.59 | 0.62 | 0.55 | 0.66 | 0.57 | 0.62 |
| Debt to equity | 1.41 | 1.63 | 1.20 | 1.93 | 1.33 | 1.65 |
| Times interest earned | 4.96 | 3.79 | 4.99 | 1.62 | 4.34 | 2.39 |
| Total asset turnover | 2.76 | 2.61 | 2.54 | 1.46 | 1.78 | 1.42 |
| Fixed asset turnover | 10.23 | 7.01 | 7.23 | 7.59 | 9.31 | 6.39 |
| Gross profit margin | 23.10 | 25.78 | 23.39 | 11.56 | 18.75 | 11.50 |
| Return on assets | 3.90 | 7.80 | 6.76 | 4.19 | 6.13 | 2.05 |
| Return on member equity | 9.89 | 18.36 | 14.67 | 6.08 | 15.16 | 4.87 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Processed and fresh fruit and vegetable | | | | |
|------------------------------|-------------------------------------------|---------------------------|--------------------------|------------------------|--------------------------|
| | Cooperative sales size > \$310 million | \$215 to \$290 million | \$10 to \$100 million | \$1 to \$10 million | Less than \$1 million |
| Balance sheet | | | | | |
| | <i>Percent of total assets</i> | | | | |
| Current assets | 54.79 | 61.10 | 66.27 | 70.09 | 66.56 |
| Other assets | 12.64 | 8.75 | 5.69 | 12.47 | 4.53 |
| Investments | 2.30 | 0.99 | 7.22 | 1.30 | 5.92 |
| PP&E (net) | 30.27 | 29.17 | 20.82 | 16.14 | 22.99 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 33.64 | 38.27 | 55.34 | 47.77 | 50.77 |
| Total liabilities | 67.86 | 64.95 | 69.62 | 59.68 | 59.79 |
| Allocated equity | 23.97 | 22.32 | 23.52 | 32.34 | 35.87 |
| Retained earnings | 8.18 | 12.74 | 6.86 | 7.98 | 4.34 |
| Total equity | 32.14 | 35.05 | 30.38 | 40.32 | 40.21 |
| 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 | 72.31 | 71.17 | 83.83 | 85.82 | 69.48 |
| Gross margin | 27.69 | 28.83 | 16.17 | 14.18 | 30.52 |
| Service and other income | 4.19 | 0.08 | 2.48 | 7.59 | 2.43 |
| Gross revenue | 31.88 | 28.91 | 18.65 | 21.77 | 32.96 |
| Expenses | | | | | |
| Wages | 8.45 | 11.90 | 7.17 | 10.47 | 8.45 |
| Depreciation | 2.26 | 2.04 | 1.19 | 1.18 | 1.73 |
| Interest | 1.11 | 1.10 | 0.87 | 0.96 | 1.43 |
| Other | 14.63 | 9.32 | 8.98 | 4.90 | 17.69 |
| Total expenses | 26.45 | 24.37 | 18.21 | 17.51 | 29.30 |
| Income from own operations | 5.44 | 4.55 | 0.44 | 4.26 | 3.65 |
| Patronage income | 0.05 | 0.04 | 0.34 | 0.04 | 0.29 |
| Non-operating income | 0.23 | 0.00 | -0.23 | 0.01 | 0.00 |
| Net income before taxes | 5.72 | 4.37 | 1.17 | 4.31 | 3.95 |
| Taxes | 0.00 | 0.35 | 0.06 | 0.03 | 0.00 |
| Net income | 5.72 | 4.24 | 0.49 | 4.28 | 3.95 |
| Ratios | | | | | |
| | <i>Percent or number</i> | | | | |
| Current | 1.63 | 1.60 | 1.20 | 1.47 | 1.31 |
| Debt to asset | 0.68 | 0.65 | 0.70 | 0.60 | 0.60 |
| Debt to equity | 2.11 | 1.85 | 2.29 | 1.48 | 1.49 |
| Times interest earned | 6.16 | 4.98 | 2.34 | 5.50 | 3.76 |
| Total asset turnover | 1.85 | 1.80 | 2.16 | 2.13 | 1.74 |
| Fixed asset turnover | 6.11 | 6.19 | 10.39 | 13.21 | 7.55 |
| Gross profit margin | 27.69 | 28.83 | 16.17 | 14.18 | 30.52 |
| Return on assets | 12.61 | 9.87 | 4.40 | 11.23 | 9.34 |
| Return on member equity | 44.12 | 34.32 | 4.51 | 28.25 | 19.11 |

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Farm supply | | | | | |
|------------------------------|--------------------------------------|------------------------------|------------------------|-----------------------|----------------------|--------------------|
| | Cooperative sales size > \$1 billion | \$300 million to \$1 billion | \$100 to \$200 million | \$50 to \$100 million | \$30 to \$50 million | \$25 to 30 million |
| Balance sheet | | | | | | |
| | <i>Percent of total assets</i> | | | | | |
| Current assets | 54.09 | 67.95 | 52.76 | 55.41 | 53.85 | 59.57 |
| Other assets | 11.04 | 15.16 | 4.74 | 3.25 | 3.69 | 4.34 |
| Investments | 6.18 | 2.01 | 8.30 | 17.18 | 16.72 | 13.43 |
| PP&E (net) | 28.69 | 14.88 | 34.20 | 24.16 | 25.75 | 22.66 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 37.91 | 43.41 | 38.88 | 41.43 | 37.87 | 42.83 |
| Total liabilities | 57.52 | 52.55 | 55.16 | 49.15 | 47.02 | 50.64 |
| Allocated equity | 36.04 | 27.93 | 31.44 | 30.98 | 30.73 | 33.74 |
| Retained earnings | 6.43 | 19.52 | 13.39 | 19.87 | 22.25 | 15.62 |
| Total equity | 42.48 | 47.45 | 44.84 | 50.85 | 52.98 | 49.36 |
| 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 | 91.15 | 90.50 | 89.49 | 85.88 | 85.89 | 84.55 |
| Gross margin | 8.85 | 9.50 | 10.51 | 14.12 | 14.11 | 15.45 |
| Service and other income | 0.63 | 0.86 | 6.33 | 3.05 | 3.01 | 3.18 |
| Gross revenue | 9.48 | 10.36 | 16.83 | 17.18 | 17.11 | 18.62 |
| Expenses | | | | | | |
| Wages | 2.84 | 6.13 | 5.57 | 8.43 | 7.55 | 9.04 |
| Depreciation | 0.71 | 0.76 | 1.02 | 1.46 | 1.35 | 1.49 |
| Interest | 0.54 | 0.42 | 0.72 | 0.78 | 0.77 | 0.77 |
| Other | 0.93 | 2.48 | 7.78 | 4.87 | 5.23 | 5.62 |
| Total expenses | 5.02 | 9.79 | 15.09 | 15.55 | 14.90 | 16.93 |
| Income from own operations | 4.46 | 0.57 | 1.74 | 1.63 | 2.21 | 1.69 |
| Patronage income | 0.81 | 0.10 | 0.57 | 1.32 | 1.20 | 1.09 |
| Non-operating income | 0.34 | 0.18 | 0.51 | 0.17 | 0.08 | 0.10 |
| Net income before taxes | 5.61 | 0.85 | 2.82 | 3.12 | 3.49 | 2.89 |
| Taxes | -0.26 | 0.01 | 0.91 | 0.59 | 0.46 | 0.29 |
| Net income | 5.88 | 0.84 | 1.91 | 2.54 | 3.03 | 2.60 |
| Ratios | | | | | | |
| | <i>Percent or number</i> | | | | | |
| Current | 1.43 | 1.57 | 1.36 | 1.34 | 1.42 | 1.39 |
| Debt to asset | 0.58 | 0.53 | 0.55 | 0.49 | 0.47 | 0.51 |
| Debt to equity | 1.35 | 1.11 | 1.23 | 0.97 | 0.89 | 1.03 |
| Times interest earned | 11.41 | 3.01 | 4.91 | 4.99 | 5.51 | 4.75 |
| Total asset turnover | 2.97 | 3.07 | 2.77 | 2.30 | 2.24 | 2.10 |
| Fixed asset turnover | 10.34 | 20.61 | 8.10 | 9.51 | 8.72 | 9.25 |
| Gross profit margin | 8.85 | 9.50 | 10.51 | 14.12 | 14.11 | 15.45 |
| Return on assets | 18.26 | 3.89 | 9.80 | 8.97 | 9.58 | 7.68 |
| Return on member equity | 48.40 | 9.17 | 16.81 | 18.81 | 22.12 | 16.15 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Farm supply | | | | | | |
|------------------------------|------------------------|--------------------------------|-------------------------|-------------------------|------------------------|-----------------------|--------------------------|
| | 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 | 52.42 | 55.63 | 52.26 | 56.39 | 59.08 | 63.14 | |
| Other assets | 4.66 | 3.38 | 2.59 | 5.95 | 7.65 | 10.23 | |
| Investments | 16.88 | 17.50 | 19.14 | 14.58 | 11.40 | 6.13 | |
| PP&E (net) | 26.04 | 23.49 | 26.02 | 23.08 | 21.87 | 20.50 | |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | |
| Current liabilities | 40.22 | 36.96 | 36.48 | 34.67 | 35.37 | 40.00 | |
| Total liabilities | 49.77 | 44.08 | 43.98 | 41.49 | 44.05 | 50.63 | |
| Allocated equity | 31.37 | 35.40 | 36.89 | 39.01 | 38.28 | 32.61 | |
| Retained earnings | 18.86 | 20.26 | 19.13 | 19.50 | 17.37 | 16.76 | |
| Total equity | 50.23 | 55.92 | 56.02 | 58.51 | 55.95 | 49.37 | |
| 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 | 85.11 | 85.47 | 84.46 | 85.94 | 85.78 | 83.63 | |
| Gross margin | 14.89 | 14.53 | 15.54 | 14.06 | 14.22 | 16.37 | |
| Service and other income | 2.91 | 3.08 | 3.89 | 3.35 | 3.79 | 5.28 | |
| Gross revenue | 17.80 | 17.61 | 19.43 | 17.41 | 18.01 | 21.66 | |
| Expenses | | | | | | | |
| Wages | 8.80 | 8.85 | 9.47 | 9.25 | 9.95 | 14.03 | |
| Depreciation | 1.78 | 1.74 | 1.82 | 1.52 | 1.46 | 1.26 | |
| Interest | 0.90 | 0.67 | 0.67 | 0.62 | 0.63 | 0.88 | |
| Other | 5.53 | 4.70 | 6.13 | 4.65 | 5.03 | 5.38 | |
| Total expenses | 17.01 | 15.96 | 18.08 | 16.03 | 17.08 | 21.55 | |
| Income from own operations | 0.80 | 1.65 | 1.35 | 1.39 | 0.93 | 0.11 | |
| Patronage income | 1.35 | 1.21 | 1.32 | 1.02 | 0.81 | 0.22 | |
| Non-operating income | 0.32 | 0.24 | 0.16 | 0.13 | 0.11 | 0.04 | |
| Net income before taxes | 2.47 | 3.10 | 2.83 | 2.53 | 1.84 | 0.37 | |
| Taxes | 0.30 | 0.30 | 0.24 | 0.16 | 0.09 | 0.01 | |
| Net income | 2.17 | 2.79 | 2.59 | 2.37 | 1.75 | 0.36 | |
| Ratios | | <i>Percent or number</i> | | | | | |
| Current | 1.30 | 1.51 | 1.43 | 1.63 | 1.67 | 1.58 | |
| Debt to asset | 0.50 | 0.44 | 0.44 | 0.41 | 0.44 | 0.51 | |
| Debt to equity | 0.99 | 0.79 | 0.79 | 0.71 | 0.79 | 1.03 | |
| Times interest earned | 3.74 | 5.64 | 5.25 | 5.11 | 3.91 | 1.42 | |
| Total asset turnover | 2.04 | 2.11 | 2.01 | 2.01 | 1.88 | 1.72 | |
| Fixed asset turnover | 7.82 | 8.99 | 7.74 | 8.69 | 8.59 | 8.40 | |
| Gross profit margin | 14.89 | 14.53 | 15.54 | 14.06 | 14.22 | 16.37 | |
| Return on assets | 6.85 | 7.95 | 7.04 | 6.32 | 4.64 | 2.15 | |
| Return on member equity | 14.09 | 16.66 | 14.12 | 12.21 | 8.58 | 1.91 | |

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Mixed farm supply | | | |
|------------------------------|-----------------------------------------------------|---------------------------|--------------------------|-------------------------|
| | 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 | 67.07 | 58.04 | 57.27 | 59.98 |
| Other assets | 3.32 | 3.43 | 3.63 | 3.84 |
| Investments | 5.97 | 14.19 | 15.85 | 13.17 |
| PP&E (net) | 23.64 | 24.34 | 23.24 | 23.01 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 45.64 | 45.68 | 45.76 | 46.87 |
| Total liabilities | 63.52 | 60.61 | 55.93 | 54.94 |
| Allocated equity | 22.96 | 21.76 | 23.45 | 28.28 |
| Retained earnings | 13.53 | 17.64 | 20.63 | 16.79 |
| Total equity | 36.48 | 39.39 | 44.07 | 45.06 |
| Total equity and liabilities | 100.00 | 100.00 | 100.00 | 100.00 |
| Income statement | <i>Percent of total sales</i> | | | |
| Total sales | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost of goods sold | 87.17 | 87.63 | 87.72 | 86.51 |
| Gross margin | 12.83 | 12.37 | 12.28 | 13.49 |
| Service and other income | 1.85 | 3.78 | 4.40 | 4.55 |
| Gross revenue | 14.68 | 16.15 | 16.67 | 18.03 |
| Expenses | | | | |
| Wages | 7.02 | 7.26 | 7.75 | 8.09 |
| Depreciation | 1.49 | 1.51 | 1.67 | 1.73 |
| Interest | 1.09 | 1.03 | 1.07 | 0.88 |
| Other | 5.20 | 5.15 | 5.38 | 5.92 |
| Total expenses | 14.80 | 14.95 | 15.87 | 16.61 |
| Income from own operations | -0.11 | 1.19 | 0.80 | 1.42 |
| Patronage income | 0.73 | 1.26 | 1.21 | 1.24 |
| Non-operating income | 0.59 | 0.20 | 0.48 | 0.12 |
| Net income before taxes | 1.21 | 2.65 | 2.49 | 2.78 |
| Taxes | 0.12 | 0.48 | 0.48 | 0.20 |
| Net income | 1.09 | 2.17 | 2.01 | 2.58 |
| Ratios | <i>Percent or number</i> | | | |
| Current | 1.47 | 1.27 | 1.25 | 1.28 |
| Debt to asset | 0.64 | 0.61 | 0.56 | 0.55 |
| Debt to equity | 1.74 | 1.54 | 1.27 | 1.22 |
| Times interest earned | 2.11 | 3.56 | 3.33 | 4.17 |
| Total asset turnover | 2.73 | 2.20 | 2.23 | 2.15 |
| Fixed asset turnover | 11.54 | 9.03 | 9.60 | 9.36 |
| Gross profit margin | 12.83 | 12.37 | 12.28 | 13.49 |
| Return on assets | 6.27 | 8.10 | 7.95 | 7.88 |
| Return on member equity | 12.98 | 21.96 | 19.16 | 19.65 |

Appendix table 6—Common size analysis, by cooperative type and size, 2005 (continued)

| Type of cooperative | Mixed farm supply | | | |
|------------------------------|---------------------------------------------------|-------------------------|------------------------|--------------------------|
| | 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 | 53.69 | 54.72 | 58.27 | 56.54 |
| Other assets | 3.70 | 4.40 | 3.62 | 8.43 |
| Investments | 18.24 | 16.73 | 13.12 | 11.11 |
| PP&F (net) | 24.38 | 24.15 | 25.00 | 23.91 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 40.02 | 38.77 | 39.75 | 37.91 |
| Total liabilities | 49.70 | 45.98 | 47.10 | 46.11 |
| Allocated equity | 32.83 | 34.99 | 33.20 | 34.90 |
| Retained earnings | 17.47 | 19.03 | 19.71 | 19.38 |
| Total equity | 50.30 | 54.02 | 52.90 | 53.89 |
| Total equity and liabilities | 100.00 | 100.00 | 100.00 | 100.00 |
| Income statement | | | | |
| | <i>Percent of total sales</i> | | | |
| Total sales | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost of goods sold | 87.27 | 87.49 | 88.30 | 87.22 |
| Gross margin | 12.73 | 12.51 | 11.70 | 12.78 |
| Service and other income | 4.65 | 4.84 | 5.15 | 5.08 |
| Gross revenue | 17.38 | 17.34 | 16.85 | 17.86 |
| Expenses | | | | |
| Wages | 8.56 | 7.91 | 8.15 | 10.08 |
| Depreciation | 1.73 | 1.76 | 1.78 | 1.50 |
| Interest | 0.91 | 0.78 | 0.65 | 0.69 |
| Other | 5.21 | 5.93 | 5.50 | 4.98 |
| Total expenses | 16.40 | 16.38 | 16.20 | 17.26 |
| Income from own operations | 0.98 | 0.97 | 0.65 | 0.60 |
| Patronage income | 1.17 | 1.08 | 0.93 | 0.60 |
| Non-operating income | 0.20 | 0.20 | 0.14 | 0.09 |
| Net income before taxes | 2.35 | 2.25 | 1.72 | 1.29 |
| Taxes | 0.24 | 0.18 | 0.12 | 0.04 |
| Net income | 2.12 | 2.07 | 1.60 | 1.26 |
| Ratios | | | | |
| | <i>Percent or number</i> | | | |
| Current | 1.34 | 1.41 | 1.47 | 1.49 |
| Debt to asset | 0.50 | 0.46 | 0.47 | 0.46 |
| Debt to equity | 0.99 | 0.85 | 0.89 | 0.86 |
| Times interest earned | 3.60 | 3.88 | 3.66 | 2.86 |
| Total asset turnover | 2.11 | 1.99 | 2.14 | 1.95 |
| Fixed asset turnover | 8.66 | 8.23 | 8.57 | 8.17 |
| Gross profit margin | 12.73 | 12.51 | 11.70 | 12.78 |
| Return on assets | 6.88 | 6.03 | 5.07 | 3.88 |
| Return on member equity | 13.61 | 11.74 | 10.32 | 7.05 |

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Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Mixed grain and oilseed marketing | | | |
|------------------------------|-----------------------------------------------------|---------------------------|--------------------------|-------------------------|
| | 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 | 57.37 | 56.48 | 60.02 | 62.12 |
| Other assets | 3.41 | 9.92 | 3.55 | 2.03 |
| Investments | 10.97 | 12.59 | 12.25 | 11.59 |
| PP&E (net) | 28.25 | 21.01 | 24.18 | 24.26 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 48.11 | 49.21 | 49.35 | 50.92 |
| Total liabilities | 61.94 | 68.04 | 60.73 | 62.14 |
| Allocated equity | 20.43 | 20.13 | 23.62 | 23.60 |
| Retained earnings | 17.62 | 11.83 | 15.65 | 13.45 |
| Total equity | 38.06 | 31.96 | 39.27 | 37.86 |
| 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 | 91.26 | 91.93 | 91.06 | 91.47 |
| Gross margin | 8.74 | 8.07 | 8.94 | 8.53 |
| Service and other income | 4.44 | 5.78 | 4.50 | 5.06 |
| Gross revenue | 13.19 | 13.86 | 13.43 | 13.59 |
| Expenses | | | | |
| Wages | 4.48 | 4.91 | 5.33 | 5.57 |
| Depreciation | 1.58 | 1.54 | 1.54 | 1.57 |
| Interest | 0.98 | 1.30 | 1.01 | 0.88 |
| Other | 4.75 | 5.14 | 4.36 | 4.63 |
| Total expenses | 11.79 | 12.89 | 12.22 | 12.65 |
| Income from own operations | 1.40 | 0.97 | 1.21 | 0.93 |
| Patronage income | 0.66 | 0.85 | 0.74 | 0.78 |
| Non-operating income | 0.22 | 0.08 | -0.15 | 0.15 |
| Net income before taxes | 2.28 | 1.90 | 1.80 | 1.87 |
| Taxes | 0.40 | 0.16 | 0.21 | 0.15 |
| Net income | 1.87 | 1.74 | 1.58 | 1.72 |
| Ratios | <i>Percent or number</i> | | | |
| Current | 1.19 | 1.15 | 1.22 | 1.22 |
| Debt to asset | 0.62 | 0.68 | 0.61 | 0.62 |
| Debt to equity | 1.63 | 2.13 | 1.55 | 1.64 |
| Times interest earned | 3.33 | 2.46 | 2.79 | 3.13 |
| Total asset turnover | 2.55 | 1.82 | 2.34 | 2.25 |
| Fixed asset turnover | 9.03 | 8.66 | 9.69 | 9.29 |
| Gross profit margin | 8.74 | 8.07 | 8.94 | 8.53 |
| Return on assets | 8.30 | 5.81 | 6.56 | 6.18 |
| Return on member equity | 23.40 | 15.74 | 15.72 | 16.43 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Mixed grain and oilseed marketing | | | | |
|------------------------------|---------------------------------------------------|-------------------------|-------------------------|------------------------|--------------------------|
| | 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 | 61.16 | 61.94 | 63.24 | 63.09 | 63.61 |
| Other assets | 4.16 | 6.17 | 5.52 | 7.59 | 9.97 |
| Investments | 10.48 | 7.89 | 8.98 | 7.18 | 4.55 |
| PP&E (net) | 24.20 | 24.00 | 22.26 | 22.14 | 21.87 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 49.71 | 49.84 | 51.10 | 44.95 | 45.02 |
| Total liabilities | 57.58 | 59.16 | 58.30 | 54.39 | 53.66 |
| Allocated equity | 26.52 | 24.77 | 25.75 | 27.93 | 30.15 |
| Retained earnings | 15.90 | 16.07 | 15.95 | 17.69 | 16.19 |
| Total equity | 42.42 | 40.84 | 41.70 | 45.61 | 46.34 |
| 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 | 91.22 | 91.34 | 91.28 | 92.05 | 90.55 |
| Gross margin | 8.78 | 8.66 | 8.72 | 7.95 | 9.45 |
| Service and other income | 4.90 | 4.66 | 4.58 | 4.40 | 4.23 |
| Gross revenue | 13.68 | 13.33 | 13.13 | 12.35 | 13.68 |
| Expenses | | | | | |
| Wages | 5.71 | 5.74 | 5.54 | 5.44 | 6.48 |
| Depreciation | 1.62 | 1.62 | 1.57 | 1.43 | 1.49 |
| Interest | 0.78 | 0.82 | 0.83 | 0.63 | 0.74 |
| Other | 4.64 | 4.28 | 4.42 | 4.21 | 4.52 |
| Total expenses | 12.85 | 12.46 | 12.35 | 11.61 | 13.23 |
| Income from own operations | 0.84 | 0.87 | 0.77 | 0.74 | 0.45 |
| Patronage income | 0.55 | 0.61 | 0.75 | 0.32 | 0.12 |
| Non-operating income | 0.33 | 0.23 | 0.17 | 0.15 | 0.24 |
| Net income before taxes | 1.71 | 1.71 | 1.87 | 1.21 | 0.81 |
| Taxes | 0.11 | 0.08 | 0.08 | 0.02 | 0.00 |
| Net income | 1.60 | 1.63 | 1.79 | 1.19 | 0.81 |
| Ratios | | | | | |
| | <i>Percent or number</i> | | | | |
| Current | 1.23 | 1.24 | 1.24 | 1.40 | 1.41 |
| Debt to asset | 0.58 | 0.59 | 0.58 | 0.54 | 0.54 |
| Debt to equity | 1.36 | 1.45 | 1.40 | 1.19 | 1.16 |
| Times interest earned | 3.19 | 3.08 | 3.25 | 2.93 | 2.09 |
| Total asset turnover | 2.11 | 2.22 | 2.08 | 2.27 | 2.00 |
| Fixed asset turnover | 8.70 | 9.26 | 9.36 | 10.27 | 9.16 |
| Gross profit margin | 8.78 | 8.66 | 8.72 | 7.95 | 9.45 |
| Return on assets | 5.25 | 5.63 | 5.64 | 4.19 | 3.11 |
| Return on member equity | 12.72 | 14.65 | 14.49 | 9.70 | 5.37 |

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Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Grain and oilseed marketing | | | |
|------------------------------|-----------------------------------------------------|--------------------------|-------------------------|-------------------------|
| | 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 | 57.72 | 58.76 | 60.11 | 61.10 |
| Other assets | 4.45 | 2.13 | 4.91 | 1.79 |
| Investments | 6.32 | 11.07 | 6.34 | 7.23 |
| PP&E (net) | 31.50 | 28.03 | 28.64 | 29.89 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 51.09 | 49.11 | 45.78 | 48.52 |
| Total liabilities | 66.97 | 62.11 | 58.46 | 58.08 |
| Allocated equity | 20.53 | 22.55 | 24.80 | 24.08 |
| Retained earnings | 12.50 | 15.34 | 16.73 | 17.83 |
| Total equity | 33.03 | 37.89 | 41.54 | 41.92 |
| 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 | 92.58 | 93.89 | 90.29 | 93.64 |
| Gross margin | 7.42 | 6.11 | 9.71 | 6.36 |
| Service and other income | 3.74 | 4.10 | 4.02 | 3.75 |
| Gross revenue | 11.16 | 10.21 | 13.73 | 10.11 |
| Expenses | | | | |
| Wages | 3.28 | 3.59 | 4.48 | 3.39 |
| Depreciation | 1.46 | 1.26 | 1.39 | 1.57 |
| Interest | 0.77 | 0.73 | 0.79 | 0.80 |
| Other | 3.80 | 3.43 | 5.11 | 3.19 |
| Total expenses | 9.31 | 9.02 | 11.77 | 8.95 |
| Income from own operations | 1.85 | 1.19 | 1.96 | 1.15 |
| Patronage income | 0.34 | 0.44 | 0.24 | 0.36 |
| Non-operating income | 0.24 | 0.05 | -0.04 | 0.16 |
| Net income before taxes | 2.43 | 1.69 | 2.17 | 1.68 |
| Taxes | 0.22 | 0.22 | 0.08 | 0.22 |
| Net income | 2.21 | 1.47 | 2.09 | 1.46 |
| Ratios | <i>Percent or number</i> | | | |
| Current | 1.13 | 1.20 | 1.31 | 1.26 |
| Debt to asset | 0.67 | 0.62 | 0.58 | 0.58 |
| Debt to equity | 2.03 | 1.64 | 1.41 | 1.39 |
| Times interest earned | 4.18 | 3.30 | 3.76 | 3.10 |
| Total asset turnover | 2.07 | 2.78 | 2.44 | 2.31 |
| Fixed asset turnover | 6.56 | 9.93 | 8.51 | 7.74 |
| Gross profit margin | 7.42 | 6.11 | 9.71 | 6.36 |
| Return on assets | 6.60 | 6.74 | 7.21 | 5.73 |
| Return on member equity | 22.22 | 18.13 | 20.55 | 13.98 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Grain and oilseed marketing | | | |
|------------------------------|---------------------------------------------------|-------------------------|------------------------|--------------------------|
| | 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 | 60.61 | 63.93 | 61.89 | 62.45 |
| Other assets | 3.30 | 2.88 | 5.52 | 10.24 |
| Investments | 3.90 | 5.79 | 5.55 | 3.89 |
| PP&E (net) | 32.19 | 27.40 | 27.04 | 23.41 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 51.04 | 48.70 | 45.55 | 44.12 |
| Total liabilities | 63.20 | 56.27 | 54.86 | 54.32 |
| Allocated equity | 20.45 | 22.95 | 23.05 | 30.85 |
| Retained earnings | 16.34 | 20.79 | 22.09 | 14.83 |
| Total equity | 36.80 | 43.73 | 45.14 | 45.68 |
| 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 | 93.93 | 94.04 | 93.95 | 91.45 |
| Gross margin | 6.07 | 5.96 | 6.05 | 8.55 |
| Service and other income | 3.62 | 3.62 | 4.04 | 6.35 |
| Gross revenue | 9.68 | 9.58 | 10.09 | 14.90 |
| Expenses | | | | |
| Wages | 3.22 | 3.36 | 3.61 | 5.62 |
| Depreciation | 1.29 | 1.27 | 1.28 | 1.49 |
| Interest | 0.75 | 0.70 | 0.63 | 0.79 |
| Other | 3.40 | 3.29 | 3.98 | 5.93 |
| Total expenses | 8.66 | 8.62 | 9.51 | 13.83 |
| Income from own operations | 1.02 | 0.95 | 0.58 | 1.06 |
| Patronage income | 0.22 | 0.21 | 0.14 | 0.22 |
| Non-operating income | 0.05 | 0.08 | 0.10 | 0.05 |
| Net income before taxes | 1.29 | 1.24 | 0.83 | 1.33 |
| Taxes | 0.10 | 0.06 | 0.04 | 0.02 |
| Net income | 1.19 | 1.19 | 0.79 | 1.32 |
| Ratios | <i>Percent or number</i> | | | |
| Current | 1.19 | 1.31 | 1.36 | 1.42 |
| Debt to asset | 0.63 | 0.56 | 0.55 | 0.54 |
| Debt to equity | 1.72 | 1.29 | 1.22 | 1.19 |
| Times interest earned | 2.73 | 2.78 | 2.31 | 2.69 |
| Total asset turnover | 2.47 | 2.70 | 2.66 | 1.97 |
| Fixed asset turnover | 7.68 | 9.85 | 9.85 | 8.40 |
| Gross profit margin | 6.07 | 5.96 | 6.05 | 8.55 |
| Return on assets | 5.05 | 5.24 | 3.90 | 4.17 |
| Return on member equity | 14.41 | 13.96 | 9.13 | 8.39 |

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Fish marketing | | | | Poultry marketing | |
|------------------------------|--------------------------------|---------------------|--------------------|-----------------------|-------------------|---------------|
| | > \$10 million | \$5 to \$10 million | \$1 to \$5 million | Less than \$1 million | > \$30 million | < \$5 million |
| Balance sheet | | | | | | |
| | <i>Percent of total assets</i> | | | | | |
| Current assets | 84.88 | 87.84 | 64.62 | 62.97 | 50.12 | 61.06 |
| Other assets | 3.93 | 2.95 | 11.81 | 10.36 | 21.50 | 15.30 |
| Investments | 4.89 | 1.96 | 0.03 | 0.00 | 9.29 | 0.05 |
| PP&E (net) | 6.30 | 7.26 | 23.54 | 26.67 | 19.08 | 23.59 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 76.92 | 67.26 | 55.40 | 39.60 | 34.77 | 50.42 |
| Total liabilities | 91.08 | 76.66 | 66.88 | 73.24 | 39.59 | 60.86 |
| Allocated equity | 4.67 | 18.94 | 19.76 | 17.26 | 45.47 | 39.74 |
| Retained earnings | 4.25 | 4.41 | 13.35 | 9.50 | 14.94 | -0.60 |
| Total equity | 8.92 | 23.34 | 33.12 | 26.76 | 60.41 | 39.14 |
| 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 | 77.74 | 85.32 | 88.23 | 86.86 | 85.70 | 68.70 |
| Gross margin | 22.26 | 14.68 | 11.77 | 13.14 | 14.30 | 31.30 |
| Service and other income | 2.78 | 0.46 | 5.35 | 2.15 | 1.77 | 3.04 |
| Gross revenue | 24.72 | 15.10 | 12.60 | 16.48 | 16.07 | 34.34 |
| Expenses | | | | | | |
| Wages | 14.47 | 2.94 | 11.10 | 9.22 | 7.12 | 16.35 |
| Depreciation | 1.31 | 0.69 | 3.67 | 0.93 | 1.09 | 1.95 |
| Interest | 0.82 | 0.47 | 0.47 | 0.58 | 0.74 | 0.61 |
| Other | 7.53 | 6.26 | 4.51 | 5.15 | 5.65 | 12.04 |
| Total expenses | 24.14 | 10.37 | 19.75 | 15.86 | 14.61 | 30.95 |
| Income from own operations | 0.58 | 4.74 | -7.15 | 0.61 | 1.47 | 3.38 |
| Patronage income | 0.00 | 0.02 | 0.04 | 0.11 | 0.01 | 0.00 |
| Non-operating income | 0.32 | 0.04 | 4.53 | 0.00 | 0.00 | 0.22 |
| Net income before taxes | 0.90 | 4.79 | -2.58 | 0.72 | 1.48 | 3.60 |
| Taxes | 0.01 | 0.02 | 0.01 | 0.00 | 0.00 | 0.01 |
| Net income | 0.89 | 4.78 | -2.59 | 0.72 | 1.47 | 3.59 |
| Ratios | | | | | | |
| | <i>Percent or number</i> | | | | | |
| Current | 1.25 | 1.45 | 1.71 | 1.30 | 1.55 | 1.27 |
| Debt to asset | 0.58 | 0.81 | 0.74 | 0.62 | 0.52 | 0.55 |
| Debt to equity | 1.40 | 4.27 | 2.83 | 1.65 | 1.07 | 1.22 |
| Times interest earned | 2.10 | 11.16 | -4.53 | 2.25 | 3.00 | 6.92 |
| Total asset turnover | 2.43 | 5.98 | 2.16 | 1.93 | 3.91 | 1.71 |
| Fixed asset turnover | 9.65 | 12.52 | 2.91 | 3.59 | 10.48 | 5.59 |
| Gross profit margin | 22.26 | 14.68 | 11.77 | 13.14 | 14.30 | 31.30 |
| Return on assets | 4.19 | 31.48 | -4.57 | 2.51 | 8.68 | 7.21 |
| Return on member equity | 7.73 | 274.13 | 0.00 | 3.75 | 19.72 | 18.36 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Livestock marketing | | | | | |
|------------------------------|-------------------------------------------|-----------------------|----------------------|----------------------|--------------------|-----------------------|
| | Cooperative sales size > \$500 million | \$60 to \$375 million | \$15 to \$45 million | \$75 to \$14 million | \$1 to \$5 million | Less than \$1 million |
| Balance sheet | | | | | | |
| | <i>Percent of total assets</i> | | | | | |
| Current assets | 84.88 | 87.84 | 64.62 | 62.97 | 50.12 | 61.06 |
| Other assets | 3.93 | 2.95 | 11.81 | 10.36 | 21.50 | 15.30 |
| Investments | 4.89 | 1.96 | 0.03 | 0.00 | 9.29 | 0.05 |
| PP&E (net) | 6.30 | 7.26 | 23.54 | 26.67 | 19.08 | 23.59 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 76.92 | 67.26 | 55.40 | 39.60 | 34.77 | 50.42 |
| Total liabilities | 91.08 | 76.66 | 66.88 | 73.24 | 39.59 | 60.86 |
| Allocated equity | 4.67 | 18.94 | 19.76 | 17.26 | 45.47 | 39.74 |
| Retained earnings | 4.25 | 4.41 | 13.35 | 9.50 | 14.94 | -0.60 |
| Total equity | 8.92 | 23.34 | 33.12 | 26.76 | 60.41 | 39.14 |
| 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 | 99.25 | 99.41 | 95.74 | 87.95 | 86.87 | 91.69 |
| Gross margin | 0.75 | 0.59 | 4.26 | 12.05 | 13.13 | 8.31 |
| Service and other income | 1.09 | 1.76 | 3.96 | 2.37 | 4.84 | 7.02 |
| Gross revenue | 1.84 | 2.35 | 8.23 | 14.42 | 17.96 | 15.33 |
| Expenses | | | | | | |
| Wages | 0.82 | 1.36 | 4.13 | 7.34 | 7.25 | 10.40 |
| Depreciation | 0.05 | 0.13 | 0.78 | 0.97 | 0.95 | 1.15 |
| Interest | 0.38 | 0.63 | 0.32 | 0.62 | 0.45 | 0.61 |
| Other | 0.57 | 0.56 | 2.49 | 5.29 | 8.07 | 3.81 |
| Total expenses | 1.82 | 2.68 | 7.71 | 14.23 | 16.72 | 15.97 |
| Income from own operations | 0.02 | -0.33 | 0.51 | 0.20 | 1.24 | -0.63 |
| Patronage income | 0.02 | 0.03 | 0.00 | 0.00 | 0.00 | 0.04 |
| Non-operating income | 0.02 | 0.78 | -0.06 | 0.05 | 0.21 | 0.07 |
| Net income before taxes | 0.06 | 0.48 | 0.45 | 0.25 | 1.45 | -0.53 |
| Taxes | 0.01 | 0.10 | 0.04 | 0.02 | 0.00 | 0.00 |
| Net income | 0.06 | 0.39 | 0.41 | 0.24 | 1.45 | -0.53 |
| Ratios | | | | | | |
| | <i>Percent or number</i> | | | | | |
| Current | 1.10 | 1.31 | 1.17 | 1.59 | 1.44 | 1.21 |
| Debt to asset | 0.91 | 0.77 | 0.67 | 0.73 | 0.40 | 0.61 |
| Debt to equity | 10.20 | 3.28 | 2.02 | 2.74 | 0.66 | 1.55 |
| Times interest earned | 1.17 | 1.76 | 2.42 | 1.41 | 4.20 | 0.13 |
| Total asset turnover | 11.05 | 4.92 | 2.18 | 4.94 | 3.52 | 0.96 |
| Fixed asset turnover | 175.44 | 67.84 | 9.25 | 18.52 | 18.42 | 4.07 |
| Gross profit margin | 0.75 | 0.59 | 4.26 | 12.05 | 13.13 | 8.31 |
| Return on assets | 4.91 | 5.50 | 1.67 | 4.30 | 6.69 | 0.07 |
| Return on member equity | 13.65 | 10.08 | 4.52 | 6.76 | 11.20 | -1.28 |

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (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 | 70.50 | 71.21 | 59.05 | 45.94 | 30.29 |
| Other assets | 0.06 | 0.11 | 17.17 | 6.03 | 0.61 |
| Investments | 7.30 | 1.90 | 2.02 | 0.72 | 2.05 |
| PP&E (net) | 22.14 | 26.78 | 21.76 | 46.62 | 67.05 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 58.08 | 48.81 | 37.02 | 37.67 | 17.67 |
| Total liabilities | 65.48 | 55.10 | 64.37 | 68.60 | 33.45 |
| Allocated equity | 29.00 | 25.52 | 22.50 | 21.25 | 34.41 |
| Retained earnings | 5.52 | 19.39 | 13.13 | 9.68 | 32.14 |
| Total equity | 34.52 | 44.90 | 35.63 | 30.92 | 66.55 |
| 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 | 85.34 | 77.51 | 82.90 | 88.93 | 59.74 |
| Gross margin | 14.66 | 22.49 | 17.10 | 11.04 | 40.26 |
| Service and other income | 0.41 | 16.08 | 0.00 | 14.29 | 1.11 |
| Gross revenue | 15.08 | 38.57 | 17.10 | 25.33 | 41.37 |
| Expenses | | | | | |
| Wages | 7.15 | 17.20 | 9.44 | 10.94 | 1.94 |
| Depreciation | 2.03 | 3.32 | 0.94 | 2.14 | 4.18 |
| Interest | 0.91 | 2.12 | 1.80 | 1.79 | 0.56 |
| Other | 3.38 | 14.71 | 4.89 | 7.70 | 7.44 |
| Total expenses | 13.47 | 37.35 | 17.06 | 22.56 | 14.12 |
| Income from own operations | 1.61 | 1.22 | 0.04 | 2.77 | 27.25 |
| Patronage income | 0.55 | 0.00 | 0.11 | 0.02 | 0.06 |
| Non-operating income | 0.08 | 1.95 | 0.90 | 0.05 | 2.14 |
| Net income before taxes | 2.23 | 3.17 | 1.04 | 2.84 | 29.46 |
| Taxes | 0.09 | -1.25 | 0.09 | 0.01 | 0.44 |
| Net income | 2.15 | 4.42 | 0.95 | 2.82 | 29.02 |
| Ratios | <i>Percent or number</i> | | | | |
| Current | 1.21 | 1.46 | 1.59 | 1.22 | 1.71 |
| Debt to asset | 0.65 | 0.55 | 0.64 | 0.69 | 0.33 |
| Debt to equity | 1.90 | 1.23 | 1.81 | 2.23 | 0.50 |
| Times interest earned | 3.46 | 2.50 | 1.58 | 2.59 | 53.35 |
| Total asset turnover | 1.53 | 1.02 | 2.01 | 1.76 | 1.18 |
| Fixed asset turnover | 6.90 | 3.82 | 9.21 | 3.79 | 1.75 |
| Gross profit margin | 14.66 | 22.49 | 17.10 | 11.04 | 40.26 |
| Return on assets | 4.80 | 5.40 | 5.69 | 8.16 | 35.30 |
| Return on member equity | 11.30 | 17.70 | 8.49 | 23.45 | 99.16 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (continued)

| Type of cooperative | Rice marketing | | Tobacco marketing | | Wool marketing |
|------------------------------|--------------------|-------------------|--------------------------------|------------------|----------------|
| Cooperative sales size | > \$100 million | < \$15 million | > \$ 5 million | < \$5 million | All sizes |
| Balance sheet | | | <i>Percent of total assets</i> | | |
| Current assets | 56.31 | 60.33 | 81.21 | 43.43 | 44.29 |
| Other assets | 1.27 | 12.34 | 6.59 | 4.89 | 39.66 |
| Investments | 0.36 | 4.03 | 0.00 | 0.69 | 0.00 |
| PP&E (net) | 42.05 | 23.30 | 12.20 | 51.00 | 16.05 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 36.44 | 47.86 | 16.99 | 15.30 | 22.00 |
| Total liabilities | 47.92 | 56.19 | 17.78 | 21.65 | 41.03 |
| Allocated equity | 46.27 | 39.76 | 51.47 | 32.12 | 29.46 |
| Retained earnings | 5.81 | 4.06 | 30.75 | 46.23 | 29.51 |
| Total equity | 52.08 | 43.81 | 82.22 | 78.35 | 58.97 |
| 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 | 72.14 | 92.70 | 92.89 | 75.50 | 70.05 |
| Gross margin | 27.86 | 7.30 | 7.11 | 24.50 | 29.95 |
| Service and other income | 2.37 | 5.45 | 10.93 | 17.59 | 6.26 |
| Gross revenue | 30.24 | 12.75 | 18.04 | 42.09 | 36.21 |
| Expenses | | | | | |
| Wages | 10.54 | 3.90 | 4.51 | 11.58 | 9.36 |
| Depreciation | 1.95 | 0.78 | 0.35 | 2.43 | 1.03 |
| Interest | 0.45 | 0.37 | 0.03 | 0.25 | 0.05 |
| Other | 17.15 | 8.06 | 6.69 | 26.20 | 23.79 |
| Total expenses | 30.08 | 13.10 | 11.58 | 40.46 | 34.23 |
| Income from own operations | 0.15 | -0.35 | 6.46 | 1.63 | 1.98 |
| Patronage income | 0.02 | 0.10 | 0.00 | 0.00 | 0.00 |
| Non-operating income | 0.00 | 0.10 | 0.00 | 0.00 | 0.00 |
| Net income before taxes | 0.17 | -0.15 | 6.46 | 1.63 | 1.98 |
| Taxes | -0.01 | 0.00 | 2.12 | -0.10 | 0.00 |
| Net income | 0.19 | -0.15 | 4.35 | 1.73 | 1.98 |
| Ratios | | | <i>Percent or number</i> | | |
| Current | 1.55 | 1.26 | 4.78 | 2.84 | 2.01 |
| Debt to asset | 0.48 | 0.56 | 0.18 | 0.22 | 0.41 |
| Debt to equity | 0.92 | 1.28 | 0.22 | 0.28 | 0.70 |
| Times interest earned | 1.39 | 0.60 | 221.20 | 7.62 | 36.99 |
| Total asset turnover | 2.62 | 2.76 | 0.29 | 0.60 | 0.52 |
| Fixed asset turnover | 6.23 | 11.86 | 2.37 | 1.18 | 3.25 |
| Gross profit margin | 27.86 | 7.30 | 7.11 | 24.50 | 29.95 |
| Return on assets | 1.62 | 0.61 | 1.88 | 1.13 | 1.06 |
| Return on member equity | 1.06 | -1.02 | 2.45 | 3.24 | 3.50 |

(continued next page)

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (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 | 33.73 | 32.01 | 40.43 | 62.78 |
| Other assets | 26.58 | 3.13 | 7.83 | 14.93 |
| Investments | 1.07 | 19.24 | 2.44 | 0.00 |
| PP&E (net) | 38.62 | 45.63 | 49.30 | 22.29 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 29.97 | 26.78 | 34.81 | 48.34 |
| Total liabilities | 64.12 | 46.97 | 49.62 | 59.46 |
| Allocated equity | 35.82 | 41.72 | 43.05 | 24.20 |
| Retained earnings | 0.06 | 11.32 | 7.33 | 16.35 |
| Total equity | 35.88 | 53.03 | 50.38 | 40.54 |
| 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 | 74.41 | 60.88 | 78.87 | 93.61 |
| Gross margin | 25.59 | 39.12 | 21.13 | 6.39 |
| Service and other income | 6.90 | 9.91 | 1.62 | 3.64 |
| Gross revenue | 32.49 | 49.03 | 22.74 | 10.04 |
| Expenses | | | | |
| Wages | 11.98 | 10.88 | 8.89 | 2.81 |
| Depreciation | 3.75 | 2.69 | 2.05 | 0.33 |
| Interest | 2.10 | 1.62 | 1.56 | 0.16 |
| Other | 12.85 | 28.89 | 10.00 | 5.90 |
| Total expenses | 30.67 | 44.07 | 22.50 | 9.21 |
| Income from own operations | 1.81 | 4.96 | 0.24 | 0.82 |
| Patronage income | 0.05 | 0.14 | 0.06 | 0.00 |
| Non-operating income | 1.00 | -0.01 | 0.14 | 0.01 |
| Net income before taxes | 2.86 | 5.09 | 0.44 | 0.84 |
| Taxes | 0.01 | 0.19 | 0.00 | 0.00 |
| Net income | 2.85 | 4.90 | 0.44 | 0.84 |
| Ratios | | | | |
| | <i>Percent or number</i> | | | |
| Current | 1.13 | 1.20 | 1.16 | 1.30 |
| Debt to asset | 0.64 | 0.47 | 0.50 | 0.59 |
| Debt to equity | 1.79 | 0.89 | 0.98 | 1.47 |
| Times interest earned | 2.36 | 4.15 | 1.28 | 6.18 |
| Total asset turnover | 1.40 | 1.62 | 1.51 | 4.46 |
| Fixed asset turnover | 3.63 | 3.55 | 3.06 | 19.99 |
| Gross profit margin | 25.59 | 39.12 | 21.13 | 6.39 |
| Return on assets | 6.94 | 10.85 | 3.02 | 4.45 |
| Return on member equity | 11.15 | 18.99 | 1.53 | 15.43 |

Appendix table 6—Common size analysis, by cooperative type and size, 2006 (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 | 37.80 | 49.71 | 43.60 | 45.66 | 39.84 |
| Other assets | 2.30 | 2.26 | 6.31 | 4.62 | 3.15 |
| Investments | 0.00 | 2.25 | 2.05 | 0.00 | 0.02 |
| PP&E (net) | 59.90 | 45.78 | 48.04 | 49.72 | 57.00 |
| Total assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Current liabilities | 32.66 | 26.94 | 17.48 | 17.11 | 36.16 |
| Total liabilities | 34.05 | 30.34 | 20.27 | 22.51 | 57.80 |
| Allocated equity | 58.83 | 54.62 | 71.19 | 65.32 | 36.10 |
| Retained earnings | 7.12 | 15.04 | 8.55 | 12.17 | 6.10 |
| Total equity | 65.95 | 69.66 | 79.73 | 77.49 | 42.20 |
| 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 | 100.62 |
| Expenses | | | | | |
| Wages | 29.42 | 30.41 | 45.43 | 31.06 | 21.89 |
| Depreciation | 5.33 | 6.01 | 5.84 | 1.56 | 4.46 |
| Interest | 0.22 | 0.34 | 0.47 | 0.33 | 1.03 |
| Other | 37.31 | 59.17 | 43.35 | 57.10 | 36.82 |
| Total expenses | 72.28 | 95.93 | 95.08 | 90.06 | 64.20 |
| Income from own operations | 27.92 | 4.07 | 4.92 | 9.94 | 36.42 |
| Patronage income | 0.02 | 0.25 | 0.09 | 0.00 | 0.01 |
| Non-operating income | 0.96 | 0.54 | 0.69 | 1.29 | 0.28 |
| Net income before taxes | 28.90 | 4.86 | 5.69 | 11.23 | 36.71 |
| Taxes | 0.00 | 0.01 | 0.00 | 0.34 | 0.28 |
| Net income | 28.90 | 4.85 | 5.69 | 10.89 | 36.42 |
| Ratios | | | <i>Percent or number</i> | | |
| Current | 1.16 | 1.85 | 2.49 | 2.67 | 1.10 |
| Debt to asset | 0.34 | 0.30 | 0.20 | 0.23 | 0.58 |
| Debt to equity | 0.52 | 0.44 | 0.25 | 0.29 | 1.37 |
| Times interest earned | 132.53 | 15.34 | 13.21 | 35.26 | 36.71 |
| Return on assets | 20.43 | 14.54 | 5.56 | 7.46 | 33.68 |
| Return on member equity | 34.47 | 24.86 | 7.22 | 10.76 | 90.03 |

Appendix Table 7—Net income of farmer cooperatives, 1997-2006¹

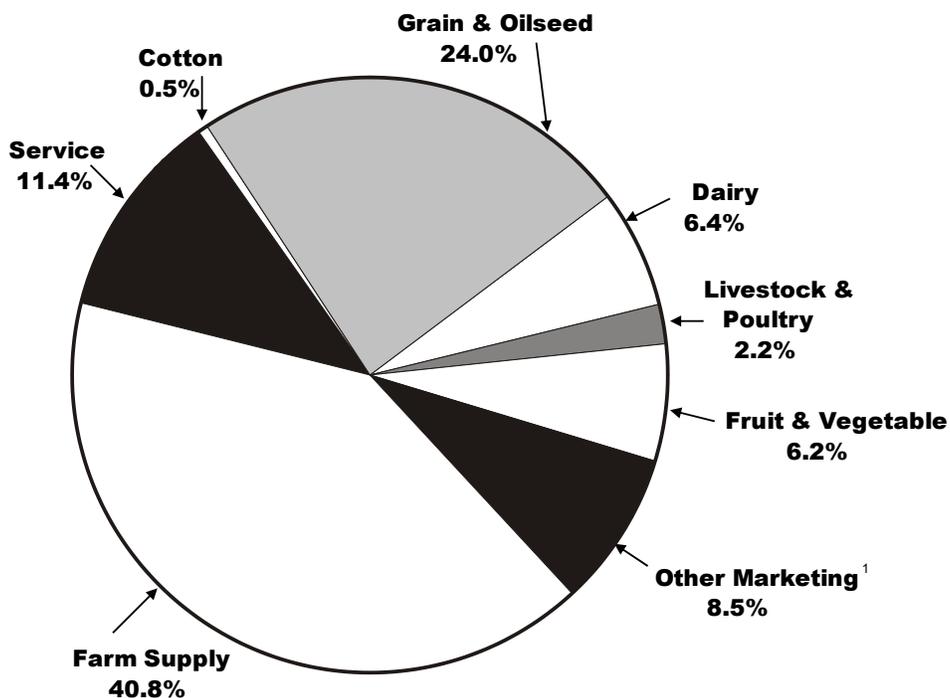
| Year | From own operations | From other cooperatives ² | Total |
|------|---------------------|--------------------------------------|-------|
| | | <i>Million dollars</i> | |
| 1997 | 1,557 | 757 | 2,314 |
| 1998 | 1,169 | 573 | 1,742 |
| 1999 | 945 | 384 | 1,328 |
| 2000 | 1,041 | 235 | 1,276 |
| 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 |

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

² Dividends and patronage refunds received from other marketing, farm supply, and related-service cooperatives, CoBank, and Banks for Cooperatives, where applicable.

APPENDIX FIGURES

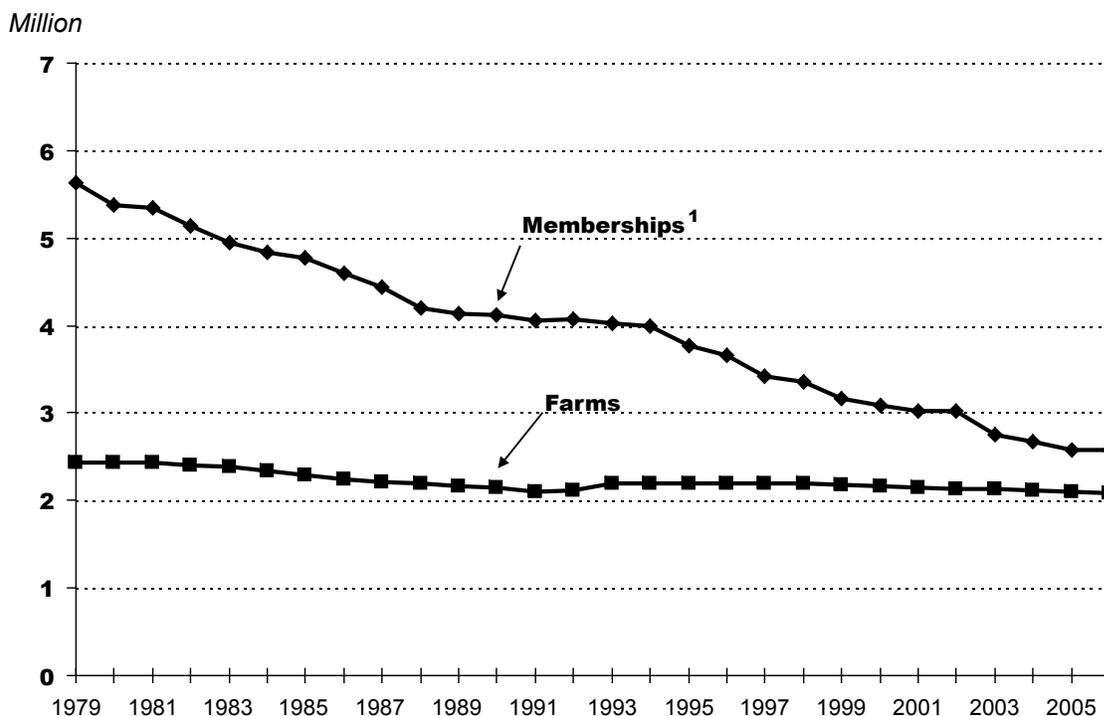
Appendix Figure 1—Distribution of Farmer Cooperatives by Type, 2006



Percentages are based on a total of 2,675 cooperatives.

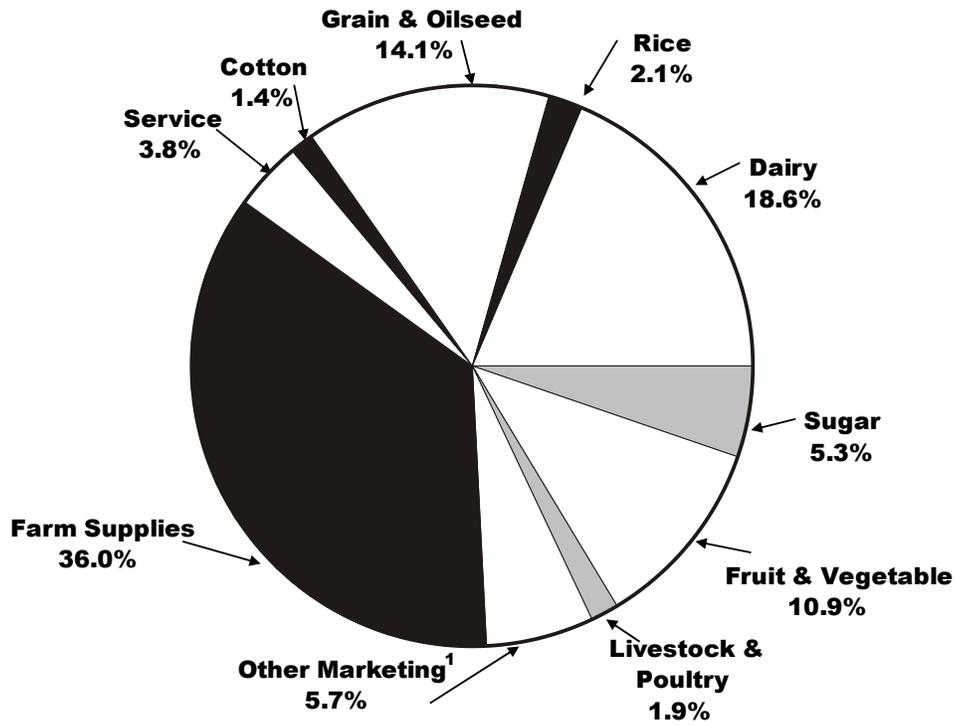
¹ Includes dry bean and pea, nut, wool and mohair, tobacco, rice, sugar, fishery, and other product marketing cooperatives.

Appendix Figure 2—U.S. Farms and Farmer Cooperative Memberships, 1979-2006



¹ Memberships were higher than farm numbers because many farmers belonged to more than one cooperative.

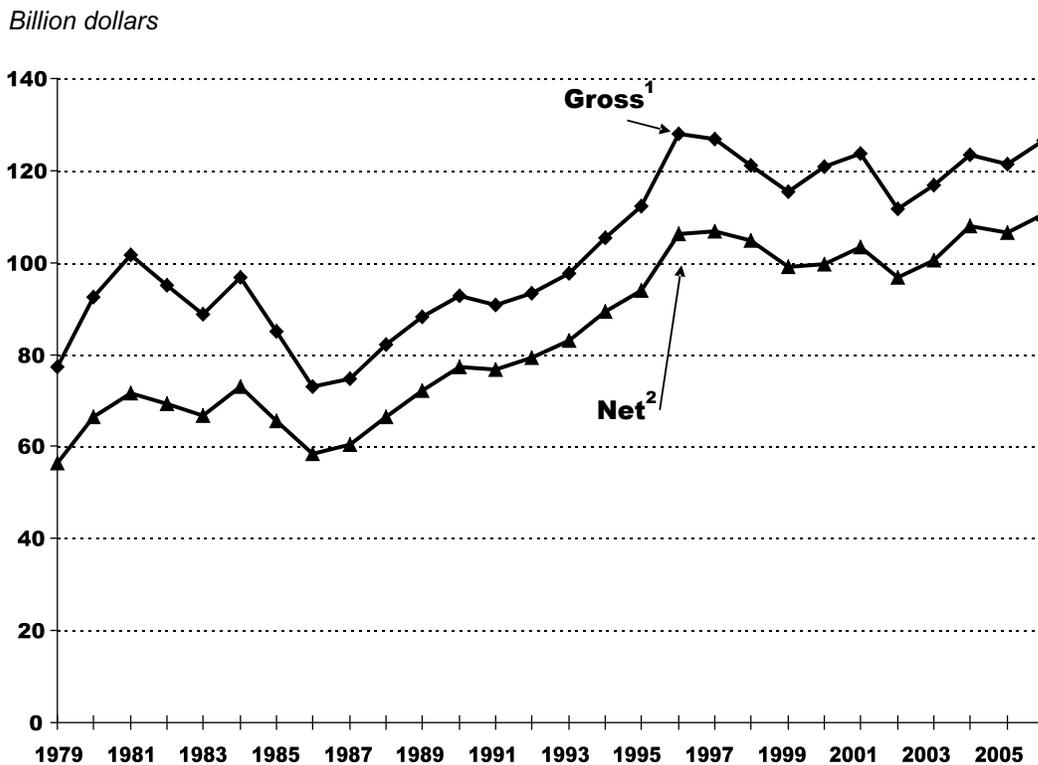
Appendix Figure 3—Distribution of Full-Time Employees by Cooperative Type, 2006



Percentages are based on a total of 123.4 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, 1979-2006

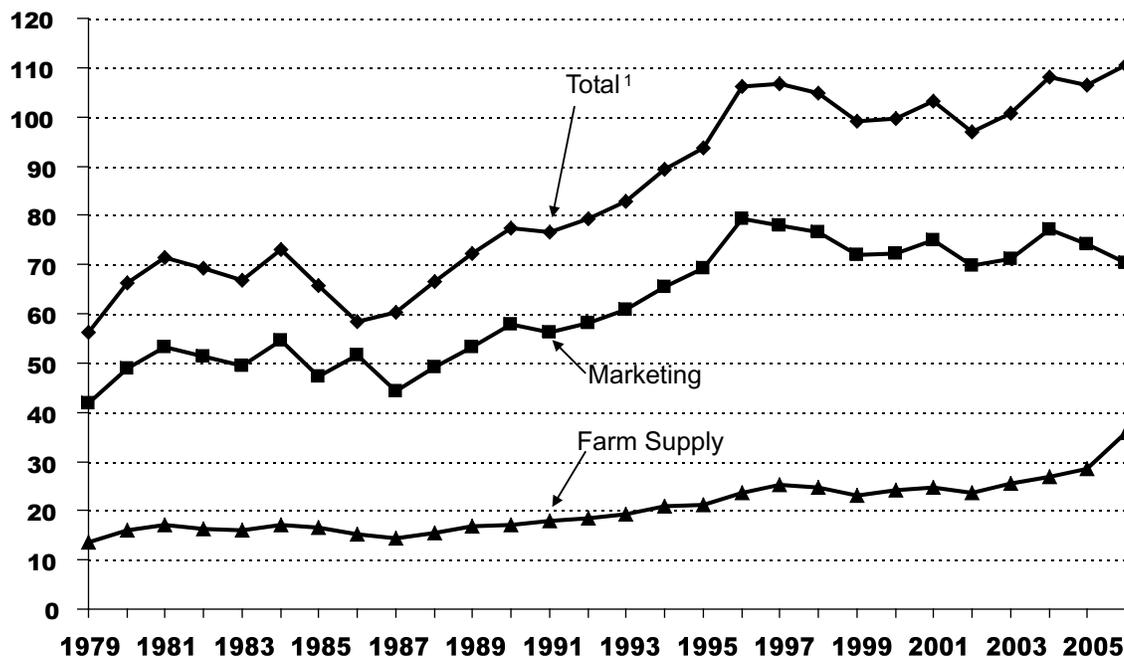


¹ Includes inter-cooperative business.

² Excludes inter-cooperative business.

Appendix Figure 5—Cooperatives' Net Business Volume, 1979-2006

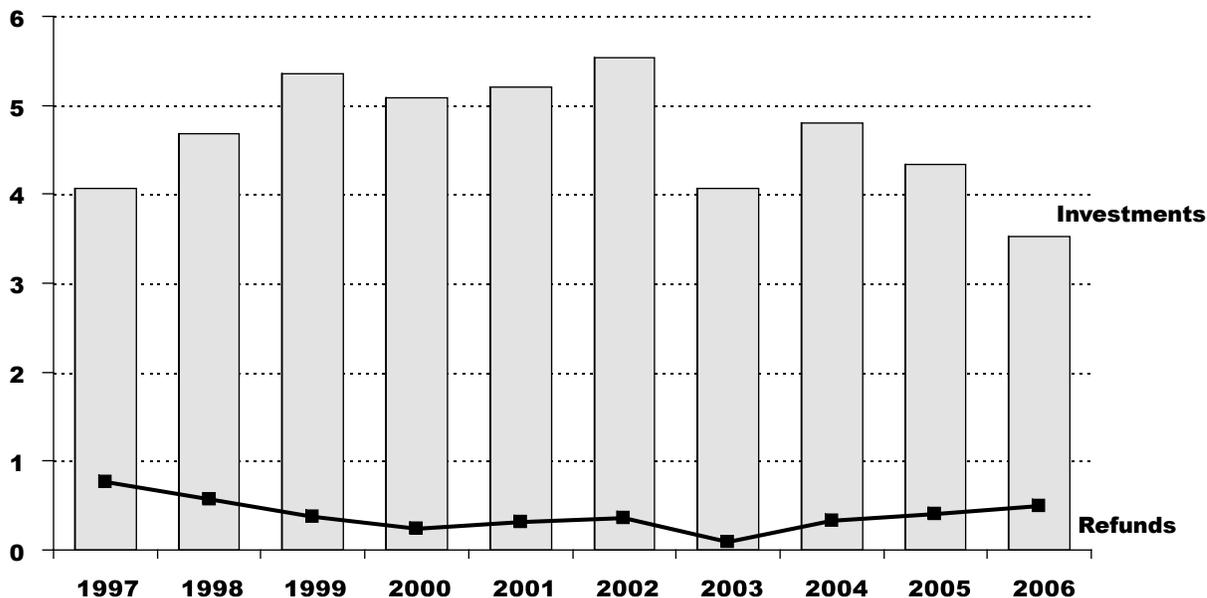
Billion dollars



¹ Total includes value of related services and other income.

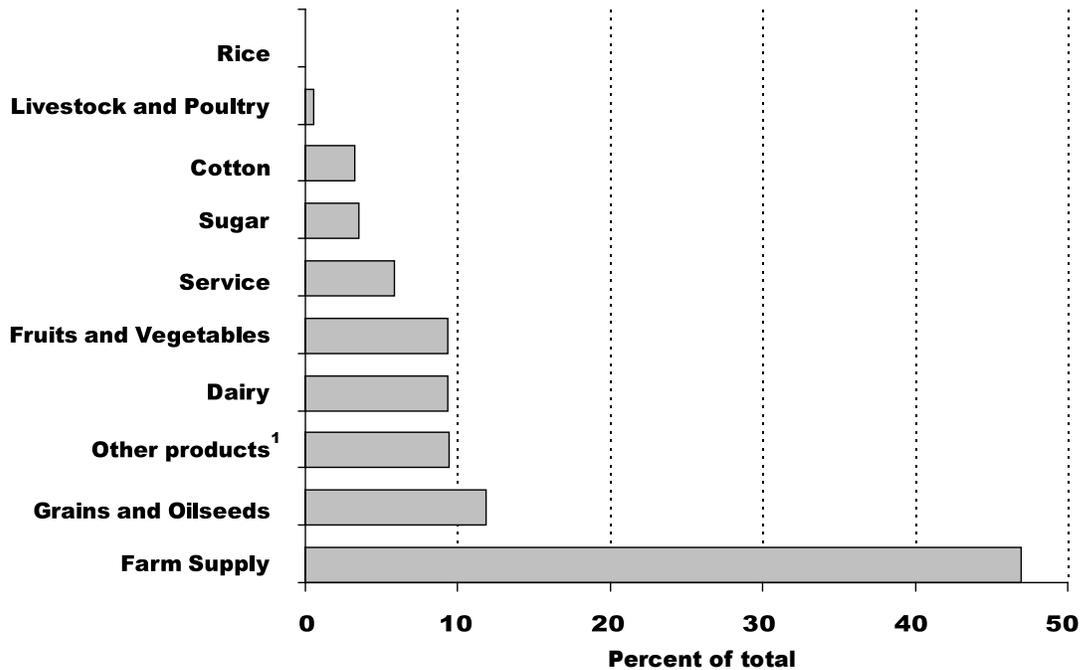
Appendix Figure 6—Cooperatives' Investments in Other Cooperatives and Patronage Refunds Received From Other Cooperatives, 1997-2006¹

Billion dollars



¹ Includes other farmer cooperatives and CoBank.

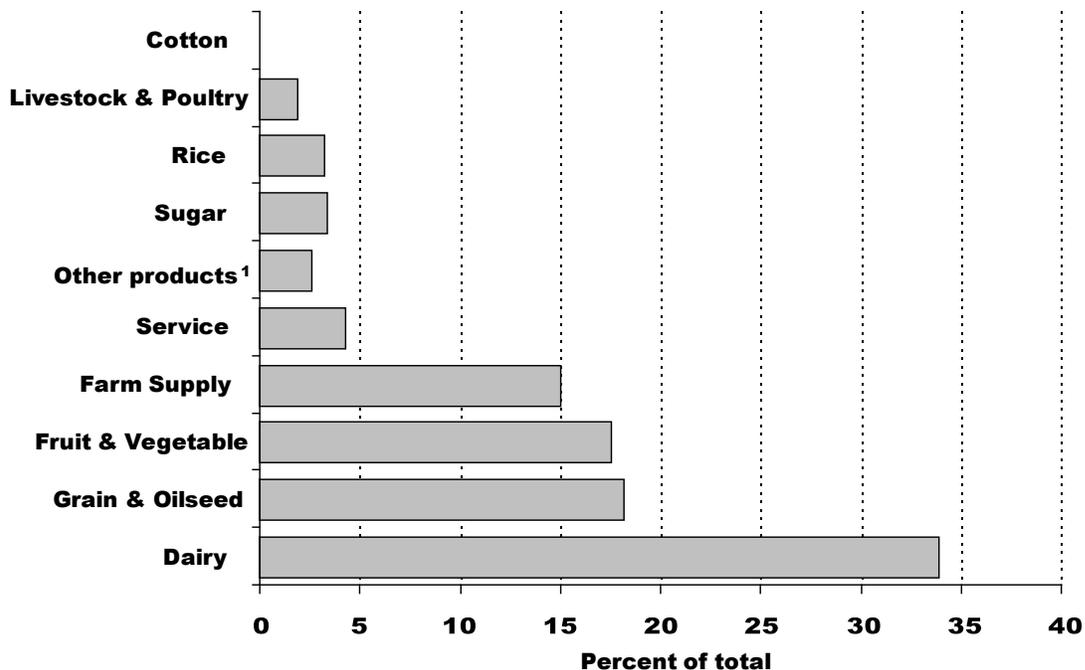
Appendix Figure 7—Distribution of Net Income, by Type of Cooperative, 2006



Percentage based on total net income of \$3.2 billion.

¹ Includes dry bean and pea, livestock, poultry, nut, wool and mohair, tobacco, sugar, fishery, and other product marketing cooperative.

Appendix Figure 8—Distribution of Losses, by Type of Cooperative, 2006



Percentage based on total losses of \$82 million.

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

