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AGRICULTURAL CO-OPERATION IN ENGLAND

THE HORACE PLUNKETT FOUNDATION

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AGRICULTURAL CO-OPERATION IN ENGLAND

A SURVEY

BY

THE HORACE PLUNKETT FOUNDATION

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FOREWORD

FOR forty years now I have given up my life to agricultural development and rural reconstruction, chiefly by the promotion of co-operation among farmers. I have at times, perhaps, wearied both the public and farmers by my insistence upon co-operation as the necessary basis for any stable agricultural community exposed to the effects of modern industrial and commercial organization, as therefore the foundation for any agricultural policy that thinks of the men and women who live on the land as well as of the supply of food to the townsfolk. I have learned not to use the word co-operation, when others prefer combination, organization or collaboration. To me co-operation is a mode of good living; none the less it has, from the outset, to justify itself by being good business, however much its ultimate motive power must be the belief in its essential rightness. This book is a record of its achievement in a country where social tradition, the stage of development that farming has reached, and the organization of the trading system, have combined to make the growth of co-operation more difficult.

The Foundation with which my name is associated, aims at supplying both to the interested public and to co-operators themselves, all the available information as to what is actually being done in the way of agricultural co-operation. Its object is neither propaganda nor organization, except in so far as it can serve both by its record of concrete success and failure. Here is an account of a very substantial achievement, a complete answer to the common cry that farmers cannot or will not organize. At no time in my life has the general public been so sympathetically interested in agriculture or statesmen so concerned to find some tempering of the successive storms that threaten the existence of what is not only our oldest industry but also the most fruitful element in our national life. In this book they will find evidence, which few may have suspected, of real vitality in the farming community; they will learn of growth from the root, on which all the other activities

making for the betterment of country life—technical and social—will act and react for good. Let us take heart, therefore, refresh our faith and renew our efforts.

HORACE PLUNKETT.

THE HORACE PLUNKETT FOUNDATION,
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LONDON, W.C.1.
July, 1930.

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AGRICULTURAL CO-OPERATION IN ENGLAND

I

INTRODUCTORY

STUDENTS of English agricultural conditions have for a long generation been aware of the possibilities of co-operation as a means to the rationalization of the business side of agriculture and an encouragement of its technical progress. During this period much information on the co-operative movements of other countries has been made available to English readers, but a comprehensive and impartial account of the English agricultural co-operative movement itself has never so far been attempted. During the existence of the Agricultural Organization Society, annual reports were published giving fairly full current information. In 1922, Mr. W. A. Warman published, also under the auspices of the Agricultural Organization Society, a book on *Agricultural Co-operation in England and Wales*. The book was a useful one but, besides being to some extent a propagandist work, it divided its attention somewhat unevenly between the different types of society, is in any case now nearly ten years old, and has inevitably ceased to present an accurate picture of co-operative activity in England. Since then the Orange Books of the Ministry of Agriculture have included separate studies of co-operative societies for the sale of agricultural requirements and of co-operative marketing societies, together with references to a few societies contained in volumes dealing with different commodities. In these, however, only a limited number of typical societies have been described in any detail.

Since the disappearance of the Agricultural Organization Society, an almost complete darkness has descended upon the English agricultural co-operative movement, so that many have come to doubt whether it exists at all. The object of the present volume is to present a complete picture of the

movement, its recent development and present situation. This development is the more interesting in that it presents an almost unique instance of co-operative progress without the supervision or encouragement of a central body.

Briefly, the result of the survey shows that in one respect, the provision of farmers' requirements, the movement has reached the point where it can be said that not more than one or two new societies are needed to cover the whole agricultural area of England with all the centres necessary to enable its farming population to obtain their agricultural requirements co-operatively and economically. Wool marketing has advanced very nearly to a similar position. In other marketing, too, there is positive if uneven progress; nearly all the requirements societies also purchase, and many market, members' produce—some of them on a considerable scale; special marketing societies—for meat, dairy produce, eggs and poultry, fruit and vegetables—are a long way from providing co-operative channels on a national scale, but successful examples are found in each category; in each the matter is ripe for national development based upon local experience. In figures the present state of the movement in England (excluding insurance) can be summarized as follows:

Total number of societies	230
Total number of members	67,526
Total number of customers	97,467
Total share capital	£1,117,727
Total turnover (1929)	£9,800,230

As the total farming population in England eligible for membership in agricultural societies is something under 350,000, and the duplication of membership, unlike other countries, is here negligible, it will be seen that 19 in every 100 English farmers are members of an agricultural co-operative society and 28 in every 100 do at least a part of their business with a society.

For an understanding of the matter, some knowledge of the history of the movement and of the structure and purpose of the societies is necessary. This is given in the two chapters preceding the detailed survey by counties, beginning with the pioneer North, upon which are based the further examination of the various functions of the movement. Scotland and

Wales have been omitted from the Survey since each has its own Agricultural Organization Society issuing reports, and Wales has, in addition, the services of the Agricultural Economic section of the University College at Aberystwyth. Occasional references, however, have been made to Scottish developments, where these are exercising a marked influence south of the Border.

II

HISTORICAL

ENGLISH agricultural co-operation has passed through three phases; the first, lasting about thirty years, of spontaneous but slow and sporadic growth; the second, lasting almost for another twenty-five years, of deliberate, intensive propagation; the third, covering the last five or six years, of more or less anarchic development or decay.

The first to take an interest in agricultural co-operation appear to have been the leaders of the industrial (consumers') co-operative movement who, having witnessed the remarkable success of their system, began to consider how it could be applied to the organization of agriculture. The earliest discussions of the subject seem to indicate that the formation of co-operative farming societies, somewhat on the lines of the industrial productive societies, was uppermost in the minds of those most concerned. One or two such societies were actually formed and had long and, on a limited scale, not unsuccessful careers. However, like the Owenite Labour societies from which they derived, they were not to be the pioneers of the main co-operative advance. This honour belongs to the Agricultural and Horticultural Association which in 1867 was established first in Manchester, and soon after in London, by Edward Owen Greening, a leader in social and economic reform, associated for many years with the work of the Co-operative Union.[1] The Association was formed in order to sell farmers' requirements on lines similar to those adopted by industrial consumers' societies for the sale of domestic goods. Stress was laid on quality and purity, and a professional analyst was employed. The Association, further, published an organ under the title of *The Agricultural Economist*. Its membership lay for the most part in the Home Counties and

[1] This organization was formed in 1889 by the majority of industrial and a few agricultural societies. It has continued to be the central body of the industrial movement. It holds congresses and undertakes advisory and educational work, but does not trade.

in time rose to over 4,000. It existed for nearly fifty years, doing a considerable trade, but came to an end during the War.

In 1869, feeling amongst the farmers in Cumberland was aroused by certain fraudulent sales of fertilizers. It was many years before the passage of the Fertilizers and Feeding Stuffs Act and there was then no convenient legal remedy. Attention was drawn to the Agricultural and Horticultural Association and it was decided to form a co-operative society on that model with the special object of ensuring the quality of fertilizers and feeding stuffs. The Industrial and Provident Societies Act, based on the original Friendly Societies Act and modified to suit the requirements of industrial co-operation, offered the most obvious legal form for the new organization, the Aspatria Agricultural Co-operative Society, which was registered early in 1870. It was the first society to be formed by farmers and in a purely rural district, and it is the only one of its kind which has survived from that early period. It was followed by four other societies on similar lines and in the same area, of which only the Furness and South Cumberland Society survives as an independent organization. Several other farmers' organizations were formed about the same time in different parts of the country, but not all of these were registered as Industrial and Provident Societies. Of the two that still survive, the Cheshire, Shropshire and North Wales Farmers' Supply Association appears to have begun as a joint-stock company and to have afterwards re-registered as an Industrial and Provident Society. The Western Counties Agricultural Co-operative Association, on the other hand, has remained a joint-stock company throughout its existence. About the time when the first societies for the supply of farmers' requirements were being organized, a group of cheese factories on quasi-co-operative lines were set going in Derbyshire. They did not prosper after the first few years, nor did they directly lead to any extension of co-operative marketing. One or two dairies of unquestionably co-operative character came into existence not long after, but on the whole this development was delayed to a later period.

Greening had drawn the attention of the Central Chamber of Agriculture to co-operative methods as early as 1868, but it was not until 1891 that the subject was actually discussed

by that body. A Committee was then appointed which reported in 1893. Local chambers of agriculture and agricultural clubs were circularized on the subject of co-operative purchase of requirements; the response was slight and tepid. At the same time it was reported that there existed about thirty organizations supplying farm requirements. Some were joint-stock companies; the rest were co-operative societies. Some owned warehouses and also manufactured; others worked purely on an agency basis, and in some cases only handled one or two commodities. The Committee declared themselves to be strongly "impressed with the advantages which may accrue to farmers by the adoption of the principle of co-operation"; they urged "the consideration of this subject on the members of the Central and Associated Chambers of Agriculture" and expressed the opinion that the establishment of requirements societies "would almost certainly conduce to their utilization for purposes of sale; especially of those products for which the price now paid by the consumer is so strikingly in advance of that received by the farmer".

In 1894, the Irish Agricultural Organization Society was founded by Sir Horace Plunkett, and this event greatly stimulated interest in the question in England. In 1896 the Central Chamber of Agriculture considered the question of marketing and appointed a Committee "to inquire into the extent to which the principle of co-operation has been applied in this and other countries to the sale of agricultural produce; whether it is feasible and desirable to promote its further extension, and, if so, what means are best adapted to that end".

Soon after, a conference was held at which several societies, including two dairies and a farmers' auction mart, reported on their work. It was stated that there were 15–20 agricultural requirements societies with warehouses and a rather larger number on an agency basis. There were also 10 or 12 Credit Banks making advances to small-holders and market gardeners, labourers and village tradespeople. The Committee spent more than a year in collecting information and finally reported in 1898. There appear to have been 4 or 5 dairy societies on co-operative lines. Some, like the Skelldale Society, were primarily concerned with butter-making and were more or less directly inspired by the Danish model;

others, like the Eastern Counties Dairy Farmers, sold milk liquid to retailers. Further particulars were supplied regarding the Darlington Farmers' Auction Mart; the South Shropshire Farmers' Trading Association described the disposal of grain, hay and straw. Particulars were also submitted of the British Produce Supply Association, an ambitious undertaking, not on co-operative lines, for the sale of all varieties of farmers' produce, which was formed in 1894 and liquidated in 1900. The conclusion of the Committee was that co-operative marketing organizations were desirable but difficult of accomplishment, and that "work similar to that done in Ireland by the Agricultural Organization Society would need to be done in this country by a purely propagandist body". The Committee further recommended the establishment of a Co-operative Section of the Central Chamber of Agriculture. In 1900 a British Agricultural Organization Society was formed at Newark, which in 1901 amalgamated with another body, the National Agricultural Union, to form the Agricultural Organization Society.

THE PERIOD OF THE A.O.S.

From the year of its formation the A.O.S. worked actively through meetings, conferences, press and other publicity, through the drafting of model rules, the issue of pamphlets and the establishment of suitable central organizations for the formation of farmers' co-operative societies of all types throughout England and Wales. For many years the Co-operative Union associated itself fairly closely with the work of the A.O.S.; in 1904 it passed a resolution pledging its support. In 1906 a Joint Committee with the A.O.S. was appointed, which in 1909 instituted a Joint Conference of the Union, the C.W.S., the A.O.S., and the Irish and Scottish Agricultural Organization Societies, with the special object of exploring the possibilities of intertrading between the agricultural and industrial movements. Most of the work was entrusted to a sub-committee, which met regularly until 1917. At this time a rivalry between the central trading bodies of the two movements, to be referred to later, had resulted in seriously strained relations. In 1919 the habit of joint conferences was resumed, but nothing of much moment was accomplished.

Until 1909 the A.O.S. was, like the Union, a private body, existing entirely on voluntary subscriptions and donations, but in that year it received a grant from the Small-holdings Account of the Treasury, in respect of work carried out in aid of co-operative small-holdings and allotments. In 1912 this grant was supplemented by a larger one from the Development and Road Improvement Fund.[1] This involved a reorganization of the Society, one-third of whose governors were in future to be appointed by the Ministry of Agriculture and others by the Co-operative Union and the County Councils Association. Half the governors were to be elected by the societies members of the A.O.S. The sums received from the Development Fund consisted partly of block grants, partly of contributions of £1 for every £1 received from private sources. Together with the Small-holdings' grant, they averaged about £10,000 yearly until 1917, when for a few years they were substantially increased and afterwards again reduced. In 1918 the constitution of the A.O.S. was once more revised; the number of governors to be elected by the societies was increased and the organization of local branches was elaborated. In 1919 the A.O.S. apparently became dissatisfied with its position of dependence on the annual sanction of the Development Commission for its financial resources, the Development Commission having also become critical of the policy of the A.O.S. The A.O.S. applied for a commutation grant of £200,000 in place of the annual sums put at its disposal. The Commissioners were unwilling to make so large a grant without any corresponding control and proposed, as an alternative, certain increased grants and loans, to decrease annually, for the years 1919–1923 only. These sufficed to cover the Society's expenditure in the first part of the period in question, and it was hoped that by the time grants ceased altogether the Society would be self-supporting. The attitude of the Development Commission was determined partly by a movement towards economy in public expenditure, and partly from a belief that the achievements of the A.O.S. were not commensurate with its expenditure, that its preference for rapid and large scale organization

[1] This Fund was created by Act of Parliament in 1909 and placed in the hands of Commissioners who were empowered to make grants or loans for, amongst other purposes, "aiding and developing agriculture and rural industries by . . . the organization of co-operation, instruction in marketing produce, and the extension of the provision of small-holdings."

was unwise, and that it had failed to command the loyalty of the members of agricultural co-operative societies. During the decline and after the cessation of the grant, attempts were made by the A.O.S. to increase its subscriptions and donations to meet expenses, but the majority of societies never appear to have taken a very keen interest in the central body, support was not considered adequate, and in 1924 the Society was dissolved.

THE POSITION IN 1900

It is difficult to get accurate statistics of English agricultural co-operation at the time of the formation of the A.O.S. According to the figures published by the Co-operative Union, there were 19 societies with 4,814 members.[1] This, however, does not include the farmers' auction mart before mentioned, and it seems probable that some of the requirements societies not associated with the Co-operative Union have also been omitted. In its second annual Report the A.O.S. gives a list, for England only, of 24 requirements societies, 11 dairies, 8 egg-collecting depôts, 6 co-operative banks, 2 allotment societies and 1 stock improvement society, all registered under the Industrial and Provident Societies Act, but not all affiliated to the A.O.S. Some, especially those of long standing, appear to have been affiliated to the Co-operative Union, others to the National Poultry Organization or the Co-operative Banks Association, two bodies which have since ceased to exist. Some seem to have been members both of the A.O.S. and the Co-operative Union. This list, however, is not exhaustive and several important societies are omitted. It does not, naturally, mention the associations like the Cheshire, Shropshire and North Wales Society, which had been registered under the

[1] THE POSITION IN 1900*

Class of Society.	No. of Societies.	No. of Members.	Share Capital.	Loan Capital.	Turnover.	Profits.
			£	£	£	£
Requirements . .	12	4,145	57,510	40,000 *	104,917	4,380
Dairies	4	181	1,008	180	14,485	493
Farming . . .	3	488	3,791	1,360	2,014	118
Total. . . .	19	4,814	61,309	41,540	121,416	4,991

* Approximately.

Companies Act, and it gives in no case particulars of membership, share capital or turnover.

DEVELOPMENT UNDER THE A.O.S.

Under the influence of the A.O.S., the number of societies of all types increased fairly rapidly, and by 1920 there were 381 agricultural societies with a membership of 84,729.[1] Requirements societies in particular were sown with a prodigal hand in every part of the country. They flourished in various degrees. Until the passage of the Fertilizers and Feeding Stuffs Act in 1906 one of their main tasks had been to protect their members from misdescription or adulteration of supplies; after that date economies in handling and elimination of middlemen's charges became of more importance. By 1908 there were 114 societies, one or two in nearly every county. In 1914 the number of societies had risen to about 200. During the War there was a less rapid increase in the number of societies, but membership and turnover grew steadily, the latter swollen by rising prices. For a short period the production, prices and export of fertilizers and feeding stuffs came under government control, but the societies seem to have gained rather than lost by this phase of policy. The societies were, almost from the first, very various in size and character. Functionally they were and are divisible into two

[1] THE POSITION IN 1920

Class of Society.	No. of Societies.	No. of Members.	Agricultural Requirements.	Sales Produce.	Total.
			£	£	£
General trading. .	222	55,913	9,426,413	1,893,115	11,319,528
Dairy	61	9,018	578,298	3,826,893	4,405,191
Egg and poultry .	57	13,280	130,960	643,814	774,774
Auction mart . .	31	5,287	26,715	562,717	589,432
Slaughter-house .	10	1,231	—	437,386	437,386
Total	381	84,729	10,162,386 *Turnover*	7,363,925	17,526,311
Small-holdings and allotments . .	1,113	116,023	171,651	—	171,651
Miscellaneous . .	46	6,652	116,447	—	116,447
Credit	18	355	*loans* £687	—	—
Grand Total . .	1,558	207,758			£17,814,409

types, the agency society and the society, equipped with warehouses and frequently also mills and a system of transport, handling goods and taking a merchant's risks. Nearly all the larger societies not only sold requirements but marketed members' grain, fodder and in some cases also seeds and potatoes. Some undertook other branches of marketing, such as wool and livestock. In size the societies ranged from the small local organization with 50 or 60 members and a turnover of a few hundreds, to the large society covering, perhaps, several counties and having a turnover which, under war conditions, might exceed a million pounds. The period immediately following the War was one of great activity on the part of the A.O.S. and saw the formation of a number of new societies, some representing amalgamations, for the policy of amalgamating many small societies into a few large and strong organizations was at that time being pressed by the A.O.S. In 1921 and 1922 a general fall in prices occurred and nearly all societies suffered heavily, some of them being forced into liquidation. By 1923 the movement began to recover, but another difficult year was encountered at the time of the Coal Dispute in 1926, and since then the movement of prices has rarely been favourable and the position of farming, more especially in grain-producing districts, has been very generally depressed. Substantial progress has none the less been made, and although the cash turnover of the peak years has not been quite regained, the tonnage turnover is probably very much larger.

THE AGRICULTURAL WHOLESALE SOCIETY

Intimately connected with the history of the requirements societies have been the attempts to establish a central farmers' trading organization. In 1904 the A.O.S. formed a non-trading advisory business department, which was followed in the next year by the Agricultural Co-operative Federation, supported and capitalized by a group of the smaller requirements societies and buying feeding stuffs, fertilizers and seeds on their behalf. Their support, however, was inadequate, the larger societies held aloof, and the Federation came to an end in 1909. It was then proposed that district federations should be formed, either by the largest existing society buying on behalf of the others, or by the formation of a new federal body. This

proposal led in practice to a certain number of useful amalgamations of small societies, but not to any definite federation. The suggestion was put forward that the Co-operative Wholesale Society, the trading centre of the industrial consumers' movement, should form an agricultural department, but at the time nothing was done. In 1912 the Farmers' Central Trading Board was established and worked for some years, mainly in the negotiation of bulk purchases on behalf of requirements societies, but also carrying on a certain business in the manufacture and sale of agricultural implements and machinery. Not long after, the C.W.S. actually started an agricultural department, and there resulted a certain amount of friction between the two bodies. In February, 1918, the Central Trading Board was transformed into the Agricultural Wholesale Society, with a "minimum capital" of £100,000 and headquarters in London. It dealt in feeding stuffs, fertilizers, implements, seeds, dairy equipment and other lines. To a limited extent the society also engaged in agricultural marketing, acting in one year as agent for certain wool marketing societies, setting up an egg department, acting as a clearing-house for the Smithfield transactions of co-operative slaughter-houses, and also handling their inedible offals. In 1919 it did a trade of nearly £2,000,000, but it laboured from the first under serious difficulties. Societies were required to take up a minimum of £1 share capital for every member and additional shares of an amount equal to 2 per cent. of their turnover. Allotment societies were required to take up a £1 share for every 20 members, together with the additional equivalent of 2 per cent. of their turnover. Voting was in proportion to shareholding. Not all societies joined, and capital was found to be inadequate. Soon after the Society's formation it was decided by resolution at a special meeting, to increase the obligatory shareholding of societies. This decision excited little comment at the time, and was in fact probably not sufficiently made known to the societies, but it eventually had unfortunate results. A certain amount of loan capital was also subscribed by societies. In March, 1921, a further step was taken by the formation of the A.W.S. Development Company to act as an intermediary for the purpose of financing the society. Considerable difficulty was experienced in providing suitable management, and this problem was never

solved. Further, societies were not bound by any contract to deal with the Wholesale, and their loyalty was anything but assured. Many were not even shareholders. Finally, the period was one of acute trade depression and sharply falling prices. The Society lost between £50,000 and £60,000 a year for five years, and in 1924 an order for winding up was made. The losses were heavy. They were borne in part by individuals who had become shareholders or guarantors from philanthropic motives, but also in considerable measure by the shareholding societies, especially those which by amalgamation or otherwise had substantially increased their membership and with it their obligation to take up shares in the A.W.S. Several of them appear to have been unaware that such an obligation existed until application was made to them by the liquidator. The legality of the demand was called into question, the matter was taken into court and ultimately reached the House of Lords, where the question was decided in favour of the A.W.S. Several societies were faced with ruinous liabilities and one or two actually went into liquidation. A few were saved by the C.W.S., which stepped in and allowed trading and other credit till their position could be re-established. The N.F.U. at the same time took the matter up and in 1928 secured a grant from the Government of £35,000 as a contribution towards a settlement, the societies agreeing to supply collectively another £15,000. At the same time the N.F.U. secured the passage through Parliament of a short amendment to the Industrial and Provident Societies Act, which provided that in future no member of a society might have his shareholding increased without his individual and specific consent.

The liquidation of the A.W.S. left the C.W.S. as the only central co-operative organization capable of supplying farmers' societies. Founded in 1864 to act as a central trading and manufacturing body for the industrial movement, this organization had gradually come into contact with agricultural business through the sale of millers' offals from its important flour mills and the supply of other agricultural requirements to retail societies owning farms, piggeries or merely horse transport. Gradually it expanded this side of the business, taking up the manufacture of oil cake, the production of seeds, and other details of agricultural business. Coal it handled for many years. It was also a buyer of agricultural produce, including

grain, dairy produce, meat and fruit. It had an insurance society and a banking branch; the long continued support of the industrial societies insured its stability and its ample financial resources. A number of farmers' societies had always traded with it, but now many more became customers and frequently also shareholders.

SPECIAL MARKETING SOCIETIES

The development of marketing societies was slower and more sporadic than that of requirements societies, nor had they, except in the case of a few commodities and for a very short time, any central trading organization. By 1913 there were only 35 dairy societies, some making cheese, others butter, more engaged primarily in retailing liquid milk. War conditions stimulated their growth, but years of strain followed. The A.O.S. proposed a general merger with United Dairies, with certain safeguards. This was opposed by the N.F.U. and dropped, but three large societies were absorbed unconditionally. Eggs and poultry societies originated with the A.O.S. but several were registered in 1902, and in the years following up to the War their number steadily grew. A National Poultry Organization Society was formed which functioned until 1913, when it was amalgamated with the A.O.S. It had a special marketing section—The British Poultry Federation—which attempted to act as a central selling agency for all local societies, but without success. It was succeeded by the British Poultry Society, which was in turn taken over by the A.W.S. Later, the British Egg Producers was formed to resume this branch of work, but it was not able to achieve success and was wound up some years after the War. As with dairy produce, the War stimulated the formation of egg societies, but comparatively few of the war-time societies survived the more difficult economic conditions of the peace.

Finally in 1929 the introduction of the National Mark for eggs greatly stimulated the formation of societies on a larger scale and with more elaborate methods than had hitherto been common.

Attempts at co-operative fruit and vegetable marketing had been very faint before 1900, but a few societies were formed after that date, the first of a group of important organizations in the West Midlands dating from 1909. By

1913 there were nine of these societies, including one or two auction marts. A number of societies were started during the War under official auspices in connection with provision of food, but few of these outlasted the peculiar circumstances which called them into being. Meat and live-stock marketing was on the whole a later development. Several general requirements societies undertook the sale of live-stock, generally pigs, either by auction or private treaty; some undertook slaughtering. Gradually a few specialized live-stock marts were established, but the War checked rather than stimulated this development. Co-operative slaughter-houses, on the other hand, for the most part owe their origin to the period of Food Control when a number were set up with official support and under official control and subsequently transferred to farmers' societies. The A.W.S. proposed to act as central selling agency, but the proposal was dropped in favour of entrusting produce to a group of Smithfield salesmen acting on behalf of the societies, an arrangement which, however, only proved temporary. No central agency now exists. Two Bacon Factories, more or less directly inspired by the Danish example, were set up about 1912, and after the War five or six others were established; but nearly all have been liquidated or transferred to private hands, only the two original factories continuing to operate with success.

Special wool-marketing societies are a post-War development, although several general requirements societies handled wool on a small scale many years earlier. Since 1920 the number and strength of specialized wool societies has grown rapidly. An attempt was made to carry on a national hop-marketing society which, like the slaughter-houses, was planned to take over directly from the period of control. It was not, however, a success, for reasons which will be discussed later.

MISCELLANEOUS SOCIETIES

Co-operative machine-using societies, which have played a considerable part in some countries, are in England limited to a group of societies for the ownership of threshing tackle, all of which were formed about the same time at the close of the War and most of which survive, though not in a very active condition. Electricity societies are limited to one or two supplying outlying villages. Owing to the large-scale electrical

schemes now in course of execution, their numbers are not likely to increase. There has been little call for stock-breeding societies, as adequate facilities are supplied by the Ministry of Agriculture, but one or two have been formed from time to time.

The allotment societies which the A.O.S. adopted in 1907 increased rapidly and are still very numerous. They are, however, somewhat outside the ordinary field of agricultural co-operation. Small-holders' societies, where they exist, differ very little from farmers' requirements or marketing societies on a small scale; allotment societies, on the other hand, rarely engage in trade, or only do so on an infinitesimal scale. They are occupied with matters of tenure or with work of an advisory or educational character. In the majority of cases they are urban rather than rural.

At the time of the formation of the A.O.S. a certain number of co-operative credit societies on the Raiffeisen plan were in existence under the charge of a Co-operative Banks Association. Their numbers increased slightly in the next few years, and in 1906 a Central Co-operative Agricultural Bank was formed. No real progress was, however, made. It was proposed to extend the work of the Bank to financing other forms of co-operative activity, but the proposal never materialized, and soon after the bank virtually lapsed. Most of the societies seem to have ceased functioning during the War, if not before. The Credit Act of 1923 brought about a slight revival of interest, but it was not permanent, and the few societies formed to take advantage of it are none of them active to-day. A more successful experiment has been made in farmers' insurance. Two societies were formed in 1908 and 1910, both of N.F.U. origin, which continue to the present time. A number of requirements societies act as agents. Fire insurance is more especially handled, but also life insurance and employers' liability. Live-stock insurance has scarcely been touched except in connection with societies engaged in meat marketing. The Co-operative Insurance Society, formed in connection with the industrial movement, also handles a proportion of farmers' insurance.

THE LAST SIX YEARS

Two organizations survived the collapse of the A.O.S. The Welsh Agricultural Organization Society, which had been

divided from the English society in response to national feeling in 1922, continued to function and is still active. A Smallholdings and Allotment Organization Society was formed to carry on work for these two types of undertaking, and continued to do so until 1930, when, its work being by that time mainly concerned with allotments, to the exclusion of smallholdings, it was amalgamated with the National Federation of Allotment Holders. As far as English farmers' co-operation was concerned, the functions of the A.O.S. devolved in varying degrees upon three bodies. The Ministry of Agriculture instituted a Co-operation and Markets Branch, which undertook research into co-operation and agricultural business generally, gave advice to farmers embarking on such undertakings and occasionally made loans for plant and buildings for marketing purposes. Secondly, many societies and individuals seeking for advice on legal and other points connected with agricultural co-operation, applied to the National Farmers' Union, and that body somewhat reluctantly agreed to set up a Co-operative Committee, ready to advise but abstaining from propaganda. A certain amount of inquiry was undertaken from time to time by this Committee into various aspects of co-operative business, new sets of model rules were drawn up and the passage of certain measures through Parliament, to which reference will be made later, was secured. Thirdly, in 1925, the Co-operative Union formed an Agricultural Department, having as one of its objects the promotion of inter-trading between producers' and consumers' co-operative organizations.

III

THE STRUCTURE OF SOCIETIES

THE characteristics which distinguish a co-operative society and mark it off from a joint-stock company centre round the two points of finance and control. Broadly speaking, the unit in the joint-stock company is the share. With the share goes the vote, that is the power over the conduct of the organization and it is on the basis of the share that all profits are divided. This system has been devised to meet the case of organizations whose object is to make money for a limited group of persons who constitute their shareholders. The unit in the co-operative society is the member. It may or may not be one of the obligations of membership to contribute to share capital, but the right to vote attaches to the member, not to the share, and surplus is divided on the basis of business done after providing only the necessary payment for use of capital. This form has been evolved to meet the needs of an unlimited number of persons who wish to carry on services of common benefit to themselves. The benefits they anticipate are usually economic benefits, but they are not primarily profit derived from the annual turnover, as in the case of joint-stock undertakings. To preserve this characteristic the true co-operative society fixes the rate of interest which it will pay members for the use of their share capital and finds an equitable method of distributing surplus to members, generally in proportion to the use they have made of the society's service.

The distinction between co-operative and joint-stock forms has been generally recognized, and many countries have made legal provision for its maintenance. In England, however, although distinct Acts exist for both types of organization, their essential characteristics are not legally defined, nor is the word "co-operative," as it is in many other countries, particularly in the Dominions, protected from misuse. In fact it has no legal meaning or existence here. "Co-operative" legislation in Great Britain takes the form of Industrial and

Provident Societies Acts which were originally modelled on statutes applying to Friendly Societies. The first Industrial and Provident Societies Act was passed in 1882; it was considerably remodelled in 1893 and has been several times amended and consolidated since that date. Although drafted primarily to meet the needs of industrial societies, all types of co-operative society are covered by these Acts. A society may be constituted by not less than seven members. All societies are obliged to seek registration by the Registrar of Friendly Societies, with whom they must deposit their rules and all amendments to rules, and to whom they must forward annual balance sheets. Registration is simple and cheap. The Registrar has certain supervisory powers, including that of compulsory inspection, and is responsible for the winding up of societies. A society may be dissolved (1) by an order to wind up under the Companies Acts, 1862–1890; (2) by consent of three-fourths of the members, on which the instrument of dissolution is drawn up; (3) if it fails to fulfil the conditions of the law in any respect. Registered societies enjoy corporate existence. They may own, mortgage, or lease land. Money payable by a member to the society is recoverable at law and the society has a lien on the shares of debtor members. Members are entitled to nominate an heir or heirs to their interest in the society. Societies may amalgamate. They are entitled to exemption from income tax provided that they do not *simultaneously* (1) limit the number of their shares and (2) trade with non-members. The liability of members is in every case limited to the face value of shares held by them.[1] No member may hold shares to a value exceeding £200. Societies may carry on any business but banking, though they may receive small deposits. Banking on a larger scale is limited to societies with no withdrawable capital. All societies are bound to have their accounts audited by a public auditor and to publish an annual balance sheet. Many public auditors have acquired considerable experience in dealing with co-operative societies, and exercise useful guidance.

These provisions comprise the legally enforceable conditions of a co-operative society's existence. All other points are left to the rules drawn up by the society itself. They include:

[1] It is possible to form a credit society with unlimited liability under the Friendly Societies Act, but there are few instances of this having been done.

(1) Terms of admission of members (who may be either individuals or societies), also their withdrawal; the limit of shareholding (not exceeding £200), and the terms on which shares shall be transferable or withdrawable.

(2) The society's power to loan or receive money on deposit, or to invest capital.

(3) Methods of voting, of holding meetings, electing committees and appointing officials.

(4) Disposal of profits.

It is thus obvious that on the points of control and finance which distinguish a co-operative society from a joint-stock company, the law gives no guidance except by such negative provisions as those regarding the limitation of share holding and the exemption from income tax. It is not surprising, consequently, that a certain number of spurious co-operative societies should have from time to time secured registration under the Act. It cannot be said, however, that they have caused any particular trouble in the agricultural sphere.

In order, therefore, to have some general idea of the practice of British co-operative societies in these respects, it is necessary to examine the actual rules used by the different societies. British agricultural co-operative societies are registered, generally speaking, under one of three types of rules. These may be classified under the names of the bodies devising them :

(1) *Co-operative Union Rules.*—These were adopted by most of the oldest and a few of the most recent farmers' co-operative societies. They were used with little modification by the Agricultural Organization Society in its first years of operation.

(2) *Agricultural Organization Society Rules.*—These cover the great majority of the societies, and all those of the middle period. They have been several times modified, and the different drafts vary considerably on the points under discussion. They were adopted by the Welsh Agricultural Organization Society and the now dissolved Small-holders and Allotments Organization Society.

(3) *The National Farmers' Union Rules*, of which there is more than one version. These have been adopted by the most recently formed societies.

In addition, a few societies have drafted rules of their own, differing in a greater or lesser degree from any of the foregoing.

With regard to the first point of the rules enumerated above,

no agricultural societies appear to impose any conditions on those desiring to become members, nor do they set other than the statutory limit to their shareholding, though many fix a minimum, which is sometimes made proportionate to acreage, produce supplied or some other factor. In most cases transfer of shares is equally free, and the society is generally prepared to buy in the shares of those who wish to withdraw. Most societies are permitted by their rules to receive money on loan or deposit, and many invest in securities, generally but not necessarily those of a public character, also in other societies registered under the Act.

More important in the co-operative view are the last two points. All three types of model rules are unanimous in establishing the principle of "one man one vote"—that is of voting by members and not by shares. One or two societies have occasionally attempted to institute votes by shares, but of these only two survive, one a small marketing society of rather dubious co-operative status, and the other a requirements society dating from an early period, which is in other respects entirely co-operative. Methods of holding meetings and electing committees and officers vary very little. A general meeting is held annually and a committee elected, the committee in turn appointing the manager and other paid officials and employees.

The policy of the society, with regard to the division of profits, requires more detailed study.

The general rules drafted by the Co-operative Union for the use of agricultural societies, provide that after the payment of interest on "loans, deposits, or guaranteed preferential shares," the net profit shall be applied:

(1) To the reduction of fixed stock, etc.
(2) To the reduction of preliminary expenses.
(3) To a dividend on share capital.
(4) To reserve fund.
(5) To educational, social, etc., funds.

Of these, (1) is the only charge made definite by the general rule itself; (2), (4) and (5) are made dependent on the decisions of the committee or the general meeting; (3), together with the disposal of any further profit, is referred to a special rule. This special rule varies from society to society. The most usual and most modern type fixes interest at 5 per cent., but

occasionally at some other figure, or preference shares may receive interest at 4 per cent. and ordinary shares at 5 per cent. Preference shares, however, are a rarity. As a rule, from 5 to 10 per cent. of the net profits are allotted to the workers employed in the society as a bonus in proportion to wages. Further, the proportion to be paid to reserve is sometimes indicated, at least till the reserve has itself reached a certain figure in relation to the share capital. Finally, it is laid down that " the remainder of the net profits shall be divided amongst members in proportion to their sales through and purchases from the society." A qualification is sometimes added, " provided that no non-member shall participate in the net profits of the society " ; or occasionally non-members are allowed to participate, but at a reduced rate of bonus. Sometimes it is provided that, during the first year, bonus of this type should be transferred to the members' respective share accounts, and not paid to them in cash. Some of the special rules of individual societies add a clause permitting profits also to be distributed " in any other way the committee (or the general meeting) may decide."

The Agricultural Organization Society in the first years of its existence made use of the Co-operative Union model rules, occasionally modifying the special rules to suit the requirements of individual societies, and, indeed, it is in this period that most of the societies with the Co-operative Union type of rules were founded. The A.O.S., however, soon after drafted model rules of its own.

The first draft (" Form A ") lays it down that the first charge on the net profits shall be interest on share capital at 5 per cent. Further uses for profit are the building up of reserve and the payment of not less than 5 per cent. as a bonus to workers, the remainder " to be divided as the committee may in their discretion approve ". " Form D " contains the same provision on these points, and was usually adopted by the Small-holders and Allotments Organization. Some societies have dropped the clause relating to workers or to the reserve fund, and a fair number have increased the rate of interest to 6 or 7 per cent.

There is a certain amount of ambiguity in these rules, as the distribution of profit " at the discretion " of the committee may quite possibly include the payment of interest on shares,

in addition to the stipulated minimum. There is no record of abuse in this discretion, though there are cases of a society deliberately fixing its rate of interest to 10 per cent. or even 20 per cent.; in recent years there has not been enough general prosperity amongst agricultural co-operative societies to present a temptation. The A.O.S. appears to have been alive to the danger, for two alternative rules were soon after issued. The first took the form of an amendment either to "A" or "D" drafted on the following lines: "The balance of the net profits shall be divided amongst members of the society for the time being as a bonus proportionate to the business done by each respectively with the society." Sometimes a clause is added stating that the rate of bonus shall not necessarily be the same for all departments. In some cases the ambiguous clause consigning disposal of "further profits" to the discretion of the committee is retained, but at least a definite lead has been given and in fact most societies accept this mode of distribution wherever their profits permit of its being carried out.

The second amendment occurs principally in "Form A modified" and in "Form AD," and provides that profit, after the payment of 5 per cent. interest on capital, may be used (*a*) for the equalization of interest on share capital or of bonus (thus tacitly admitting variations in the rate of interest), and (*b*) for distribution as fully paid "B" shares to members. These shares bear interest in the same way as ordinary shares; if they bring any member's holding up to a greater amount than the statutory £200, the surplus is to be treated as loan capital on which the member receives the same interest as on his ordinary shares. In this way the intention of the Act is defeated in a perfectly legal manner. The object is to provide the society with capital, and the rule is frequently adopted by organizations requiring to be more or less heavily capitalized.

The rules drawn up by the National Farmers' Union make a 5 per cent. interest on capital the first charge on the net profits, followed by reserve and in some cases a bonus, either of 5 per cent. or an unspecified amount, to the workers employed by the society. Further provisions may be to various effects: (1) "The discretion of the directors" may once more be invoked. (2) It may be laid down that the balance should be paid in bonus on business done, subject to the possible discrimination in favour of (*a*) N.F.U. members, (*b*) those who

have entered into contracts for the supply of produce, etc. (3) It may definitely provide for the payment of a further "bonus" on shares, the balance to be distributed as bonus on business done.

Of these three, (1) differs in no way from the ambiguous rules already examined; (2) leaves nothing to be desired, though the clause relating to the N.F.U. is of little co-operative relevance; (3) deliberately lays down a purely joint-stock practice as suitable for co-operative imitation.

Before attempting a more considered criticism of these different rules and the tendencies they indicate, it may be as well to note some of the rules which societies have drafted on their own initiative, uninfluenced by a supervisory body. Many of these are excellent and it may be remarked that several of the societies which are most lively to-day are those which originally took the trouble to draft their own rules. Others, however, have made more questionable experiments. There are also a few societies which have made innovations in one or other of the accepted rules which indicate a definite variation in practice.

One or two have omitted any ruling on the division of profits, others declare that no interest of any kind shall be paid and all profits transferred to reserve. In rare cases both voting and the division of profits have been in accordance with shares. In one case, though profits are distributed in bonus on business done, voting is by shares. In some, though bonus on business done is established, members must hold £5 worth of shares before they may participate. A device of opposite character is the payment of 3½ per cent. interest on shares to those purchasing less than £10 worth of goods from the society, and 5 per cent. to those purchasing more. In some the interest on shares is fixed in proportion to the net profit in any given year—a provision which once more approximates to joint-stock form. A curious provision is that bonus should be paid only on eggs (not exceeding £1 per week in value) sent in during the winter months. In one there is a system of additional dividends to foundation members. In another the workers' bonus accumulates till it constitutes a share, when he becomes a member of the society.

Of the societies registered under all types of rules only about a quarter have adopted a formula which definitely and legally

binds them to a fixed rate of interest. As before noted, the great majority have, in practice, pursued a perfectly correct co-operative policy. It is nevertheless noteworthy that in recent years the total sums distributed in interest on shares tend to exceed those devoted to bonus on business, while at an earlier period the position was markedly reversed. This may indicate a leaning towards joint-stock ideas, but taken in conjunction with the rapid rise in capital at the close of the War, coupled with the fall in prices and turnover taking place soon after, it may be assumed that there has been little deliberate choice in the matter. Capital was subscribed at a period of inflation and interest is due at a time of deflation and reduced profits; it is not surprising if there is little surplus remaining for distribution as bonus on business done. What is perhaps unfortunate is that the rate of interest has not been more generally reduced and a rate of 4 per cent. or 3 per cent. adopted till the return of assured prosperity.

The question has been treated at some length and with the assumption that any modifications away from co-operative and in the direction of the joint-stock practice must necessarily be undesirable. This position perhaps requires further demonstration. An undertaking in which profits are divided in proportion to capital inevitably becomes one in which those holding the most capital have the greatest interest. Even if there is rough equality of share holding, the interest of members becomes fixed on shares and profits rather than on turnover and services, and profits, not services, become the object of the society's activities. Various developments may take place. To secure profits there will be a tendency to enlarge the margin between costs and sales, thus creating an artificial surplus which will go into the pockets of the large investor rather than the large buyer and seller. This at once establishes inequality in the status of members. The investor benefits at the expense of the user, the large shareholder at the expense of the small. If the process goes too far, the small shareholder may decline to be any longer a party to the process, and withdraw his custom. Further, in dividing profit by shares, the fewer the shareholders the larger is the individual gain, an incentive to exclude fresh shareholders and trade with non-members, thus transforming the society into a corporate middle-man. The provision of "one man one vote" is, of course, a valuable

safeguard, but it is to a certain extent nullified by the tendency of those who have a small financial stake in the undertaking to stay away from meetings.

There is no legal or commercial objection to a joint-stock organization as such; the objection is a practical one, namely, that experience shows it to be extremely rare for a joint-stock company to be run successfully by farmers. The farmer who thinks he can make a living out of the profits of a trading concern generally abandons farming to do so. The peculiarity of a co-operative organization which a joint-stock company does not share, is that its shareholders are those who make use of it. If members' business with the society and their investments in it corresponded, high interest on capital would be merely transferring cash from one pocket to another; as they frequently do not, any policy which puts buyers and sellers in a worse position than investors, tends to alienate their custom, and thus threatens the existence of the society, which can only live by being used. The shareholder who can enjoy the profits made on his neighbour's dealings, without using the society himself, will be the more likely to seek illusory bargains elsewhere. The system by which every sale or purchase not only builds up the strength of the society, but increases the customers' own share in the accruing profit, is an incentive to trade and allows the profit-making instinct to contribute to the solidarity of the society.

In societies requiring to be fairly heavily capitalized, members may need to be encouraged to contribute share capital; this is the legitimate object of the rule providing for the distribution of bonus shares out of profits. It is also a desirable method of distributing shareholding over the membership as a whole and especially over that section which gives most trade to the society. It is only applicable, however, to societies with a large permanent demand for capital. Where seasonal capital is needed it is more cheaply supplied by the banks. One or two societies, moreover, whose opportunities for expansion are restricted, have actually found themselves over-capitalized and consequently burdened with interest charges.

There is at the present a movement towards the redrafting of the Industrial and Provident Societies Act. The removal of the £200 limit has long been urged and would probably be of assistance to most of the larger undertakings at least as

soon as their members become prosperous enough to make substantial investments. It is important, however, that this amendment should be accompanied by one fixing the system of voting definitely to "one man one vote". A maximum interest on shares and loan capital fixed either at a stated figure or in relation to the bank rate would also be valuable, not as an innovation but as confirming the almost universal practice of existing societies.

IV

THE SURVEY BY COUNTIES

CUMBERLAND

CUMBERLAND was the pioneer county in agricultural co-operation; the names of the Aspatria, Brampton, Vale of Eden, and Furness and South Cumberland Societies (the last actually in Lancashire) are familiar to readers of the older co-operative records. Not many of the societies formed in those early days still survive, though most came to more or less honourable ends in amalgamation with newer and more rapidly extending organizations. The county is served by the Furness and South Cumberland Society (described in the Lancashire section) which covers a rather isolated area south and west of the Lake hills; in the south-east by the Lunesdale Farmers, also of Lancashire; and the progressive and pervasive West Cumberland Society. Three other societies vary considerably in size and efficiency; geographically and economically there seems to be no very strong reason for their separate existence, though for some a tradition of long support from their members may be a sufficient *raison d'être*. The Lunesdale Society also influences Cumberland through a small society which virtually acts as its agent. All these societies, so far as they affect Cumberland, are concerned mainly with the supply of requirements. In one case insurance is handled. The West Cumberland Society is quite a large buyer of farm produce. Eggs are handled by one recently formed National Mark society. A certain number of farmers send their wool individually to the Scottish Wool Growers. Meat is usually sold at private auction marts, sometimes owned and controlled by farmers. A co-operative bacon factory at Carlisle was registered but never came into operation.

Aspatria Agricultural Co-operative Society.

This is the pioneer agricultural society. It was founded in 1870 with the primary object of securing tested manures, and has con-

tinued a trade in requirements of all types. It serves an undefined area round Aspatria, within that of the West Cumberland Society, and has at present 333 members, a slight rise on the last few years. Besides the central office and warehouse at Aspatria it has offices open one day a week at Wigton and Cockermouth. Share capital stands at £2,463; there is also loan capital of £900, a reserve fund of £563, and a bank overdraft of £5,284. The main business is in the sale of feeding stuffs, manures and seeds, but last year the society handled members' grain to the value of £889. In 1928 the total turnover was £25,986, an increase on the previous year, though representing only about half the annual cash turnover at the close of the War; in 1929 it was £28,128, about £85 per member and £11 per £ of share capital. The society is a member of the C.W.S. and trades with it. Comparatively long credit—an average of at least three months—is given to customers. The society is not large enough to attempt much in the way of price cutting. Running costs [1] are low, not more than 3·5 per cent. of the turnover, most of it being wages and salaries. In 1928 a profit of £410 was made; interest on shares at 5 per cent. and bonus on purchases of 2*d.* in the £ were paid; in 1929 there was a loss of £307, but interest and bonus were paid and a deficit of £253 carried forward.

West Cumberland Farmers Trading Society.

The society was formed in 1911 with headquarters at Whitehaven and has grown mainly by its own energy but partly by the absorption of two small societies at Brampton and Penrith. It has now nine depots (at Whitehaven, Booth, Cockermouth, Wigton, Penrith, Brampton, Annan, Keswick and Carlisle) and covers the whole of Cumberland. In a few instances it has spread beyond the borders of the county. At the end of 1929 it had 1,300 members and twice as many non-member customers. Share capital, which has been increasing steadily for a number of years, stands at £24,987, with a reserve of £10,000 and a bank overdraft of £6,000. The larger part of its business is in requirements, half of this being direct to customers without storage. Farm produce is handled on a considerable scale, but the society does not do its own grinding. In 1929 the total turnover was just under £300,000, an increase of £16,693 on the preceding year, which had shown a still larger increase. One month's credit is given and is rarely exceeded. The turnover per customer is about £80; members' loyalty is good; in some cases all trade is placed with the society, but this is not universal. The society has successfully pursued a policy of charging the lowest possible prices. In 1929 profits, after providing for depreciation, amounted to £4,290, of which £1,000 was placed to reserve. The bulk of the remainder was distributed in 6 per cent. interest on share capital and in a bonus of 3*d.* in the £ on all members' purchases. The society is

[1] Estimates of running costs can only be comparable between societies of the same type. They are based upon all expenses except capital charges, unless otherwise stated.

under energetic management and is progressing rapidly in membership and turnover.

The Cumberland Poultry Farmers.

The society was formed in 1928 to undertake the work of an accredited packer under the National Mark Scheme. It began operations on January 1, 1929. At that time it had not more than 30 members and was handling a large proportion of produce of non-members whom it is hoped ultimately to bring into membership; it has now (1930) 55 members. Share capital is £580, supplemented by loans of £1,253 and an overdraft of £6,201. A building has been rented in Penrith and a staff engaged consisting of manager, traveller, clerk, collector, lorry-driver and 1 male and 4 or 5 female graders and packers. Eggs in most cases are collected on the farm, a receipt being given; buying is entirely by weight at a weekly price. On reaching the station, they are candled, weighed and packed in non-returnable cases. Most sales take place to retailers and a necessarily somewhat costly canvassing for orders was carried out at the opening of the society. This, however, was successful in producing a demand which was at first almost larger than could be met. The society collects its receipts roughly in a month from date of sale. Suppliers are paid weekly, according to the price fetched by each grade. The society was handling 160 cases per week by March, 1929, and overhead charges amounted to 2*d.* per dozen; it is hoped at least to double the number handled this year; staff and equipment are sufficient to handle up to about 500 cases per week. Turnover in 1929 was £31,832, including trade with non-members, and showed a loss of £4,406.

Cumberland and Westmorland Farmers.

The society was formed in 1920 with headquarters in Penrith, the neighbourhood of which it serves. Its present membership is 228, a figure which has not varied greatly since the formation of the society. The share capital, £10,605, has nearly doubled since foundation. There are loans of £3,500. The society stores and delivers farmers' requirements and also does a considerable business in farmers' insurance, especially as agent for the Agricultural and General Insurance Company. The turnover in 1929 was £47,133, including eggs and poultry sales of £576. This is an increase of 10 per cent. since 1927, although very little variation in turnover had previously occurred; it is £207 per member, but only £4 8*s.* per £ of share capital. Running costs were about 6 per cent. of turnover, of which salaries, 64 per cent., and transport, 12 per cent. Members demand considerable credit, and the society feels competition. A loss of £2,177 was brought forward to 1929, when a profit of £1,091 was made after giving £470 discounts to members.

Keswick and Cockermouth Farmers' Co-operative Society, Ltd.

This society, formed in 1909, owns a grinding mill at Keswick (water power) and sells requirements in the immediate neighbour-

hood. Membership and capital have been stationary at 89 and £800 respectively for a considerable period. There are loans of £2,025 and overdraft of £2,945. Turnover is steadily increasing; it stood in 1927 at £13,653, an increase on the previous year, and in 1929 was £16,796, which included sales of members' butter and eggs of £228, representing about £200 per member and £20 per £ of share capital. Running costs were about 7 per cent. of turnover, salaries being 62 per cent. of costs. Members require comparatively short credit and there is a bad debts reserve of £462. A profit of £182 was carried forward. The society obtains its supplies to a very large extent from the Lunesdale Farmers.

NORTHUMBERLAND

Northumberland is served by one large requirements society in the extreme south of the county and one considerable meat-marketing society in the extreme north, besides a few small dairies of strictly local importance. In the mining areas there are a number of allotment societies which trade to a very limited extent. Some of the Cumberland societies touch the western fringe of the county; the Scottish Wool Growers, Ltd., draws supplies from Northumberland, and it is possible that the co-operative slaughterhouse at St. Boswells may exercise some influence in the future.

The Northern Agricultural Society.

The society was founded in 1919 and deals with farmers' requirements on a fairly large scale, and to a more limited extent with farmers' produce. Its operations extend over the whole of Northumberland and County Durham north of Durham City; the ground, however, is somewhat thinly covered and the membership scattered. The usual type of customer is farming on a fairly large scale, usually 150–250 acres. There are about 301 members, but the society does nearly half its trade with non-members. Membership is said to be now on the increase after a period of stagnation. Share capital now is £7,151. About 1923 it was double this amount, but the society suffered severely in the A.W.S. collapse, and in 1926 wrote down its shares to 12*s*. It was helped by the Government grant and has now cleared off its liabilities, but nothing has yet been done to restore the shares. There is also a bank overdraft of £8,340. The society's main business is in farmers' requirements, but it also sells farmers' grain on the market on a commission basis. It is a member of the C.W.S. and makes perhaps a third of its purchases from it, especially feeding stuffs, and acts as its agent for the sale of feeding stuff to the trade. (Industrial societies in the district buy in the main direct from the C.W.S.) At one time the society arranged to sell farmers' wool, but the attempt was abandoned. It has not touched any other form of produce. The society has had

several difficult years, but matters were improving in 1928 with a turnover of £100,374, which, however, in 1929 fell to £78,978, about £263 per member and £131 per customer, a fairly high figure, and £11 per £ of share capital. In addition, sales of cattle, sheep and pigs were £68,900. The society rents a warehouse from the railway at Newcastle and in addition has branch depots at Wooler, Bellingham and Wark. In some cases members fetch their own purchases, but it is more usual and is found to be more satisfactory for the society to undertake delivery. Two months' credit is usually given. Running costs are about 5 per cent. of turnover, two-thirds being salaries and wages. There was a profit of £675 in 1929 after provision for depreciation, bad debts, etc. With accumulated profits, this provided for £1,154 carried forward, £644 to general reserve, £65 for staff bonuses, and 10 per cent. interest on shares.

Tweedside Farmers Co-operative Slaughterhouse.

This society was formed in 1918 during the Control of meat. A slaughterhouse was rented at Tweedmouth, and during the Control period business was restricted to the slaughtering of sheep from the English side of the Border. On the cessation of Control, there was a difficulty about the renewal of the tenancy of the slaughterhouse, and a farm near Tweedmouth, containing 50 acres, was purchased with a view to the erection of a new slaughterhouse. Plans were prepared, but owing to the heavy estimated cost of erection, the scheme was abandoned, and a purchase of the original slaughterhouse and adjoining cottage was arranged. The farm is still the property of the society, and is let. The society has at present 61 members who are mostly farmers; membership is increasing slightly. The society also trades with non-members. Share capital is £4,470 in £1 shares. There is also a mortgage loan of £2,000; the reserve fund is £1,391; land and buildings stand at £6,082 after depreciation. The principal business of the society is the slaughtering of sheep for the London market. Approximately 30,000 sheep are slaughtered annually. About half of these are sent in for sale on commission. The remainder are purchased either on dead-weight basis or at farms or auction marts in the neighbourhood. Supplies are obtained from both sides of the Border in about equal proportions. The carcasses are consigned to Smithfield for sale by wholesalers there in the usual way. The society has a small retail shop at the slaughterhouse. Considering the unsuitable position of the shop, this business has been quite successful. The commission charged to members is at the rate of 3*d.* in the £ and to non-members 1*s.* per sheep. Slaughtering and rail charges and wholesalers' commissions are of course charged in addition. For a time after decontrol cattle and pigs were slaughtered in considerable numbers and consigned to wholesalers in the Tyneside area for disposal. Eventually the wholesalers returned to their former practice of purchasing their own supplies of cattle and pigs, and this part of the business has therefore been almost entirely given up. Owing to heavy rail and

commission charges, it is not profitable to send beef to London. Turnover in 1929 was £70,726, about £1,159 per member and £16 per £ capital. There was a small loss, but interest was paid on share capital at 5 per cent. In other years bonus has been paid to members and staff. Running costs were 2·8 per cent. of turnover.

Allendale Farmers.

This dairy was started in 1912 to handle milk from Allendale, a district mainly of small fell farms. It draws supplies from within a radius of 8 miles round Allendale Station, where the depot is situated, and has had for many years about 330 members. Only about 100, however, are milk suppliers, all small farmers, most of them not solely dependent on agriculture and few sending more than 4 or 5 gallons a day in winter and 8 or 9 gallons in summer. The larger farmers appear to find it more profitable to sell direct to retailers, a circumstance said to be attributable to the high overhead charges of the society incurred in handling small quantities of milk collected from small-holder members. It also appears to indicate some weakness in the bargaining powers of the society. The society's share capital stands at £2,719, which, however, is inadequate to its needs and is supplemented by bank capital and a mortgage slightly exceeding the capital in value. The society collects milk from supplier members, also from a few non-members, which is heated on arrival at the dairy to 150–170° and brine cooled. It is then dispatched on rail to purchasers in the coalfields, mostly industrial co-operative societies. About 400–500 gallons daily are handled in winter and 800–900 in summer. The price paid is relatively low—below the N.F.U. price—but as there is no other outlet for milk in small quantities, suppliers are probably glad to get it; they are usually paid monthly. The society keeps pigs to consume surplus and separated milk and finds that they pay their way. There is said to be a local objection to pig-keeping, so this resource is not adopted on farms. The society also occasionally makes cheese. Eggs are sold on a small scale. The society also sells feeding stuffs to the value of rather more than one-third of its turnover, and sales are sometimes balanced against milk supplies. Turnover for 1929 amounted to £27,029 or £270 per milk supplier and £10 per £ of share capital. Customers usually require 2–3 months' credit. The society also holds occasional auctions of livestock, sales in 1929 amounting to £4,500. Total running costs amount to about 5½ per cent. of turnover. The society pays dividend on shares and bonus on milk when funds permit. Its cash turnover is less than half that of ten years ago, although it is actually recovering from a still heavier drop. Its recent difficulties are mainly due to distress in the coalfields and the reduced consumption of milk. It complains especially of the practice of Poor Law Guardians in giving food tickets for dried or condensed milk rather than fresh milk. The society also suffers from competition both from the more favourably placed Cumberland and Northumberland farms and from the Scottish Milk

Pool. In 1929 there was a small profit which was used to reduce heavy accumulated losses.

Haltwhistle Co-operative Creamery.

This is a small society formed in 1911. In 1929 it still had 116 members, most of them now inactive, a share capital of just under £700, reserves of £330, and a turnover of £1,993, a fall from £6,000 in 1920. The society has a small depot in the mining village of Haltwhistle. Only three members send in milk, about 60 gallons a day being received in winter, though doubtless more in summer. The running costs are 20 per cent. of turnover, the greater part of the milk being retailed by the society's cart to private customers and the remainder separated and the cream sold to the local industrial co-operative societies. Against an accumulated loss of £159 the society made a profit of £50 last year.

North Seaton Co-operative Farming Society.

This is not a farmers' society but a small consumers' herd and dairy. It was started in 1873 by a few miners who contributed £1 each and bought a cow. The colliery leased land and put up sheds. The number of cows increased to 26, though in recent years it has fallen to 20 owing to distress in the coalfields. The society employs a man and wife and their three sons to manage the dairy at a total wage of £7 10s. per week. Milk is distributed to the colliery village, principally to members, but also to non-members if of suitable character, who are invited to take up shares. The committee exercises careful selection of members and expels those who consistently fail to pay their debts. The society would willingly have expanded to serve other villages but has been unable to secure more land. Hay has to be bought to supplement pasture. Membership has fallen from 180 in 1927 to 156; share capital is £408 and the sales in 1929 were £1,575. Interest is regularly paid on shares at 5 per cent. and bonus on sales to members at the same rate. Running costs (production and retail delivery) are 37 per cent. of turnover. The society also has reserves of £423, including an investment of £203 in the C.W.S., and a cattle insurance fund of £77.

WESTMORLAND

No agricultural co-operative society has its headquarters in Westmorland. The county, however, is served by the Lunesdale Farmers (described in the Lancashire section) which has depots in Westmorland and is engaged both in the sale of requirements and the marketing of milk and eggs. The Furness and South Cumberland Society (Lancashire) touches the western fringe of the county and the Cumberland and Westmorland Farmers (see Cumberland), with head-

quarters at Penrith, covers part of the northern district, which, however, is also served by Lunesdale. The new Cumberland Poultry Farmers (also at Penrith) is in a position to handle Westmorland produce. The county is as well placed as others in the North for sending wool to the Scottish Wool Growers at Glasgow.

DURHAM

Only one society has its headquarters within the county, an important requirements society at Darlington which provides adequately for the southern half of the county. The northern half is catered for by the Northern Agricultural Society at Newcastle-on-Tyne. There are no specialized marketing societies. A fair number of allotment societies are in the mining area, but few engaged in trade to any appreciable extent.

Tees-side Farmers.

The society was formed in 1919, apparently as the result of amalgamation, and its main business is in agricultural requirements. Its headquarters are at Darlington and it has branches at West Hartlepool, Stokesley, Constable Burton and Barnard Castle. It covers a large area—all the southern half of Durham as far north as Durham City and much of the North Riding of Yorkshire—and shows a tendency to spread still further. The district is on the whole one of comparatively large farms. Membership has been rising steadily of late years and stood at 818 in 1929 and 843 in 1930. The society has in addition about 100 non-shareholding members. Their status is explained by an ingenious system set out in the rules. "Any customer on trading with the society on payment of an entrance fee of 10*s.* and signing a form of application for membership shall . . . be entitled to a bonus on his purchases at the same rate as that paid to shareholders . . . but the bonus . . . shall not be payable in cash but shall be placed to the credit of the member's Bonus Account until a total of £5, including the fee of 10*s.*, has been accumulated," when the member becomes a shareholder in the society with five fully paid £1 shares, or ten £1 shares, 10*s.* paid up, at his own choice. In 1926 the society had a share capital of 6,975 shares fully paid up and 42,291 £5 shares, 10*s.* called up (less certain calls in arrear), a total share capital of £26,097. This was increased to £28,909 in 1929, and £29,290 in 1930. The society had in addition bank capital amounting to £16,800 and a reserve of £12,250. The main business is the sale of feeding stuffs, seeds, manures, etc., which it is in a position to offer at competitive prices. Relatively small quantities are purchased from the C.W.S., of which the society is not a member. The society delivers by road over a wide area. It

has also established branches. Members' grain is purchased to a considerable extent and disposed of to the trade and in some cases to the consumers' co-operative movement, both wholesale and retail. Other farmers' produce is also handled, including forage. In addition, the society has dealt in members' wool for the past seven years. In 1928 they decided to link up with the Scottish Wool Growers. All wool is sent to a central warehouse at Darlington. Whenever possible the society's own transport collects wool on the farm; but if the farm is outside the society's road delivery area, it is forwarded by rail, the society paying carriage. On arrival at the society's premises, wool is graded and packed. Payment at a fixed price per sheet is made as soon as the wool is sold. Farmers may obtain an advance of not more than 70 per cent. of the estimated value of their clip, but none did so in the first season. In this year the society dealt with the clips of 100 farms, amounting to 50,946 lb., or about 7,000 to 8,000 fleeces. The total sum paid to farmers was £3,273, less expenses, which amounted to 1*d.* per pound, including the selling commission of the Scottish Wool Growers. During 1929 the society experimented with the sale of eggs under the National Mark, but the experiment proved unprofitable and was abandoned after six months' trial. It further acts as agent for agricultural insurance, part of this business going to the Co-operative Insurance Society. The sales of the society in the year ended January 31, 1930, amounted to £221,158, showing a decrease of £6,000 on the previous year, attributable to the lower price of feeding stuffs, etc., quantity turnover having increased by 1,000 tons. About 12 per cent. represented sales of grain and fodder. This gives a turnover of about £260 per member, a very satisfactory figure, and per £ of share capital about £8. The society allows an average of about three months' credit to purchasers and receives about a month's credit from merchants and others. The society's running costs in 1929 were, roughly, equal to 5½ per cent. of the turnover, two-thirds being accounted for by wages and salaries. The society allows for regular and adequate depreciation. In 1930, after allocations to reserve and depreciation, the society paid 6 per cent. interest on shares and 2*d.* in the £ bonus to members on purchases paid for within one month from date of invoice.

YORKSHIRE

Yorkshire presents the paradox of a county whose farmers are frequently regarded—and regard themselves—as too individualistic to co-operate, yet it is none the less more thickly strewn with co-operative societies than any other in the kingdom. It falls into two distinct areas with widely differing characteristics. One of them comprises the East Riding, the North Riding and the northern part of the West Riding, and presents the ordinary characteristics of agricultural England—plain

country given up to large farms and a considerable proportion of corn-growing and hill country with small farms and dairies, a certain amount of stock raising and different types of sheep breeding being common to both. This area is fairly well served by one or two large and several small requirements societies. Holderness is probably the district remotest from these activities. Elsewhere, the county is on the whole well covered by the larger societies, which include the Tees-side Farmers, described in the Durham section. Some of the smaller societies are situated in the dales, where geographical circumstances make large scale operations difficult. One of these has developed a trade in domestic requirements unusual in England. Other small societies exist within the area of their larger rivals and have probably a declining utility. Several represent the simplest type of organization—that on a truck-load basis.

This is a normal state of affairs. In the other area, part of the West Riding, a peculiar type of co-operative activity has evolved—a type only paralleled in similar parts of Lancashire. The district is predominantly industrial; the towns and villages are close together and completely fill the valleys; farming is carried on only on the hills, farms are small, usually not more than 25 acres in extent, except for sheep runs on the main ridge of the Pennines, and are given up to dairying and to some extent to egg and pig production. There is practically no arable land. Retail markets are numerous and close at hand; communications are often relatively difficult. In these circumstances an extraordinary number of small societies have grown up in a limited area. Fourteen are now active and are described in the following section. In addition to these there was one for a short time at Todmorden, another at Brighouse wound up in 1922, another at Bradford which never recovered from the post-war slump, and another in Barnsley, founded as late as 1920, which worked up to a turnover of £11,000 in 1925 and subsequently declined, it is said, owing to inability to keep down its overhead charges. Several of the existing societies cater predominantly for backyard poultry keepers, but most are genuine farmers' societies. A large number were formed at the close of the War, when difficulty in obtaining supplies coincided with the existence of considerable disposable capital in the hands of farmers. Although

some have failed, many have flourished up to a point. Only two have approached a £50,000 turnover. The commoner figure is between £10,000 and £20,000; with many it is less. Many of these societies are doing a large proportion of local trade with a fairly high turnover per member, and many, though not all, are efficiently and economically run. In most cases the turnover per £ of capital is high and the financial position is sound, with considerable reserves and a very small proportion of loan capital. The main trouble about these societies is that there are too many of them and they are on too small a scale to have individually any real effect on prices. Collectively they may even have an adverse effect. They are harassed by competition both with private dealers and the industrial co-operative societies with their large membership and high dividends. They avoid as far as possible selling to one another's members, but where any debatable territory exists, competition is inevitable; more serious, their buyers compete with one another in grain markets and in purchases from wholesale firms. With a few exceptions their overhead charges are too high and they are unable to reduce them by expansion since they often approach saturation point in the narrow territory they can call their own. Amalgamation or federation would seem an obvious solution. The main obstacle is that most societies are jealous of their independence and will not seek association until they are too weak to carry on alone, when no other society will assume their liabilities. Already a certain culling process has taken place, but waiting for the survival of the fittest, besides being slow, would probably in the end involve liquidations, loss to members and their possible alienation from co-operative methods. In the present age of motor transport, geographical isolation probably counts for very little beyond the lingering psychological effect of the narrow dales on their inhabitants. The difficulty of securing competent managers for larger societies is less than it was, now more men are being trained in well-run societies. On the other hand, although a small society only able to afford cheap management may by extraordinary luck hit upon the ideal secretary, it is much more likely to be burdened with amateurish or narrowly commercial direction. This group of societies should give earnest consideration to their common problems; if not by amalgamation, at least by some form of collaboration,

they might eliminate competition, rationalize their operations, especially their transport, and present a united front to the wholesale trade and a united appeal to the purchasing farmer.

Marketing organization has made little headway in the county and such as is of any importance is quite recent. In the industrial area the only marketing society is a farmer-owned but non-co-operative egg-selling organization. In agricultural Yorkshire the most important body is the recently formed Yorkshire and Northern Wool Growers. There is also in the East Riding a farmer-owned egg-selling company, not, it would appear, on co-operative lines. The Yorkshire Horticultural Supplies is a wholesale centre for allotment societies and their members and has experimented in marketing fruit. There are co-operative auction marts at York and Sowerby Bridge; another functioned for a short time under exceptional circumstances at Malton. A bacon factory at Doncaster has a large membership but weak support. A small dairy society in the east of the county and a society handling eggs under the National Mark have recently been closed down. Another society in the same district attempted to run a dairy business and failed. One large requirements society handles milk on an agency basis on a large scale. A dairy has recently been started in rather exceptional circumstances to sell milk to a military camp. Another has been formed to specialize in Wensleydale cheese. The Wakefield Dairy Farmers' Society was registered in 1930. On the other hand, most requirements societies deal very largely in members' grain to a point where some might more fitly be described as grain marketing societies. There are two threshing societies in the county.

Yorkshire Farmers.

The society was formed in 1915 to deal in farm requirements, with headquarters at York. At one time the society had a number of branches, but it has reduced these to two. It covers large areas of the North and East Ridings somewhat thinly, its territory being bounded by those of the Tees-side, Whitby, Brandsby and North Notts Societies. It has at present about 800 members—a more or less stationary figure—and 300 non-member customers, mostly large farmers with holdings averaging 250 acres, given up to mixed farming. It would appear to have absorbed one or more private undertakings. Share capital, which has varied very little since the formation of the society, stands at £37,146 in fully paid £1 shares;

in addition there is a considerable unspecified bank overdraft, probably something in the region of £20,000, secured by the society's freehold property, and the society is said to be in want of further capital, which the farmers have not much readiness or capacity to subscribe. The society, though generally classed as a requirements society, actually does a larger proportion of marketing, principally in grain, forage crops and milk. Its sales of requirements, of which cake is the leading item, only account for 44 per cent. of its turnover. About 43 per cent. is represented by grain, bought in most cases from members and re-sold, sometimes also to members, otherwise to other farmers' societies or to the trade. It is uncertain whether grain is also bought to any considerable extent from non-members at markets, many of which are attended by the society's representatives. Another 5 per cent. of the society's turnover consists of hay, clover, straw, chop, seeds, etc., bought for re-sale in the same way. The society further arranges for the collection of milk at Aysgarth, whence it is railed to the United Dairies in London. The society takes a commission of 1½ per cent. for its services, and secures the advantage of collective bargaining for its members. The farmer contracts to supply a given quantity with a 10 per cent. margin of variation in either direction. The price is fixed monthly (in January, 1930, it stood at 1*s.* 5*d.* per gallon). The farmer pays carriage to London of 2*d.* per gallon. He handles his own surplus and in many cases makes cheese. The society arranges delivery of requirements either on rail or by hired lorry. It is a shareholder in the C.W.S. The sales of the society in 1929 were £284,168. The turnover, though still large, appears to be declining; it stood at considerably over £700,000 at the end of the War, fell to less than half in the next year or two, recovered somewhat and stood at £400,000 in 1926, and has fallen again since. It is not stated whether the fall has been evenly distributed over all departments. The society, on the other hand, seems to have avoided any accumulated losses and has probably been held back from increasing its turnover in recent years owing to the fear of bad debts. In considering these facts it must be remembered that the society caters for a grain-growing area—the type of farming which has suffered most in the post-war slump. Credit to members averages ten weeks, and is considerably longer in the case of chemicals. Not more than £7 of turnover is done for every £1 of share capital, a somewhat low figure. The turnover per member is about £355, and per customer £258. The figures are high, but the nature of the society's business must be taken into account. Discount is allowed on cash in a month. The running expenses, bank interest and depreciation excluded, are about 5½ per cent. of the turnover, a moderate figure, of which about three-quarters is represented by salaries and wages. The society made a profit of £1,372 after partial depreciation. No bonus on business done has been paid for several years, but interest on shares was paid at 2½ per cent.

Brandsby Agricultural Trading Association.

The society was founded in 1895 and has survived many vicissitudes, bearing witness to the perseverance of its members and its staff. It began as a cheesemaking dairy, producing what appears to have been a good quality article; but insufficient control was exercised over supplying members, and the venture was not a success. The next attempt was retail grocery trade, which also proved unprofitable; the society finally turned to the sale of agricultural requirements. Wool was sold on a small scale at one time, and a dairy department was not finally dropped until 1927. To-day the society has 700 members. Its headquarters are at Malton, where it rents a warehouse. It has four other depots and serves a radius of 20–30 miles. Share capital in 1922 stood at about £12,000, but during the post-war slump the society passed through an exceedingly difficult time and capital was written down to 8*s.* in the £. In the years following, the society's position steadily improved, business continued to be run on a share capital of £4,937, together with a mortgage of £1,000, but a reserve of £5,505 was gradually built up. Only a small proportion is in plant and buildings, the greater part covering members' debts. In September it became possible, with the help of the year's trading profits, to transfer £7,134 from the reserve and thus restore the value of shares, a very commendable achievement. A bank loan of about £7,000 was largely paid off in the preceding year, the sum outstanding being less than the society's cash at the bank. During this period the society also lost considerably in the A.W.S. collapse, but paid off all its liabilities. Its main business is the sale of agricultural requirements. It has installed some mixing machinery, but does not grind, delivers to a certain extent by its own lorries, but also hires haulage. It is a shareholder in and a considerable purchaser from the C.W.S. It also buys grain, forage, etc., from members and re-sells either to other members or to merchants. The cash turnover fell considerably after the War, but rose again and has been fairly well maintained except for minor fluctuations connected with price movements. In 1929 it amounted to £77,468. This represents a turnover of about £110 per member, not a very high figure for the district. Members' loyalty is fair, the debt position good, and the average credit is under two months. About £15 of turnover has been done for every £1 of capital, a high proportion. Running costs, including rent, but excluding interest and considerable depreciation, amounted to 6½ per cent. of turnover, of which rather more than two-thirds was represented by wages and salaries. Interest on shares has been paid regularly at 5 per cent., but for some years no other distribution of surplus has taken place. There has been a small staff bonus, but the greater part of the profits have gone to the special reserve for share redemption. This object having been accomplished, it is hoped in future to pay a bonus on members' cash purchases.

Whitby and District Farmers.

The society was founded in 1907 with headquarters at Loftus and two depots, including one at Whitby. It covers a 20-mile radius from Loftus. It has 226 members and sells to as many non-member customers. Nearly all are large farmers. Some farms were broken up after the War, but the small-holders, inadequately capitalized, have carried on the same type of cultivation—mixed farming, largely grain—and are doing badly. Their frequent inability to pay makes them little desired as members. The society does not appear to be anxious to extend its operations or to make members of its non-member customers, although it feels the competition of neighbouring co-operative societies. Share capital stands at £7,574 and has varied little for a number of years. There are reserves of £2,200 and no loan capital. The society lost in the A.W.S. collapse, but has paid off its liabilities. Its business is the buying and selling of grain, which is considerable, also the sale of feeding stuffs of all kinds, seeds and machinery. No difficulty is experienced with the suppliers of machinery. The society does grinding and provides its own haulage. It does not deal with the C.W.S. Both members and other customers in the society's immediate neighbourhood are reported loyal, but loyalty seems to diminish with distance. Average credit is over four months. Turnover, from being about £90,000 at the end of the War, in 1927 was £24,471, and in 1929, £26,484, about £118 per member, half as much per customer and less than £4 per £ of share capital. Running costs were 5 per cent. of turnover, mostly salary and wages. There was a profit of £480 and interest was paid at 5 per cent. after putting £50 to reserve, with a carry forward of £679.

Wharfedale Farmers' Trading Association.

This society was formed eighteen years ago and supplies feeding stuffs, fertilizers and seeds. An office and mill are rented at Otley and the society runs a motor lorry. The members are chiefly engaged in raising cattle, sheep and, to a limited extent, pigs, and cover an area of about 15 miles' radius. Capital amounting to £170 is in £1 shares, 10*s.* paid up, subscribed by 240 members. Interest is paid at 5 per cent. The majority of the society's trade is done with members, the non-members' proportion of the total turnover being estimated at 5 per cent. Average credit is ten weeks. The turnover in 1929 was £17,523, which was over £3,000 less than in the previous year. This, however, is largely accounted for by the exceptionally low price of grain; the tonnage turnover remained about the same. The turnover per customer was £69 10*s.* and per member £73. The turnover per £ capital amounted to £102 16*s.* Owing partly to the necessity for extending credit to the farmer and partly to an exceptionally difficult market, the society showed a loss on 1929 of £550. This has been met out of the balance brought forward from 1928 of £1,716. Interest has also been paid as usual, and dividend

and bonus of £300, leaving a balance of £855. There is a reserve of £170 and an overdraft of £2,548. The running costs of the society are 7·5 per cent. of the turnover. The wages account for 38 per cent. of these costs and the lorry, which is depreciated at 20 per cent., for 11·4 per cent. The society has no dealings with the C.W.S., buying in the open market. • It also purchases all the members' corn.

Swaledale Farmers' Association.

The society was formed in 1911 with headquarters rented at Reeth and a branch at Marske. It serves a 10-mile radius comprising all the upper part of Swaledale, and has a membership of 109 and as many non-member customers. Nearly all are small hill farmers carrying on mixed farming with much sheep and little grain. Share capital is £703, bad debts reserve, £50, and overdraft £576. The society owns its premises and delivers in its own waggons. The main business of the society is in the sale of requirements; a little members' grain is bought, but few have any to sell. Turnover in 1928 was £7,092, and in 1929 £6,542, about £60 per member, £30 per customer and £9·3 per £ of capital. Running costs are 14 per cent. of turnover, partly accounted for by its special circumstances; its headquarters are 10 miles from a railway station. A profit of £26 was added to surplus, carrying forward £497.

Darley Farmers.

The society, formed in 1903, serves an isolated area north of Harrogate. The absence of an accessible shopping centre has developed a unique society, which handles domestic requirements, groceries, clothes, boots and shoes, etc., as well as feeding stuffs and fertilizers, all of which are purchased through the C.W.S. The membership is 40, and the capital, subscribed in £1 shares fully paid, amounts to £153. The turnover for 1929 was £2,083, on which there was a profit of £23. The society works on a small margin and does not aim at paying a dividend back to members. Interest on capital is paid at 5 per cent., a small bonus to employees, and the remainder of profit is put to reserve, which stands at £511, not including a special reserve of £100 for bad debts. The trade dividend paid by the C.W.S. is generally about the same figure as the net profit. The society owns no premises and the business is conducted by one of the members from his own farm. The running costs of the society amount to 2·4 per cent. of the turnover. Wages represent 41 per cent. of the costs. The turnover is £52 per member or £13·6 per £1 capital. The society has £50 share capital invested in the C.W.S. and reserves amounting to £254, an accumulation of past dividends.

Kirkby Malzeard and District Agricultural Society.

The society was formed in 1913 and serves a small area round Kirkby, where it owns a store. It has now 67 members and a share capital of £134, supplemented by a bank overdraft of £844. Sales

(agricultural requirements) have declined considerably since the peak period. The turnover is now £3,521, or £52 per member and £25 per £ of share capital. Running costs are comparatively high—9 per cent. of the turnover—and the credit allowed is long. There was a small loss last year, but a profit in the preceding one.

Northallerton Agricultural Co-operative Society.

The society was formed in 1908 for the sale of requirements on a truckload basis to the immediate neighbourhood. There are now about 195 members, a more or less stationary figure, all large farmers. Capital amounts to only £77 in £1 shares, 5s. paid up, and a bank overdraft of £693. Headquarters are at Northallerton; certain storage facilities have been given up. The society has no separate business premises and no haulage; all goods are delivered on rail to buyers' nearest station and running costs are consequently low. Lots are not usually large. Competition is keen, including that of other farmers' societies, loyalty is indifferent and there are considerable sales to non-members. Credit is given nominally for three weeks only, but actually is very much longer. No purchases are made from members. Turnover dropped heavily after the War and has fluctuated somewhat unsatisfactorily since. In 1927 it stood at £6,465 and £5,931 in 1929—a small turnover per member (£30) for a district of large farms, and something less per customer, but showing the large proportion of £77 per £ of capital. Running costs are only 2 per cent. of turnover and there was a profit of £14, making accumulated surplus £202.

Escrick and District Agricultural Club.

The society was founded in 1918 to deal in farm requirements on a truckload basis. It serves the immediate neighbourhood of Escrick and Naburn and has to-day 48 members, mostly large farmers. This figure and the share capital of £1,735 has been unaltered for a number of years. The society has no business premises, no storage or haulage, and average credit is under a month, so its expenses are low. It has no connection with the C.W.S. There are no purchases from members. Turnover dropped heavily after the War but now appears to be rising. In 1927 it stood at £6,629, and in 1929 at £7,768, about £161 per member. The proportion of turnover to capital shows only about £4·5 per £ of capital, which is small considering the nature of a truckload business. Running costs, however, were well under 2 per cent. and a profit of £153 reduced the outstanding loss to £818.

Wetherby Farmers.

The society was formed in 1919 to supply requirements on a truckload basis. It has offices in Wetherby but no depot or haulage. Membership is 92 and share capital is £819, reserve £52 and bank overdraft £620. Turnover from £14,117 in the society's first year,

fell to £4,930 in 1927 but rose to £9,790 in 1929, about £106 per member and £12 per £ of capital. Running costs are less than 3 per cent. of turnover and a profit of £50 added to accumulated surplus provided 5 per cent. on shares and a carry forward of £161.

Penistone and District Farmers' Trading Society.

The society was formed in 1920 to sell farm requirements. It has now 74 members, nearly all small farmers, with holdings of 40–70 acres mostly given up to dairying, stock-raising and poultry keeping. Very little grain is grown, and that only oats. Farmers retail their own milk and eggs. The society does not deal with non-members and membership does not appear to increase rapidly. Its radius of activity is about 6 miles. The capital consists of £2,710 in £1 shares, 10*s.* paid up, with reserve of £1,121 and bank overdraft of £660. A considerable proportion of capital is in a corn mill. The society deals in all kinds of requirements, but principally feeding stuffs. The society warehouses and does its own grinding. Deliveries are effected by lorry. A small quantity of oats is purchased from members and resold, generally outside the district, as there is no local demand. The society purchases to a small extent from the C.W.S., but is not a member. The society complains of competition, especially from a local industrial co-operative society owning flour mills and selling largely to farmers. The turnover of the society was about £10,000 in its first year, fell somewhat after the period of inflation and high prices, and has now more than recovered. In 1928 it was £12,378, and in 1929 £11,988, the small decrease being accounted for by falling prices. It was, per member, £162—a high figure even for hill dairying, when the size of holdings is taken into consideration. Roughly £9 of trade is done for every £1 of capital, also a satisfactory proportion, as grinding is done. Running costs are about 7 per cent. of turnover, a reduction on the year before, apparently on carriage and carting. Average credit to members does not exceed five weeks. The society has made good profits for many years and paid a regular 5 per cent. on shares and 6*d.* in the £ bonus on business done ; last year a profit of £190, which with accumulated surplus also provided £61 for reserve and a carry-over of £489.

Wortley and Tankersley Farmers' Co-operative Society.

The society was formed in 1914 as an agency for the supply of farmers' requirements. It has 48 members. The district is semi-industrial and the members are small farmers who may also be pork butchers, retail dairymen, or shopkeepers, etc. Share capital is £30 with £75 reserve, £33 loans. The business is confined to ordering meal, cake, flour, etc., as required. Small lots are frequent. Road transport is hired. The society does not deal with the C.W.S. Turnover in 1929 was £2,810, about £58 per member and £9 per £ capital. There was a profit of £56, carrying forward £136. The Secretary is employed part time and there are no other employees.

Eccleshill and District Poultry Keepers.

The society, formed in 1917, is on the outskirts of Bradford, in an almost entirely industrial area. Its 194 members are nearly all backyard poultry keepers. Membership has varied little for a number of years. Share capital is £249. The society has a small depot for storage and delivers in the immediate neighbourhood. Its main business is in poultry food. It does not sell eggs. Turnover fell about 30 per cent. in 1922 and there have been one or two fluctuations since. It was £2,150 in 1927 and £1,715 in 1929, about £8·8 per member and £7 per £ capital. Running costs were 17 per cent. and there was a small profit, reducing accumulated loss to £15.

Hemingfield and District Poultry and Pig Keepers' Trading Society.

The society, formed in 1921, in an industrial district, has a depot at Hemingfield and a share capital of £8 in 5*s*. shares. The membership, which has doubled, now stands at 78, and consists mainly of small-holders and backyard poultry keepers. Share capital now stands at £43, a figure which has varied little for some years. There is a reserve fund of £46 and no loan capital. The society sells poultry food and appliances, also flour, both to members and non-members. No marketing of eggs is undertaken. Turnover has trebled since the beginning, but has fluctuated in the last few years. In 1929 it stood at £1,419, or about £18 per member. About £33 of trade was done for every £1 of capital. Running costs amounted to 7 per cent. of turnover, of which more than half was salaries and the other larger item, cartage. The society pays a regular 5 per cent. on shares and allows the remaining surplus to accumulate as undistributed profit.

Wakefield and District Farmers' Trading Society.

The society was formed in 1919 with headquarters at Wakefield in a predominantly industrial district. It has now about 100 members and numerous non-member customers, and serves a radius of 8 or 9 miles. Membership has remained almost stationary or declined slightly. Capital has increased by about one-third since the formation of the society, and now stands at £2,809, together with the reserve of £1,850. There is no loan capital. The society's business is in feeding stuffs and other requirements. It rents a warehouse and grinding mill for pea and bean meal, indian corn, etc. Small quantities of grain are bought from members and resold often also to members, or to industrial co-operative societies, or members' corn is ground for them. Turnover is more than double that at the close of the War and the increase has been steady except for a setback in 1926. It now stands at £29,880, or nearly £300 per member, per customer probably considerably lower, and about £10 per £ of share capital. Running costs are about 12 per cent. of turnover, a somewhat high figure, salaries accounting for about half. Average credit to members is about five weeks. Interest at 6 per cent. is paid on share capital, but there is no bonus on business done.

Wyke and District Trading Society.

The society was formed in 1919 in an industrial area. It has now 133 members, mostly dairymen and poultry keepers on a small scale, and does about one-third of its business with non-member customers. The membership includes a proportion of non-purchasing shareholders. Share capital stands at £190. There are reserves of £140 and no loan capital. The society rents a depot at Wyke, and serves a radius of about 2 miles. Its main business is the sale of poultry food. It feels the pressure of competition both from private firms and industrial co-operative societies. Turnover fell slightly for a number of years, but increased considerably in 1928, when it reached a total of £4,361, or £33 per member. About £23 of trade is done to every £1 of capital. Running costs are 13 per cent. of turnover, of which about half represents wages, the remaining large item being transport. Members' loyalty might be improved, but their payments are prompt, average credit being not more than about three weeks. The society is run at a profit and at first paid high interest on share capital. This practice has been discontinued, and a bonus of 9*d.* in the £ on members' purchases has been paid, with 5 per cent. interest on shares and 5 per cent. bonus on salaries.

Hartshead, Clifton and District Farmers.

The society, formed in 1919, lies in a district of small dairy farms on the edge of the industrial area. Membership has risen slightly and now stands at about 90. Share capital has fluctuated slightly but now stands at £1,170 in £1 shares, 10*s.* paid up. There is a reserve fund of £834 and no loan capital. The society has a depot and lorry and employs a part-time secretary, a part-time woman clerk, who acts as traveller, and a lorry driver. It sells requirements, largely feeding stuffs, to members and a few non-members. Turnover fell after the War but has since been fairly steady, though showing no particular tendency to expand. In 1929 it stood at £11,039, or £122 per member and £10 per £ of share capital. Average credit is under six weeks. Running costs amounted to 7½ per cent. of turnover, of which salaries and wages accounted for rather more than half. The society suffers considerably from competition, both private and co-operative. Profits have been regularly distributed in interest on shares at 5 per cent., a small bonus to employees, an allocation to reserve and a bonus of a few pence in the £ on members' purchases. In 1928 the society made certain losses and the profits of 1929 were largely exhausted in making these good, also in allowing a newly instituted discount to members paying within fourteen days. Sufficient remained, however, to allow of a bonus of 1*d.* in the £. Proposals for co-operative marketing and insurance have not been taken up by the members.

Brighouse Fanciers' and Utility Trading Society.

The society was formed in 1919 in an industrial area and has now

about 200 members, mostly poultry keepers on a small scale. Share capital stands at £824 and has doubled since the formation of the society. There is no reserve or loan capital but about £1,000 undistributed surplus. The society owns a depot and motor transport. It operates over a radius of about 2 miles and sells all kinds of poultry food and appliances to members and also to non-members. It does no business with the C.W.S. It meets with a good deal of competition, but finds members' loyalty on the whole satisfactory. Credits given average rather under two months. Turnover has nearly trebled, and stood in 1929 at £14,504 or about £72 per member and £18 per £ of capital. Running costs amounted to 10 per cent. of the turnover. A considerable profit was made in 1929, allowing, after fairly heavy depreciation, for 5 per cent. interest on capital, a bonus of 5 per cent. to employees and a substantial carry-over. There is no bonus on members' purchases.

Halifax Trading Association.

The society was formed in 1915, with headquarters at Halifax, to sell farm requirements. The radius served is about 5 miles and the district mainly industrial. Members are all small dairymen, farming 20–30 acres and retailing their own produce. Membership rose fairly rapidly and now stands at 386. Only about 10 per cent. of trade is with non-members. Share capital is £905, with reserves of £2,605, and accumulated surplus not yet transferred to reserve £7,962. Less than half is in buildings and plant and the rest covers stocks and credits to members. The society's business is almost entirely in the sale of requirements, largely feeding stuffs. It has two warehouses in Halifax and delivers a considerable proportion of goods, partly by its own, partly by hired transport. It also owns a grinding mill and buys small quantities of grain, principally oats, from members, usually for resale to other members. The society makes small purchases from the C.W.S. but is not a member. It competes both with industrial and other farmers' societies for the farmers' trade. Turnover has risen considerably, though expansion has slowed down to some extent, partly owing to the restricted area of operations; the figure has fluctuated in the neighbourhood of £40,000. In 1929 it was £46,609, or £120 per member and £50 per £ of share capital, a high figure considering the services rendered. Running costs are about 7 per cent. of turnover, 60 per cent. being wages. Average credit to members does not exceed six weeks. Profits for 1929 were £674. After adequate depreciation, the society has paid 7 per cent. interest on share capital and 4*d.* in the £ bonus on members' purchases ever since its formation, besides building up the reserves mentioned. It was a shareholder in the A.W.S. but cleared off its liabilities in 1923.

Calder Vale Agriculturists Trading Society.

The society was formed in 1912 with headquarters at Elland Bridge and serves an area of some miles round this centre. It has now

about 300 members, a slightly lower figure than at the end of the War. The district is almost entirely industrial and the members are small dairy and mixed farmers retailing their own produce or selling to industrial societies. More than three-fifths of the trade is with non-members. The share capital of the society stands at £10,053, together with loan capital of £614 and mortgage loan from the bank of £3,205. About £5,000 is in the mill and the bulk of the remainder covers stocks and members credits. The society's business is in farm requirements and considerable use is made of the large mill, both for grinding feeding stuffs and milling members' own grain. About 5 per cent. of the grain handled is purchased from members. The society also buys grain fairly largely from other farmers' societies. It buys from the C.W.S. to a small extent and has applied for membership but without success. It has one or two small retail societies as members and sells requirements to them. It is also in competition with mills run by industrial societies. It is an agent for the Agricultural and General Insurance Society. The turnover of the society fell to less than half after the War and there was a continued slight decline till 1927 when the position seems to have become more stable. Turnover in 1929 stood at £45,480 or £150 per member and £60 per customer. Not more than £4 10s. of trade is done for every £ of capital, a rather low figure, partly accounted for by the predominant milling business. The average credit required by members is not much over six weeks. The society made considerable losses in the years following the War and for five years profits were devoted to paying them off and neither interest on shares nor bonus was paid. It was also faced with heavy claims in connection with the A.W.S. collapse; these were somewhat reduced by the Government grant and were paid off in 1928, in which year the society resumed payment of 6½ per cent. on share capital. The year following was one of falling prices, and although the tonnage turnover increased, and a profit was made, it was not sufficient, after adequate depreciation, to allow interest at more than 3 per cent.

Sowerby Bridge and District Dairy Farmers' and Milk Dealers' Association.

The society was formed in 1914 to deal in farmers' requirements. It has 87 members, all small dairy farmers retailing their own milk, and sells to a few non-members. Membership has varied little for many years. Share capital is £352 in fully paid £1 shares, reserves are £2,037, and there is an overdraft of £1,453. The society has a warehouse at Sowerby Bridge and serves a radius of a few miles but does not deliver. Its main business is in cattle feeding stuffs, making about 10 per cent. of its purchases from the C.W.S. It would like to affiliate but has not so far been able to do so. Turnover has increased rapidly, with only a slight setback in 1926; in 1927 it was £16,856, and in 1929 £21,315, or £245 per member and £60 per £ share capital, both high figures. Running costs are a little more than 3 per cent. of turnover, of which about four-fifths is wages.

Average credit is 7 weeks. A profit of £133 was added to accumulated surplus out of which interest on shares was paid at 5 per cent. and a small bonus to employees, £356 to reserve and £133 carried forward. No bonus on business done has yet been available.

Hebden Bridge and District Farmers.

The society was founded in 1912 with headquarters in Hebden Bridge in a partly industrial area and serving a radius of about 4 miles. The members now number rather under 200 and have varied little; most are dairy farmers with small holdings who retail their own milk. There are also a few sheep farmers and some poultry keepers, and the shareholders include a certain number of non-farmers. The society claims a considerable proportion of local farmers as members. It also sells to non-members, but on a cash basis only. Share capital has increased steadily, and stood in 1927 at £887. There are also reserve and accumulated surplus of about £3,000. The society rents an office and warehouse in the station yard, but does not undertake distribution, the short distances involved and the fact that many members retail milk in the town making this less necessary than in most cases. The main business is in feeding stuffs and manures. Turnover fell slightly after the War but has since made slow but steady progress. In 1929 it stood at about £28,000 or £140 per member and nearly £30 per £ of capital. Fairly long credit is allowed to members. Expenses are low. The society does not complain of competition. Profits have not as a rule been large, as the society has aimed at selling at the lowest possible price. For some years distribution of profits was confined to 5 per cent. interest on shares, and the remainder allocated to reserve. Since 1925, however, a bonus reserve for distribution on sales in the usual way has been growing.

Ripponden and District Farmers' Association.

The society was founded in 1920 in a semi-industrial area. It serves a radius of about 4 miles and has about 130 members, mostly small dairy farmers, and a number of non-member customers. Share capital, which has varied little, stands at £113; there is a reserve fund of £116, unappropriated surplus of £2,913, and no loan capital. The society has just built a new depot without calling on capital. Its main business is in requirements, but it occasionally buys from members. It delivers goods by road. It is a shareholder in the C.W.S. and buys considerably from it, and acts as agent for the Co-operative Insurance Company. In spite of the society's strong financial position, turnover appears to be gradually declining; in 1929 it stood at £6,782, or £50 per member and £60 per £ of share capital. Running costs amounted to not more than 7 per cent. of the turnover, carriage and cartage amounting to 43 per cent. of total as against 37 per cent. for wages. Members' loyalty is said to be fair. Credits given average rather under two months. Profits are

distributed in 5 per cent. interest on shares and 4*d.* in the £ bonus on cash payments.

Greetland and District Trading Society.

The society, formed in 1917, is in an industrial area. Membership, which has declined slightly, stood at 122 in 1929 and consists mainly of poultry keepers and dairy farmers on a small scale. Share capital amounted to £288 in holdings not exceeding £20, and there was also a reserve of £280 and loans from members of £400. The society rents a depot and delivers by horse and cart. It sells all kinds of requirements, including poultry sheds, wire, etc.; also coal and flour. Small purchases are made from the C.W.S. but the society is not a member. Turnover has risen slowly since 1918, and now stands at £7,834, or £64 per member and about £27 per £ of share capital. Credit given averages about six weeks. Running costs amount to about 10 per cent. of turnover, but this includes carriage inwards. Wages are about half the total. For some time profits have only permitted 5 per cent. interest on shares and small balances to reserve.

Badsworth and District Farmers.

The society was formed in 1923 to supply requirements. There are 29 members and supplies are handled by one of them from his private house. Share capital is £141 and the turnover, which has increased steadily, was £5,341 in 1929, about £184 per member and £38 per £ share capital. Expenses were under 2 per cent. of turnover and there is a surplus carried forward of £142 after paying the usual 5 per cent. interest on share capital.

The Yorkshire and Northern Wool Growers.

The society was registered at the end of 1929 to be ready to handle the 1930 clip. It has the support of the N.F.U., the Leicester and Blackfaced Sheep Breeders' Associations, and the Tees-side Farmers. Members are being recruited throughout Yorkshire and South Durham. Each member takes up at least one £1 share, 5*s.* paid up (and any societies or companies, five shares), but are being urged to take up one share for every fifty fleeces they produce. Provided adequate local support is forthcoming, the society hopes to receive Government credit during its early stages; it has acquired premises at Malton, originally built at a cost of £32,000, but purchased for little more than one-tenth of that sum. Certain minor improvements are necessary. The building covers 4,000 square yards of floor space and has accommodation for 400,000 fleeces. It is served by railway sidings and by road. The society will be controlled by a committee of twelve, representing the different districts in Yorkshire. A part-time secretary and a full-time managing clerk have been appointed and a grader will be employed for the season. The society proposes to deal with all classes of wool, delivered to the

depot in sheets provided by the society, which will pay all railway charges up to 100 miles. Members delivering by road will be allowed proportional cost of delivery. On arrival, the wool will be weighed as delivered and the member credited with the total weight less draft and tare; each consignment will then be graded separately and the sender credited with the total weight of each grade. All wool will later be pooled and sold at the discretion of the Committee, it is not yet decided whether at the London Wool Sales or to manufacturers by private treaty. Members will be paid an advance payment of not less than two-thirds of the estimated value of their wool within ten days of delivery and the balance, less selling and handling expenses, will be paid on completion of sales. It is proposed to pay 5 per cent. interest on paid-up share capital and further profits may be allocated to reserve, to the redemption of loans, to a bonus to employees or to a bonus to members. One quarter of members' bonus may be distributed on shares; but the remainder must be paid in proportion to business done, with power to discriminate between members and non-members of the N.F.U. and those who have and have not taken up marketing contracts. Not more than three-quarters of all bonus to members may be compulsorily allocated to the purchase of fully paid shares in the society.

York and District Farmers' Auction Mart.

This society was formed eleven years ago with the object of reducing the auctioneering charges in the Sheep and Cattle Market at York. The society is one of seven auctioneering businesses on the market and employs an auctioneer on a salary basis to conduct its business. The auctioneer also undertakes general auctioneering work outside the market, the accounts passing through the society's books. (A small separate auction has been held at Tollerton, but the turnover was small, approximately £1,880 last year, and it will probably be discontinued.) Membership is in the neighbourhood of 350, a decline of about 50 members compared with the first few years. Capital is in £1 shares, no member being allowed to hold more than 20 shares; in 1929 it was £3,642, approximately £200 having been repaid during the financial year. The society owns no premises, its investments being in co-operative mortgages and 3½ per cent. Conversion Loan. An overdraft of £2,500 was required to deal with the long credit that is customary in this market. There is a reserve fund of about £700. Turnover in 1928–29 amounted to over £25,520; commission being £1,276, out of which £756 had to meet market charges, wages of drovers, luck money, market tolls, etc. Members are under no obligation to sell through their own auctioneer and frequently employ competitive auctioneers, which accounts for the low turnover, average sales per member being only £72, although the majority of members are comparatively large farmers. This represents £3 6s. commission per member. Other auctioneer business contributed a further £275 in commission. There was a loss of £144, an improvement on the previous year.

Yorkshire Farmers' Bacon Factory.

The society was formed in 1924 with a membership of 600 and share capital of £6,437; the factory is at Doncaster. In 1927 membership had doubled and the capital increased to £18,869 in £ shares fully paid and carrying a liability to supply the factory with one pig per share per annum, on the understanding that prices be paid at full market rate. The turnover in that year was £39,600. At the end of 1928 there was a surplus of £665 and in 1929 membership rose to 1,621, share capital being £23,677 and loans £10,000, together with an overdraft of £4,600. The turnover, though more than doubling, remained low, being only £85,158, or £52 per member and £3·6*s.* per £ of share capital. Support fell away owing to members receiving a better price outside, and last year there was a loss of £6,000. The society is now involved in a controversy with a section of the members regarding the liability of members to supply the pigs and the liability of the society to pay the full market price. Running costs for 1929 were 12 per cent. of the turnover, salaries accounting for 48 per cent., factory expenses 11 per cent. and distribution 28 per cent. of these costs.

Malton and District Farmers' Meat Society.

The society was started with 18 members and a capital of £27 on the occasion of an outbreak of foot-and-mouth disease in the spring of 1926. The district is one of arable sheep farming, the sheep population being increased by Scottish sheep imported in autumn to eat the turnip crop. In the spring, immediately after shearing, large numbers usually come into the market and are sold on the hoof to the industrial consuming areas. In foot-and-mouth outbreaks this outlet is closed. In 1920 the newly formed society obtained a special permit to slaughter in Malton and the carcasses were shipped to wholesalers in the West Riding and the Midlands. At first the society lost, owing to the high commission charged by wholesalers and the generally advantageous position in which the latter found themselves. Later business improved, and the period of trading (coinciding with that of foot-and-mouth control) closed with not more than a pound or two lost. Turnover during this period amounted to £1,695. All proceeds of sales were paid over to farmers after deduction of the society's commission. No pooling of carcasses took place. The society has since been dormant but has not been dissolved and is held in readiness in the event of another outbreak.

Richmond and District Farmers.

The society was formed in March, 1929, with the object of selling dairy and other produce to Catterick Camp. There are 76 members, a proportion dairy farmers, but also including non-supplying shareholders and a few retail dairymen. More members are desired. The share capital in January, 1930, stood at £1,100 in £1 shares fully paid. The society has a depot at the camp. It collects milk in two

lorries from ten suppliers, all members within a radius of about 10 miles; some of the nearer suppliers bring in their own milk. The society accepts all milk offered, but reserves the right to treat any above a certain total as surplus, but this step is not taken unless absolutely necessary. In January, 1930, the society was doing a business of 120 gallons per day or £130 per week. Price varies, but has so far been 9*d*. in the summer and 1*s*. 3*d*. in the winter months. It is proposed to separate surplus and make butter and Wensleydale cheese. This has not been done up to the present. The society buys eggs from members. It picks out smalls but does not grade otherwise. It has made outside purchases both of eggs and butter in order to keep the trade open at the outset. It has collaborated with Tees-side Farmers in sales of forage to the camp and is also beginning to sell potatoes and vegetables. Payments for milk are made monthly, and it is hoped to pay a bonus on sales at the end of the year.

Masham Farmers' Dairy Co-operative Society.

The society was formed in 1926 for disposal of members' milk, either liquid or in Wensleydale cheese. It has premises at Masham. Some sales are made to the Darlington Industrial Co-operative Society. The society now has 40 members; share capital is £993. Turnover has risen from £6,679 to £9,409, about £235 per member and £9 per £ share capital. Running costs are 15·6 per cent. of turnover, half being salaries. There was a loss of £342, but a bonus of £97 was paid to members out of surplus brought forward. Pigs are kept to dispose of waste.

Wykeham and District Milk Producers.

The society was founded in 1917 and is now (1930) in liquidation. It is, however, of sufficient interest to merit description. Its members numbered about 30, each owning 2 or 3 cows. The district is an agricultural one some miles out of Scarborough. The society employed a man to collect members' milk and dispatched it on rail to Scarborough, consigned to one large retailer. The price secured was about 1*s*. 3*d*. in winter and 11*d*. in summer. The society had no other paid staff and no premises. The members were not particularly keen. About a year ago new sanitary regulations came into force which prohibited the buyer from distributing straight from the station. To save double haulage to and from his premises, he placed his orders elsewhere. The society was not quick enough to discover this and institute road transport, outlet became difficult, and it was decided to go into voluntary liquidation. The collection of milk has been carried on by the society's collector as a private business.

Halifax and Calder Valley Auction Market.

The society, formed in 1929, owns a cattle auction market near Sowerby Bridge. There are 90 members who have subscribed £1,424 share capital, loans amount to £677 and there is an overdraft

of £859. The society's property stands at £3,100. In 1929 the commission on sales was £265; there was a loss on the year's trading of £82, reduced to £17 by receipts for rent, etc.

Sheriff Hutton and District Threshing Society.

The society was formed in 1920 for threshing members' corn. There are 65 members and the share capital amounts to £2,490. There is also a small loan. The threshing tackle, which is depreciated well, is hired out, and in 1929 brought in a total rental of £648. The running costs accounted for rather more than half this amount, the main item being wages. The society also owns premises. A small profit was made last year, but no interest was paid on share capital and there is a fairly heavy overdraft at the bank.

Acomb and District Agricultural Implement Society.

The society was formed in 1919 and owns a threshing tackle. A small trade is also done in requirements. There are 16 members who have subscribed capital of £820. Hiring charges in 1929 were £271 and the sale, principally of binder twine, accounted for a further £60. Expenses amounted to £190, not including 5 per cent. depreciation on machinery. A profit of £60 was made last year, reducing the accumulated loss to £245, and there is a reserve fund of £70.

LANCASHIRE

The different districts of Lancashire vary very considerably. Furness, an isolated area, is served by one requirements society and one dairy. North Lancashire and Westmorland come within the area of a combined requirements and dairy society, which also handles eggs and live-stock. Both these are purely agricultural areas. In the south, where rural districts are broken by frequent towns, there are three large and efficient societies handling requirements and to some extent marketing members' grain. In addition, one manufactures cheese on a fairly large scale, and markets eggs, and another is disposing of a considerable quantity of potatoes to the industrial co-operatives. This society also farms 60 acres near Southport, on which it is able to show a profit. On the dairy side there is not much development, only one society handling liquid milk in the West and another making cheese of surplus milk. Another society of particular interest owns two blacksmiths' shops, and although it was only formed last year, is already making real economies in shoeing charges. It is perhaps surprising that there is no co-operative egg marketing society in the heaviest egg-producing county in the country, and the

only explanation would appear to be the enormous local market in the industrial towns for a cheap, ungraded egg. There is one threshing society and one of the few English examples of a credit society.

One other organization requires mention, for, though it was never co-operative, it was to some extent farmer-owned and inspired by the example of the Scottish Milk Pool. In the autumn of 1928, farmers in the Manchester area became dissatisfied with the prices obtained and further found themselves in competition with surplus milk from Glasgow. In October they organized what was virtually a strike against the retailers, and retailed their own milk direct to the consumer. This continued for a fortnight and created a considerable impression. It was decided, however, to carry the matter further. A joint-stock company was formed, much too precipitately as the event proved, under the name of North-Western Dairies, with the assistance of private capital. An attempt to raise £40,000 share capital was not successful. The company contracted to purchase 7,000 gallons of milk weekly before any profitable outlet had been found for more than about 2,000. Another 2,000 seems to have been disposed of at cost price. The company lost £37,000 in the first 14 months and is now in liquidation. Heavy loss will fall on farmers, as milk suppliers form the bulk of the company's creditors.

Manchester and District Farmers' Co-operative Association.

The society was formed in 1913 with headquarters in Manchester. The area served, about 30 miles from east to west and 20 from north to south, includes a portion of Cheshire. It borders on the territory of the Preston Farmers and overlaps that of several small societies. The society has 587 members, the culmination of a rather slow increase, and sells to a moderate extent to non-members. The members include a certain number of non-purchasers, but their numbers are being gradually reduced. Share capital, which has risen steadily, is £12,248, loans amount to £2,539, and overdraft of £3,183. The society has in addition secured very considerable trade credits. The proportion of capital in buildings, plant and motor lorries is greater than it appears in the balance sheet, as investments totalling £11,900 have been written down to £2,835. These include the society's own warehouses and two corn mills, at which it does its own grinding, and seven delivery lorries. All kinds of agricultural requirements are sold and a certain amount of members' grain is purchased. The society also buys grain from other farmers' societies and all types of feeding stuffs from the C.W.S., of which, however,

it is not a member. The society acts as agent for the Agricultural and General Insurance Society and to a lesser extent for the Co-operative Insurance Society. Turnover fell slightly after the War, but has since been steadily rising, the increase in tonnage being more marked than that in cash. In 1928 the turnover stood at £189,857, and in 1929 at £175,201, nearly £300 per member but much less per customer, and £14 per £ of capital. Running costs are under 5 per cent. of the turnover, wages and salaries being about two-thirds of the total. Average credit given is about two months. In 1929 the tonnage turnover of the society continued to rise, although its cash value fell somewhat owing to general prices. After depreciating heavily, a profit of £2,216 was available for the regular 5 per cent. interest on share capital as well as bonus on business done, which has risen from 1½*d.* to 2*d.* in the £, and amounted to £620. A bonus to the staff of 2½ per cent. on wages and salaries also was paid. In 1928 the society created a "personal reserve account by crediting each member with a bonus of 2*d.* in the £ on purchases from the Association that have been paid for during the three years 1926, 1927 and 1928. This Personal Reserve account will bear interest at the rate of 5 per cent. per annum as from 1st January, 1929, and is subject to the same conditions in every respect as the share capital of the Association. It will be credited only to those who were actually members on 31st December, 1928." This provision is probably unique among English societies; this year £1,655 was added to the fund, making it £3,150. This is apart from a bad debts reserve of £2,300.

Preston and District Farmers' Trading Society.

The society was formed in 1911 by members of the Lancashire Farmers' Association, with the primary object of supplying farmers' requirements, especially tested seeds and fertilizers. The society had 200 members and a trade of £14,500 in the first year. Headquarters are at Preston and the society covers a radius of about 14 miles from that place. It has now about 2,000 members including several societies and 1,000 non-member customers. Share capital stands at rather under £80,000. The society has also considerable capital—perhaps equal to half the shares—invested by farmers on loan together with a smaller bank overdraft and considerable reserves. The society is the largest retail merchant buying on the Liverpool and Manchester markets. Fertilizers are purchased direct from abroad, English grain very largely from other farmers' societies, also from the C.W.S. The society owns grinding mills in Liverpool and all cereals are cleaned. It has also 5 country mills, to which members and others can bring oats, wheat, beans and barley. The society has about thirty depots, and two travellers as far distant as Lincolnshire, where some of the members of a dissolved Lincolnshire society are being served from Preston. At each depot there is a branch manager, warehouseman, motor wagons and horse wagons. Supplies are delivered by road direct from Liverpool to these bran-

ches, thus reducing the costs of distribution. All customers are called on once a fortnight, in some cases more often. Deliveries are made by lorry. The society has a retail shop for the supply of small implements, appliances, etc., but does not touch large machinery. In addition to its business in requirements, the society purchases certain quantities of grain, straw, etc., as well as of Lancashire cheese, a considerable proportion of which is resold through the C.W.S., besides a fairly large trade to provision dealers and retailers, these also taking eggs, of which the society buys to the value of about £60,000. It has devoted special attention to dealing with summer surplus when the cold storage of eggs has been arranged. The National Mark Scheme has not been adopted. The turnover of the society rose rapidly until the end of the War when general conditions of markets and currency caused a fairly heavy fall in cash value. About the same time the society was hit by the collapse of the A.W.S., in which it was a shareholder. The society has now more than recovered from the setback, and in 1929 the turnover stood at £702,171, an increase on the year of £44,416, and an average of £350 per member and £117 per customer, while about £9 of trade was done for every £ of share capital. The majority of members are loyal to the society. Credits averaging about two months are allowed. In 1929 the society made considerable profits and, after providing for heavy depreciation and reserves, 5½ per cent. interest was paid on share capital, as well as 3*d*. in the £ on members' purchases. The society, as has been shown, is well run, flourishing and expanding.

Lunesdale Farmers,.

The society began trading operations in 1921, though prior to this date a small organization was working with an honorary staff. A smaller dairy organization was amalgamated with it in 1921. It covers Lancashire north of Garstang, with the exception of Furness, the whole of Westmorland and a fringe of south-east Cumberland. It is a district of medium or smallish dairy and sheep farms (80–100 acres) with little or no arable land. Membership has risen steadily and now stands at about 1,000, with as many non-member customers. Share capital also has increased steadily ; in 1928 it stood at £27,780 and in 1929 29,912, with reserves of £7,485 ; there was also loan capital of £2,219 and a bank overdraft of £12,823. Headquarters are in Lancaster, with immediate access by water, road or rail. There is also a modern grinding mill, with automatic intake plant, silo storage, automatic weighers and modern grinders, all driven by crude oil engine. A fleet of wagons is kept for delivery of goods to customers and members. The society deals in all kinds of farmers' requirements and a good proportion of its purchases are made through the C.W.S., in which the society holds shares. An average of six to seven weeks' credit is taken by members and customers.

The society's dairy business is established in Westmorland and suppliers are under twelve months' contract to the society. The milk is sold partly liquid, brine cooled and pasteurized, and partly in the

form of cream. A little cheese is made in summer. The society, anxious to improve its members' position, has opened three retail shops, but the experiment has not been very successful. The cream trade has been badly hit by the Cream Preservative Act. The milk trade has been a difficult one for some years, but the society has succeeded in maintaining its position. Registration was obtained at the dairy centre for an Egg Packing Station under the National Mark Scheme, but buyers do not seem readily disposed to pay the increased price attendant upon candling and grading. The turnover of the dairy and egg business in 1929 was £37,112.

The society finds difficulty in running a requirements business successfully with a business for the disposal of members' produce. The experience generally of the society is that before further work is done in the disposal of members' produce, greater organization amongst producers is essential. Turnover, in which all branches are merged, showed for a few years after the amalgamation a slight tendency to decline; recently, however, the position has been more than regained. In 1927 it was £155,203, rose further to £198,342 in 1928, and in 1929 was £190,582, about £190 per member and £6 per £ of share capital. Running costs are roughly 7 per cent. of turnover. Profit for the year was £1,683. Interest on shares was paid at 5 per cent. and a bonus in all departments at 4*d.* in the £; surplus carried forward was £2,833. The society acts as agent for the Co-operative Insurance Society.

South-West Lancashire Farmers.

This society, formed in 1920, has its office and main store at Ormskirk, besides a mill at Southport, a farm of 60 acres and two subsidiary stores. There are 184 members. It serves the district in between the Preston Society on the north, Manchester and District on the east, and Liverpool and District on the south, covering a radius of 15–20 miles. The society had a difficult time during the first years of its existence and had to write down its pound shares to 15*s*, reducing the original capital to approximately £10,000. The following three years, interest was paid at 7 per cent., in 1928 and 1929 at 5 per cent. Share capital is now £11,138, with reserves of £1,651 and an overdraft of £3,227. The society supplies feeding stuffs, fertilizers and seeds to its members, who are dairy farmers and large potato growers and also in many cases keep pigs. It also purchases potatoes, grain, seeds, fodder, fruit and market garden produce from its members. The total turnover in 1929 amounted to £56,748, divided as follows: on the supply side £38,698; and on the marketing side £18,050, including potatoes £8,000, and grain £3,923. The society buys outright from members at the market price and was able to make a profit on all produce bought from members last year. The potatoes are being marketed mainly to industrial co-operative societies through the C.W.S., the society having recently purchased two 50-cwt. lorries to give direct delivery from farm to shop. It is anticipated that this trade will greatly

increase in the future. The grain and fodder purchased from members is either resold to members after passing through the mill, or to other requirements societies, mainly Preston Farmers, Chester and District and the Lunesdale Farmers. Seed is sold either back to other members or to neighbouring societies. It is expected that the marketing side of the society will soon rival the supply of requirements. As about half the society's business is done with non-members, the turnover per customer is £154 and £5 per £ capital. Running costs were 9·5 per cent. of the total turnover. There was a profit of £445 and a bonus was paid to employees as well as interest on shares, carrying forward £445. Members' credit is about six weeks. The society does a certain amount of trade with the C.W.S., mainly in offals.

Furness and South Cumberland Supply Association.

The society was formed in 1880, following on the example of Aspatria, and had as its special object the supply of tested fertilizers. During the first thirty-five years of its existence the society definitely closed its doors to new members, and as it also traded with non-members, it became liable to and regularly paid income tax. In 1915 this policy was found to be unsound, fresh share capital was required and members were once more freely admitted, with satisfactory results on the capital and turnover of the society. One curious relic of the "joint-stock company" attitude of mind is the provision, almost unique among English co-operative societies, that votes should be in proportion to shares instead of limited to one for each member. The society covers the whole of Furness from Cark-in-Cartmel together with a considerable part of Cumberland, up to Drigg, and the fringes of Westmorland. The district is extremely hilly and small self-contained farms of about 100 acres, putting little on the market except wool, predominate save in the south, where there are dairying and feeding districts with a large demand for feeding stuffs. Membership rose in 1929 from 550 to 577; there are about 180 non-member customers. Share capital now stands at £13,192; there is also a reserve of £5,845 and overdraft of £1,922. A comparatively small sum is in plant and buildings and there is also an investment in the C.W.S. Owing to geographical difficulties in expansion, the society is in some danger of becoming over-capitalized. The society has headquarters at Broughton-in-Furness, and, in addition, five depots, one with milling facilities, and two sub-depots. Goods are either delivered by road or hired lorry, or purchasers fetch them from the depots. The society sells feeding stuffs, seeds, manures, sheep dip, binder twine, etc., also coal, draining tiles, hardware and dairy requisites. It has no repair department and consequently does not do a large trade in machinery or implements. Members' grain is occasionally bought, but it is a very small item and no other form of marketing takes place. The society buys to a certain extent from the C.W.S. The society's turnover has progressed steadily except for two setbacks, one after the War and

the other after the General Strike. In 1928 it reached a total of £67,768, and in 1929 £72,146, or £125 per member and £5 4*s.* per £ capital. The credit terms are nominally payment within one month, but actually the average amounts to about ten weeks. Running costs were 4·4 per cent. of turnover. In 1929 the profit was £1,836. The usual interest was paid on share capital, with a bonus of 6*d.* in the £ on members' purchases, and £1,873 was carried forward.

Liverpool and District Farmers' Co-operative Association.

The society was founded in 1913 to supply feeding stuffs, fertilizers and agricultural implements, also to act as an insurance agency. An office and store are rented in Liverpool. There are 244 members who have subscribed a capital of £618 in £1 shares fully paid. The sales for 1929 amounted to £4,975, or £20 per member and £8 per £ capital. The running costs are 11 per cent. of the turnover, a comparatively high figure, salaries accounting for 56 per cent. of these costs. The turnover shrank considerably a few years ago and the society has been losing money each year. The loss in 1929 was covered by insurance commissions and the business appears to be turning more into an insurance agency than a requirements society.

Rochdale and District Farmers.

The society was formed in 1919 in an industrial area with the object of supplying requirements to dairy farmers retailing their own milk. There are now 105 members, mostly small farmers owning about fifteen cows, and the society also sells to non-members. Membership has risen slightly and then remained stationary for several years. Capital stands at £4,738. The society owns a warehouse and grinding mill and delivers by its own lorries over a 5–6 mile radius round Rochdale. It sells all types of requirements and buys to a certain extent from the C.W.S. Turnover rose steadily until 1926 (the year of the General Strike), when there was a slight fall, followed by a recovery. Turnover for 1929 was about £25,000 or £238 per member; the turnover per customer is not ascertainable. The turnover per £ of capital is less satisfactory, just over £5.

Oldham and Districts Farmers' Provender Supply.

The society was formed about eighteen years ago to sell agricultural requirements and also flour to farmers on the outskirts of an industrial area. The 90 members are for the most part small tenant dairy farmers keeping from 15 to 40 cows. Membership has increased slowly but steadily. Average credit is six weeks. The share capital stands at £2,771 and has doubled since the War; there are also reserves of £1,400 and surplus of £596. The society has a grinding mill and warehouse and serves an 8–9 mile radius around Oldham. It owns a lorry and hires other haulage as required. Property is well depreciated. Turnover fell somewhat after the War, but after a period of fluctuation the position has been more than

regained. In 1927 it was £20,916 and in 1929, £23,566, about £260 per member and £8 per £ of capital. Running costs are 8·6 per cent. of turnover. There was a profit of £680 ; interest was paid on share capital and a bonus of £221 was distributed to customers, including non-members.

Rochdale and District Poultry League.

The society was formed in 1919 to sell requirements to poultry keepers in a purely industrial area. Membership has varied little since the society's formation and now stands at 93. There are, however, about 3,000 non-member customers, mostly backyard poultry keepers, retailing their own eggs. The radius served is 5-6 miles round Rochdale. Capital has nearly doubled since the society's formation and now stands at £2,148 in fully paid £ shares. There are in addition one large and a number of small loans amounting to £2,133. The society owns a central warehouse and several branches and a lorry, in which a considerable proportion of capital is sunk, the remainder being employed in financing trade. The main business of the society is in feeding stuffs, and certain purchases are made from the C.W.S. The society, however, is not a member. It does some insurance business with the Co-operative Insurance Society. Turnover rose steadily until about 1925, and then began a decline which appears to be progressive ; in 1928 it was £12,088, and in 1929 £10,006, about £107 per member, but little more than £3 per customer, and £4 6*s.* per £ of share capital. Long credit is allowed for a society of this type, about ten weeks. Running costs show the high proportion of nearly 25 per cent. of turnover, of which about 60 per cent. is represented by salaries, rents and carriage being also fairly heavy items. The society pays directors' fees, an unusual practice for a co-operative society. The society paid interest on shares (but no bonus on purchases) until it made a loss during the past two years which more than absorbed its reserve fund. Last year the loss was £611, making the total £897.

Oldham Poultry League Society.

The society was formed in 1919 for the supply of requirements to poultry keepers in a purely industrial area. It has about 100 members, whose numbers have varied little since its formation. Share capital, in 12*s.* 6*d.* shares, stands at £427, and there are reserves of £137. The society rents a shop and warehouse. Delivery is not undertaken. Turnover in the first year of the society's operations was as high as £9,000, but dropped to £4,000 in the post-war slump, and has since declined gradually, with a slight tendency to recover in the last few years ; in 1929 it stood at £1,800 or £18 per member. Not more than about £4 10*s.* of trade was done for every £ of capital. Running costs amounted to 16 per cent. of turnover, of which about two-thirds were wages. Carriage inwards is not included. Payment appears to be principally cash and not more than fourteen days' credit is usually outstanding. Interest on shares in 1928 was 6*d.*

per share and in 1929, 3*d*. Only holders of at least five shares may be nominated for the committee. There is no bonus on business done.

Burnley Small-Holders' Society.

This society was formed in 1912 ; it serves a group of small-holders on County Council holdings which are under ten acres and devoted to poultry keeping. The society received a loan from the County Council, to build a store-room, which is expected to be paid off in two years' time. The society supplies poultry feeds and other general poultry requirements. There are 110 members who have subscribed one £1 share each ; there is also a reserve of £212. The turnover varies around £10,000 per annum, or approximately £100 per member or £90 per £ capital. Nearly all the small-holders in the settlement are members and no trade is done with non-members. Average credit is four weeks. Besides the supply of requirements, a general exchange of stock takes place through the society, including hatching eggs, day-old chicks, stock cockerels, etc. The society had a setback recently owing to irregularities in management, but the sum involved has been wiped out and the society is now being managed by one of the members, with the help of a finance committee, which meets frequently. By forgoing bonus and interest on share capital, the society has been able to weather the storm. In 1929 the profit shown was £135, bringing the surplus carried forward to £945. Running costs are 4 per cent. of turnover.

Horwich Utility Poultry Society.

The society has been trading for a number of years but only recently registered under the Industrial and Provident Societies Act. Poultry feeds and general poultry requirements are supplied mainly in small lots from the society's store at Horwich which is valued at over £800. There are 174 members, small-holders or backyard poultry keepers in and around Horwich. Capital is subscribed in 1*s*. shares and amounts to £8 15*s*. The turnover in 1929 was £5,845, or £33 per member and the very high figure of £667 per £ capital. The running costs are 10 per cent. of the turnover, salaries accounting for 58 per cent. of these costs. The society shows a fair profit and has built up a reserve of £840. Last year an excursion was arranged out of the profits and a special issue of 125 shares has been allocated to old members.

St. Helens Farmers.

This is a small requirements society started in 1927 with a membership of 16, all living near Wigan. Although the Preston Farmers and Manchester and District might easily cover the area, it appears to have been overlooked. Share capital is £57 ; turnover in 1928 was £570 and dwindled to £141 in 1929 with a loss of £10. No staff is employed.

Underley Poultry Keepers.

This is a small egg marketing society which operates at Kirkby Lonsdale near Carnforth. The members are part-time poultry keepers who have a small poultry run allotted to them on a three-acre field, which is rented by the society from Lord Henry Bentinck. The three acres are divided up into twenty-two runs. The eggs are collected into a small store and sold to a higgler, who sells them again on Garstang market, the main object of the society being to enable collective bargaining with the higgler and keep a check on the market price at Garstang. The society charged 1*d.* per dozen for running expenses. Capital is raised in £1 shares, 2*s.* 6*d.* called up, and three years ago the turnover amounted to £600, the following year it dropped to £250 and in 1929 to £168, owing largely to disloyalty on the part of members, who sold their eggs independently to other higglers. The society has, however, been reorganized, and the secretary hopes to recover the trade during the next twelve months.

Barrow and District Dairy Farmers' Co-operative Society.

The society was founded in 1921 in order to deal with surplus milk; a non-trading Farmers' Association for purposes of bargaining, legal aid and similar services had been in existence for a number of years. It has 98 members in a closed area, almost as self-contained as an island, with mixed farms of moderate size—100–200 acres—and the two considerable towns of Barrow and Ulverston. The association has arranged milk prices annually with the retailers in these places and has regularly secured good rates—1*s.* 5*d.* in winter and 1*s.* 1½*d.* in summer. The dairy is a vital part of this scheme, as it keeps surplus off the market, arranges for its profitable disposal and makes it possible to secure good prices for liquid milk. It is run as an entirely separate co-operative undertaking with 90 members, all milk suppliers, representing a slight increase on the original membership. Share capital is £3,355 and there was in addition a bank overdraft of £1,424. The capital is in plant and property. There are no contracts, and members send in whatever milk they have to dispose of. The society does not collect. In a few cases non-members' milk is taken when they seem likely to spoil the market. The society has depots in Barrow and Ulverston and a retail dairy in the former town. The price paid is described as " a high manufacturing price "—that is about 1*s.* 3*d.* in the winter. The society is on good terms with retailers in Barrow, especially the industrial co-operative societies. It has a regular outlet for 300–400 gallons weekly in winter and more in summer, principally to industrial societies. There is also a good trade in cream, which has been assisted by the Cream Preservatives Act as it had the effect of cutting out imported cream from Scotland and elsewhere and reserving the Barrow and Ulverston markets for local suppliers. The society also makes Lancashire cheese, but this is generally unprofitable, resulting in a slight loss both to suppliers and to the society. The society keeps pigs to consume separated milk, and they appear to be a profit-

able item. In 1928, 142,000 gallons of milk were received, being an increase of 42,000 gallons on the previous year; of this 90,000 gallons were sold liquid, 22,000 separated for cream and 16,000 made into cheese. The turnover in 1928 was £10,219, and in 1929 £13,986, about £142 per member and £4 per £ of share capital. Running costs were 9 per cent. of turnover. The society made fairly heavy losses a few years ago; these have absorbed the substantial profits of the years following and are not yet fully paid off by the profit made last year, £239.

Blackpool and Fylde Farmers' Pure Milk Supply Association.

This society was formed in 1916 for the purpose of disposing of members' milk. The premises are in Blackpool and include a pasteurizing plant and a small retail shop, which was used for selling pork and sausages, etc., when the society owned a pig farm close to Blackpool. The farm carried 900 pigs and was a considerable asset, providing a market for the skimmed milk. The land, however, was requisitioned for building, and the shop is now let to a butcher who carries on the same business. The 36 members are comparatively large dairy farmers and subscribe £1,750 capital in £2 shares, £1 paid up. There is also loan capital amounting to £6,344, together with a loan on mortgage of the premises of £4,000 on which interest is paid at 5 per cent. £6,470 of their capital is invested in plant, motors, etc., which have been depreciated well. The overdraft at the bank is less than £1,000. A considerable proportion of non-members' milk is handled, which the society values owing to the seasonal trade in Blackpool. In the case of members the society is obliged to handle the whole of their milk all the year through. The society also handles eggs. In the past a large trade has been done in cream among the hotels and restaurants in Blackpool, particularly during Easter. The Cream Preservative Act has, however, seriously affected this trade and reduced the turnover of the society by several thousand pounds. Some of the surplus milk is now made into butter at certain times of the year, at a loss. Approximately one-quarter of the milk is retailed and the rest sold wholesale to hotels and restaurants in Blackpool. The society's trade fell off considerably three years ago owing to the competition of the industrial co-operatives and the attraction of the dividend they offered. It was decided, therefore, two years ago, to offer a similar dividend, and this, together with a superior service, has brought the trade back. It should be noted that since this policy was adopted no interest has been paid on share or loan capital nor any bonus paid back to the producers. The interest paid before this was 6 per cent. and the bonus accumulated as a Personal Reserve Fund of £810. The turnover in 1929 was £35,076, or £923 per member and nearly £20 per £ capital. The costs of running the society are 18·8 per cent. of the turnover. Salaries amount to 59 per cent. of the running costs, and the transport charges to 15 per cent. The society made a profit

during 1929 which enabled it to wipe out the loss of the previous year and carry forward a small balance.

Frodsham Area Surplus Milk Society.

This society was formed in 1921 for dealing with surplus milk. The society operates all the year round at a factory in Frodsham, manufacturing cheese. This is either taken back by members or sold in the open market. The society deals almost entirely with its 270 members. Capital is in £1 shares fully paid, each member having to hold five shares or more, and in the case of a farmer or cow-keeper, one share for every cow, heifer or feeding beast kept. The capital amounts to £5,612, largely invested in buildings, plant and machinery, well depreciated. The society's turnover was greatly increased in 1928, owing to supplies handled for the North-Western Dairies. The society made a profit that year of about £200, which fell to £50 in 1929.

West Lancashire Farmers' Blacksmiths.

The society was formed in 1929 owing to the high shoeing charges in the district. The society owns two blacksmiths' shops near Southport, employing one staff, each shop being open half the week. Only in this way has it been found possible to keep a blacksmith fully employed, owing to the displacement of horses in agriculture and the depression which prevents farmers from having their horses shod as frequently as is generally considered necessary. The society is also doing repairs to agricultural implements and is considering the supply of implements to members. Shoeing is done at 9*s.* to members and 11*s.* to non-members. The price fixed in the district by the Farriers' Institute is 13*s.* There are 68 members in the society, who have contributed a capital of £145 in £1 shares fully paid. In the first six months' trade the society was able to make a small profit.

Leigh Agricultural Society.

The society was formed in 1919 mainly to operate threshing tackle at a period when there was a demand for this service. There are 69 members and a share capital of £2,569. Hiring fees to the value of £506 were received in 1929 and about £360 was expended in running costs. The society has considerable accumulated debts owing from hirers. The society also carries on an agricultural insurance agency.

Furness and Cartmel District Agricultural Credit Society.

The society was formed in 1924 to provide members with credit. The share capital amounts to £1,050, subscribed by 21 members; £3,354 is at present on loan to members, on which there is £121 accumulated interest outstanding. Approximately one-third of the Government loan has been repaid, leaving a balance of £2,296 still owing.

CHESHIRE

The county is well served by five requirements societies, all comparatively large and between them covering the whole county except for a belt across the north which is served by the Manchester and District. The reason for this development is no doubt due to the large dairy industry in the county with the usual combination of pigs and a fair proportion of arable land, making a high demand for feeding stuffs and fertilizers. The farms, also, are fairly large and prosperous. As well as supplying requirements, one of the societies markets a considerable quantity of potatoes and seeds for its members, while another also runs a local industrial co-operative store. The existence of a number of comparatively large societies supplying the same commodities, all with independent transport, has inevitably caused a certain amount of friction over the question of boundaries. There appears to be a vague understanding of the approximate area each society should cover, and attempts have been made to come to a definite agreement on boundaries, but without any concrete results. It is particularly difficult in the case of the Cheshire, Shropshire and North Wales Society, which was formed many years before any of the other societies and naturally spread over a wide area; although some of their members could now be more conveniently served by one of the newer societies, they are not inclined to make a change, and the society is naturally unwilling to lose their business. The societies also compete in buying on the open markets, and here again it would appear to be desirable to have some mutual understanding. Apart, however, from the prejudice that the failure of the A.W.S. caused, particularly among those that lost money, some societies, owing to a sound financial position, are able to obtain considerable advantages by paying cash, while others are forced to accept credit terms. Considering these difficulties, the feeling between the societies is remarkably good, and there is considerable intertrading in corn and seeds. There is a surplus milk factory manufacturing cheese.

Cheshire, Shropshire and North Wales Farmers' Supply Association.

The society is one of the oldest in existence, having been formed in 1872. Membership and turnover have remained fairly constant for many years, and although the new societies that have sprung up

in recent years, at Chester, Tarporley and Macclesfield on the north, and Stafford and Salop on the south, have no doubt restricted its development, they have not apparently taken away much trade from it. The society deals mainly in feeding stuffs and fertilizers and also buys corn from its members on a large scale for grinding in its six mills. The 880 members are for the most part dairy farmers with a small proportion of arable land. Capital is in £1 shares fully paid, and amounts to £24,143. There is an overdraft representing two months' credit. The society has one-third of its capital invested in property, including four of the six mills occupied. There is also an office at Crewe Cattle Market. Turnover in 1929 amounted to £196,792, which, considering the low price of feeding stuffs, was approximately the same volume as the previous year. A large proportion of purchases are made through the C.W.S., in which the society has invested over £1,300. Approximately one-fifth of the turnover is with non-members, making the 1929 turnover about £176 per customer, £223 per member, and £8 per £ capital. Running costs are 7·4 per cent. of the turnover; salaries, wages and market expenses amount to 41 per cent. of this; transport, which includes the running of a canal boat, also 41 per cent. Balance of profit last year (£1,404 17*s.*), after paying the usual 5 per cent. interest on capital, was carried to reserve, bringing the total up to about £1,500, not including a special sack reserve fund and a small reserve for bad debts. No dividend has been returned to members for some time, and the staff receives no bonus.

Chester and District Farmers' Trading Society.

This society, formed in 1920, has head office and mill at Chester and two branch depots. The territory served is bounded on the east and south-east by the Arderne and District at Tarporley, and the Cheshire, Shropshire and North Wales at Nantwich. The society has freer scope to the north and north-west toward the Liverpool and District Society. Parts of Flint and Shropshire are also covered. The 150 members are comparatively large dairy farmers with a considerable amount of arable land devoted chiefly to cereals and potatoes. The society deals with non-members. A number of pigs are kept. Share capital is £8,428 in £2 shares, £1 paid up, and loan capital, £13,000. The business is on the increase, and an appeal has been made to members to transfer the 5 per cent. interest paid on shares to capital. An overdraft covers 2½ months' credit for members. The chief trade is in feeding stuffs, fertilizers and seeds; the society also buys grain and potatoes, reselling the ground grain to members and disposing of the potatoes either in the open market or to industrial retail societies through the C.W.S. The turnover in 1929 was £73,432, which shows a cash increase of £2,183 on the previous year, in spite of falling markets. This is £490 per member or £245 per customer, as approximately half the society's business is done with non-members. The turnover per £ capital is £8 7*s.* There was a profit of £1,230 for 1929 after depreciating heavily, disposed

of by writing down goodwill from £1,000 to £600, paying a 2 per cent. bonus to the staff, and placing £200 to reserve, £238 being carried forward to the following year. No bonus has been paid to members, although this might encourage non-members to take up shares. Running costs are 8·5 per cent. of the turnover, of which wages are 52 per cent. and transport 25 per cent. The society buys considerably from the C.W.S., in which it has invested £400.

Macclesfield and District Farmers' Trading Society.

This society, formed in 1914, has recently built new office premises in Macclesfield; it also owns a mill. The district served is approximately within a 15-mile radius of Macclesfield, being restricted on the south by the Biddulph Society, on the north by Manchester and District, and on the west by the Mid-Cheshire Farmers at Chelford. It has 305 members and some non-member customers, the majority being mixed farmers, mainly dairy cattle, but also corn and potatoes. The society supplies feeding stuffs and fertilizers, a fair proportion being purchased from the C.W.S. Large quantities of corn, potatoes and seeds are purchased from members. A considerable quantity of the seeds and some corn and potatoes are retailed from the society's premises. The bulk of the corn is ground and sold to members or in the wholesale market, some being supplied to the Biddulph society. The society is considering handling members' milk, but the failure of the North-Western Dairies has made it cautious. The capital, in 5*s.* shares fully paid, with a minimum of £5, is £13,432, on which interest is paid regularly at 5 per cent. Turnover in 1929 was £78,957, an increase of £10,000 on the previous year; the same figure was nearly reached in 1926. Cash sales over the counter amounted to £1,439. About three months' credit is given on other sales. The turnover per £ of capital is £5 8*s.*, and per member £260, but that includes a large trade with non-members. Running costs are 4·3 per cent. of turnover, salaries accounting for 52 per cent. of this, and motor expenses 10 per cent. There is a small overdraft at the bank and a mortgage of £5,000. Property is depreciated at 5 per cent. The motor vehicles are also well depreciated. The profit for last year was £1,263, distributed in interest on shares at 5 per cent., bonus to staff, 3*d.* in the £ on members' purchases, and the balance to reserve.

Mid-Cheshire Farmers' Co-operative Society.

The society, formed in 1916, took over a miller's business at Chelford; also a small retail grocery store, which it runs separately as a consumers' co-operative society, buying mainly from the C.W.S. The agricultural side supplies feeding stuffs and fertilizers. The district lies between the Macclesfield and District Farmers, which is only 8 miles to the east, the Chester Society on the west, and the Cheshire, Shropshire and North Wales to the south. The members (625) are for the most part dairy farmers, and there are about half as many non-member customers. Share capital is £9,923, 10*s.* paid

up on £1 shares, a considerable proportion being subscribed by business men interested in the development of the society. Turnover in 1929 was £52,321 (including £6,000 turnover in the consumers' store), or about £84 per member, £63 per customer, and £5 3*s.* per £ capital. . The society owns land and houses in Chelford, depreciated at 2½ per cent.; the motor lorries are well depreciated at 33⅓ per cent. Approximately £1,000 is invested in the C.W.S., the Agricultural Co-operative Federation Society and the Agricultural and General Co-operative Insurance Society. There is a small overdraft. About two months' credit is allowed. Running costs are 8·6 per cent. of the total turnover. Taken separately, the agricultural side has running costs of 7·2 per cent. of its turnover, and the store 10·4 per cent. Salary and wages are about 50 per cent. of the total running costs. The profit in 1929 was £731, the store contributing £157; 5 per cent. was paid on share capital, £100 carried to reserve (making the total over £600) and a 10 per cent. bonus was paid to employees, which is a rule of the society.

The Arderne Association.

The association was formed in 1914 mainly to supply pig foods to a number of comparatively large farmers. It has 245 members and deals in all kinds of feeding stuffs and fertilizers. Purchases made through the C.W.S. are declining and consist chiefly of offals. Approximately a 20-mile radius is covered, although there are three societies, Chester and District, Macclesfield and Cheshire, Shropshire and North Wales, all within about 10 miles of Tarporley where the association has its headquarters. Practically no trade is done with non-members, which is unusual for this type of society. The capital, in £1 shares fully paid up, is £4,887. A considerable proportion is invested in buildings, including a mill, machinery, a lorry and a truck. The society also holds some shares in the C.W.S. A balance at the bank of £600 is due largely to the prompt payment of accounts by members, the average credit being little over a month. Turnover in 1929 was £23,743, about £95 per member and £4 8*s.* per £ capital. Running costs were 9·4 per cent. of turnover, of which wages were 55 per cent., and transport 3 per cent. The disposable profit at the end of last year, after depreciation and allowing 5 per cent. interest on share capital, was £204, which was distributed as bonus on purchases at 3*d.* in the £, of accounts settled within ten days of invoice.

Middlewich and District Farmers' Dairies.

The society, formed in 1922 to convert surplus milk into cheese, owns a factory in Middlewich and serves 123 members, dairy farmers in the district. It operates only during the glut period and is closed for several months in the year. Capital, in 10*s.* shares fully paid up, is £944. The amount of milk handled varies considerably from year to year, depending on the surplus available, the society sometimes accepting milk from non-members. The turnover in whey and cheese for 1929 was £742, but manufacturing done on commission

for the North-Western Dairies, brought in £1,643. In a normal year, without the North-Western Dairies business, the turnover per £ of capital would be very low, the regular trade of the society showing it well below £1 for 1929; profit of £43 was made on the year's trading, however, in spite of some bad debts, making the total surplus £255.

DERBYSHIRE

Beginning in 1910, a number of small requirements societies were formed in this county under the guidance of the Agricultural Organization Society. With the exception of one formed after the War, Crich and District is the only survivor and its trade appears to be declining, largely on account of the development of the Derbyshire Farmers, which serves the same area and, although its main function is to dispose of members' milk, has a considerable trade in requirements. There are three other small dairies in the county, two serving isolated areas in the Derbyshire hills close to Buxton, the other at Brailsford, which is unusually successful, and disposes of the bulk of its milk to local industrial co-operative societies. The only other farmers' society of interest deals in requirements on the west border of Derbyshire and has made remarkable progress since it was formed in 1913; the Derby Co-operative Provident Society, however, deserves mention as, although a consumers' society, it has taken unusual interest in agricultural affairs and gives considerable service to local farmers and small-holders, many of whom are members of the society. Cheese is very largely purchased from farmers, co-operative dairies, eggs from country members of the society, milk from farmer members and farmers' dairies, green fruit from members, small-holders' societies and from the larger farmers' fruit auctions and marketing societies in the West Midlands. The society further sells seeds, fertilizers, etc., to its farmer members to the annual value of £20,000.

Biddulph and District Agricultural Society.

The society was formed in 1913 with 23 members, mainly small dairy farmers, and took over a merchant's business. It has grown considerably and now has 546 members, covering the district in between the Derbyshire Farmers, Staffordshire Farmers and the Macclesfield and District Society. The chief business of the society is in feeding stuffs and fertilizers; an attempt was made to supply implements, but the agents in the district were too strong and the implement manufacturers refused to deal through the society.

There is an arrangement with the local industrial co-operative society not to supply any groceries to their members, in return for which the industrial society only sells feeding stuffs purchased from them. The Burslem industrial co-operative society, however, competes very keenly in offals. The society buys most of the local corn and supplements this supply with purchases from the Macclesfield Society. There are four depots, at Leek, Biddulph, Ipstones and Winkhill, most of the requirements being delivered either direct to the farmers or to these depots by road from Manchester in C.W.S. lorries, which collect milk in the district for the return journey and are therefore able to contract at a very reasonable rate. Share capital is £4,943 in £ shares, 15*s.* paid up. There is also loan capital from members of £1,500. About a third of the capital is in property, and there is an overdraft of £2,400. Reserve funds are £5,950. The turnover in 1929 was £76,717, being an increase of £6,000 on the previous year. Owing to low prices, the tonnage increase was larger than this indicates, 1,658 more tons being disposed of than in 1928. Approximately half of the purchases were made through the C.W.S. The society's trade with non-members is about one-third of the total turnover, making the turnover per customer £105, about £140 per member and £15 5*s.* per £ capital. Average credit given to members is six weeks. The society holds shares in the C.W.S., also in the Midland Wool Growers. Running costs are 11·2 per cent. of the turnover, wages and salaries accounting for 31·5 per cent. of these, and local transport charges by the society's own lorries and horse-driven vans, 11·3 per cent. After paying 5 per cent. on both share and loan capital, the profit for the year amounted to £785, 5 per cent. of which was paid in bonus to employees, and a dividend of 4*d.* in the £ to members on cash paid for goods if shares were paid up to the amount on call, namely, 15*s.* Where the full amount was not paid up, the dividend was placed to the credit of the share account. Balance of profit was placed to reserve.

Derbyshire Farmers.

The society, formed in 1919 under the auspices of a few prominent advocates of co-operation, commenced operations in a large way, handling members' milk and supplying requirements. As early as 1920 there was a membership of 1,361 (now 1,384), £71,852 share capital and a turnover of £548,466, which had dropped in 1922 to £198,120, although the membership and capital had increased slightly. This was due largely to injudicious stocking of feeding stuffs, which created a very heavy overdraft. In the following year, share capital was written down to approximately half its value, and the society continued trading to the value of about £180,000 each year until 1927, when there was a further decline in the turnover. This, however, has been recovered, the turnover for 1929 being £179,507. The society handles over two million gallons of milk in the year, disposing of a considerable quantity from its own depot in London. Small quantities of butter and cheese are manu-

factured when there is a surplus; a few pigs are kept to consume the skimmed milk. The dairy department accounts for 65 per cent. of the total turnover and the running costs of this department are 7 per cent. of the turnover, of which salaries and wages are 57 per cent. Running costs of the trading department are 3 per cent. of turnover, wages and salaries accounting for 80 per cent. of this. The total turnover averages £130 per member, or £4 5*s*. per £ capital. Share capital now is £39,776 in 10*s*. shares and deferred shares of 1*s*. each, loans of £5,088 and an overdraft of £11,183. There are reserves of £2,924 and the land and buildings, including the London depot, have been written down by two-thirds of their value. Members have about two months' credit. No interest on share capital has been paid for some time; there is an accumulated loss of £6,431.

Brailsford Farmers' Dairy.

The society was formed in 1914 to handle members' milk. It has now 120 members, more than double the original number, and serves a radius of 4–5 miles. Members pay 30*s*. per cow entrance fee and take up a £1 share. After remaining as members for three years, their entrance fees are credited to them as share capital. It was laid down that reserve fund must equal share capital before bonus on milk supplies could be paid; this position has now been reached. According to the last figures available, share capital stood at £5,288, with reserves of about £6,000. Members are bound by contract to sell only to the society and the society does not purchase except from members. Milk is sold liquid, mainly to local industrial co-operative societies, and surplus is made into cheese at the society's creamery. On an average, 2,500 gallons are received daily, not far short of a million gallons in the year. The society could handle more than this, and is seeking to increase its membership. There is a subsidiary business in the sale of requirements, purchases being frequently set off against milk payments. This may amount to 30 per cent. of the turnover. The society is a member of the C.W.S. and buys largely from it. Turnover has increased steadily from about £42,000 in 1919 to £77,849 in 1929. The increase would naturally be more striking if measured in gallons, owing to the fall in prices. The turnover per member is over £600, an increase of more than 25 per cent. on the figure for 1923, and the turnover per £ of share capital is about £8. Running costs amounted to about 2 per cent. of turnover, a very low figure.

Ridgeway Farmers' Trading Society.

The society was formed in 1920 to carry on the sale of agricultural requirements. It has now 35 members and a share capital of £355. There is no loan capital. Sales have increased and now stand at £2,465, about £70 per member and £7 per £ of share capital. Running costs are 5½ per cent. of turnover. Credit to members averages four months, which may account for a small loss in 1929. There was

a profit, however, in the preceding year, and payment of interest on share capital was not suspended.

Crich and District Agricultural Co-operative Society.

The society was founded in 1916 for the supply of requirements; it has 76 members, share capital £138, and reserves £60. Competition with the much larger Derbyshire Farmers seems to leave it little scope. It operates on a truckload basis and has practically no expenses or outstanding liabilities. Turnover in 1927 was £425, and in 1929 £759, on which a small profit was made, paying interest on shares and a bonus.

Earl Sterndale and Longnor Dairy Association.

This society serves an isolated area in the Derbyshire hills, near Buxton, marketing members' milk and manufacturing cheese when there is a surplus. The 70 members are all small dairy farmers and deliver their own milk to the factory. The milk is sold by wholesalers in Manchester, mainly the C.W.S., who send their own lorries to fetch it. Share capital is £652 and the turnover in 1929 was £10,884, or £155 per member. There was a small profit. Non-members' milk is not accepted.

Manifold Valley Dairy Association.

This association is close to the Earl Sterndale and Longnor Association. It disposes of members' milk to wholesalers in Manchester, principally the C.W.S., converting surplus milk into cheese. There are 33 members, all small dairy farmers, who deliver their own milk to the factory. The £125 capital is in £1 shares fully paid up. The turnover for 1929 was £12,251, about £370 per member and £98 per £ capital. Running costs are 4 per cent. of the turnover, which is low for this type of society, salaries accounting for 58 per cent. of these costs. There was a small profit.

NOTTINGHAM

Almost all forms of agricultural co-operative organization are represented in this county. There is a flourishing requirements society in the north, which owes a large part of its success to an unusual development in the ironmongery business in Worksop, tending to make the society more of a consumers' business than was originally intended. There are two other requirements societies, one at Newark serving the middle of the county, and the other an old-established society working on a truckload basis with headquarters in Nottingham. On the marketing side there is a recently formed egg society, the Notts Egg Producers, at Worksop operating under the National

Mark, also two societies handling liquid milk and another for manufacturing cheese when there is a surplus. There is also a society, formed two years ago, to market beef and pork direct to retailers and consumers, and a threshing society.

North Notts Farmers.

The society was formed in 1918 to supply the usual requirements. Growing out of the supply of all kinds of materials and small implements to farmers, the society has developed a large ironmongery business among householders in Worksop. Certain difficulties with local agents had to be overcome in this business, also in connection with the supply of implements, but the society has now become strong enough to buy direct from the manufacturers and owns two shops in Worksop and one in Mansfield, which handle a considerable amount of the ironmongery business in these towns. There are 207 members, mostly large farmers within a 20-mile radius, but a large part of the trade is with non-members. Increase of membership is not sought, the society having sufficient capital and preferring to make sure of a dividend on purchases to a limited membership. In spite of this, capital has increased by £1,000 during the past two years and amounts to £15,326, in £ shares fully paid, and a reserve of £2,700. Turnover for 1929 was £127,000, £9,000 more than the previous year and the highest recorded by the society. This is £613 per member, £184 per customer, and £8 3*s.* per £ capital. Running costs amount to 5·9 per cent. of the turnover, salaries accounting for 62 per cent. The society does not purchase anything from the C.W.S., buying in the open market and taking corn from its members, which it grinds in its own mill. The society makes a handsome profit each year, and besides paying 6 per cent. on share capital paid a bonus of 3*d.* in the £ on members' purchases, increased from 2*d.* in the £ on the previous year and 1*d.* in the £ the year before. Average credit to customers is six weeks, and there is a corresponding overdraft.

Midland Farmers.

The society, founded in 1906 for the sale of requirements, serves the county of Nottingham and somewhat beyond, and has 919 members, most of them large farmers. Members take up a 5*s.* share on entering, of which not more than 1*s.* 3*d.* is paid up. Share capital has increased but little since the War and now stands at £1,286. There is a reserve fund of £3,457 and overdraft of £2,049. The society has an office in Nottingham but no warehouse or mills, and its whole business is on a truckload basis. Practically all trade is in requirements, but members' grain is handled to a small extent. The society runs on a small margin and aims at reducing prices, an object which it claims to have attained. Average credit to members is about two months; the society does not deal with non-members. It purchases largely from the C.W.S. but is not a member. Turn-

over fell by half after the War, and a gradual decline has taken place since. In 1928 the total was £58,725, and in 1929 £56,276, about £61 per member—rather a low figure for a district of large farms. As might be expected from the method of operation, the turnover per £ of share capital is high—as much as £43. Running costs amount to 3 per cent. of turnover. Interest on share capital at the rate of 5 per cent. has been paid until this year, when a loss of £306 was shown.

Newark Farmers.

The society was formed in 1919 and serves an area within a 15-mile radius of Newark, supplying feeding stuffs and fertilizers; it also markets corn and potatoes for its members on a small scale, the potatoes mainly to the local industrial co-operative societies. The Preston Farmers' travellers at Lincoln compete to a certain extent on the north, also the North Notts farmers and the Midland Farmers, which cover the whole county. There are 123 members, who vary from the large mixed farmer to the more intensive small-holder. Share capital is £2,285 10*s.* About two and a half months' credit is allowed, but there is only a small overdraft at the bank; the society owns no mill or branch depots, and makes its deliveries by lorry direct from Newark. The society has a reserve fund of over £1,100. The turnover in 1929 was £12,086, or £97 per member and £5 3*s.* per £ capital. Two-thirds of the society's business is with non-members, which makes the turnover per customer approximately £32. Running costs are 16 per cent. of turnover, wages and salaries accounting for 54·5 per cent., and transport charges 8·4 per cent. The society made a loss in 1929. Only offals and some seed are purchased from the C.W.S. There is considerable inter-trading with the Preston Farmers and other societies.

Kinoulton Farmers.

The society, started about five years ago to market milk, has 62 members. It owns a well-equipped dairy and cheese factory in Kinoulton, and draws supplies from the immediate neighbourhood. Share capital, £879, is contributed on a basis of two £1 shares per cow. There is a bank overdraft of £326. Plant and buildings stand at £1,056. Only about one-third of the members are milk suppliers. The remainder joined the society either as an investment or from semi-philanthropic motives. The society makes Stilton cheese in summer, but sells it green, as it has no facilities for maturing. There are also regular sales of liquid milk throughout the year, including about £500 to industrial co-operative societies. The society does not handle milk for sale liquid, merely arranging the contract, leaving the buyer to collect milk on the farms. This occasions some difficulty in bringing the remoter farms into the scheme. Sales are effected at N.F.U. contract prices. Members are in theory bound by contract with the society to supply milk, but this is not enforced in practice. An attempt was made to deal in requirements,

but this was dropped, as it was found impossible to carry it on without increase in staff. The only remnant of the proposal are certain sales of coal. It has been suggested that the society might attempt to retail milk, but no steps have so far been taken in this direction. In 1929 the turnover was £8,456, which includes sales of coal, £400. This represents a turnover in dairy produce of about £403 per supplier. The total turnover per £ of capital is £9 6s. Running costs were less than 2 per cent. of turnover, a low figure, considering that seasonal manufacturing is included. The rules provide for the payment of interest at 5 per cent. on shares, but profit may also be used for (*a*) " equalization of interest on share capital or of bonus " ; or (*b*) " distribution amongst the members of the society in the form of fully paid shares in such manner and proportions as the resolution may provide " up to a maximum of £200, after which such sums shall be credited to the member as non-withdrawable loan capital bearing interest at the same rate as share capital. The omission of any form of bonus on business done is unusual. No distribution has, however, been made so far, nor does there appear to have been a regular payment of interest on shares. In 1929 there was a trifling loss, but a surplus of £209 was carried forward.

Colston Bassett and District Dairy.

The society was formed about 1914 to market members' milk. It is within the Stilton cheese area and forms part of a group of societies described in more detail in the Leicestershire section. It owns a dairy and serves Colston Bassett village and the immediate neighbourhood. Membership has increased steadily and now stands at 53. Capital has also risen slightly and amounts to £1,127 with reserves of £2,151. There are no contracts, but the society usually receives the total milk output of its members and does not buy from non-members. It makes Stilton cheese in the summer months or at any other time when it is profitable to do so. It has also regular contracts for wholesale disposal of liquid milk. Although the society is described as doing well, its turnover has fallen steadily, though not very rapidly, and is now not more than two-thirds of the total immediately after the War. In 1927 turnover was £14,680 and in 1929 £15,664, about £295 per member and £14 per £ of share capital. There was a profit of £184 ; interest on shares was paid at 10 per cent. and a bonus to staff. A surplus of £684 was carried forward. Running costs were 9 per cent. of turnover.

Selston and District Farmers' Direct Trading Society.

The society was formed in 1927 to market meat direct to retailers and consumers in Selston, where it rents premises. There are 80 members within a radius of 5 miles, whose farms vary in size from 20 to 200 acres, all principally engaged in producing beef and pork. There are also a few retailers and consumers included. £185 capital has been subscribed in £ shares fully paid up. About 50 per cent. of

the meat is sold to members and the other half to the general public. Slaughtering is done by the society and the meat delivered in the society's own van. The turnover for 1929 amounted to £2,258 or £28 per member, and £12 per £ capital. Running costs were £370, or 16 per cent. of the turnover, wages, including £15 to officials, accounting for 60 per cent. of these costs, and transport charges 21 per cent. There is no loan capital or overdraft at the bank and the society showed a net profit of £80 on the year's trading after depreciating well. Five per cent. interest is to be paid on capital in future. Members are about two-thirds loyal and there appears to be no doubt that the society has raised the price of fat stock to the producer.

Worksop Threshing Society.

The society's business is managed by the Secretary of the North Notts Farmers in Worksop. There are 11 members who invested £1,200 in a threshing tackle some years ago, which they hire at a fixed charge. It is also hired by non-members. The machinery has been well depreciated and the accumulation of unappropriated surplus amounts to £2,000.

Southwell Farm Cheese Factory.

The society, formed in 1925, owns a factory for converting surplus milk into cheese and only operates a few months in the year. There are 42 members with share capital of £537. Members deliver their own milk to the factory; the turnover for 1929 was £1,519, about £36 per member and £3 per £ capital. The running costs are high, 18 per cent. of turnover. The turnover has increased steadily and the society is able to make a fair profit, paying 5 per cent. interest on share capital.

Notts Egg Producers.

The society was formed in Worksop in 1929 to market eggs under the National Mark. A flat rate was paid on all eggs received for a time, but members are now being paid according to grade. A large proportion of the eggs are being sent to the London wholesale markets. There are 68 members with share capital of £350. The first year showed a turnover of £2,467, about £35 per member and £7 per £ capital. Running costs were 10 per cent. of turnover. There was a small profit.

Normanton-on-Soar and District Farmers' Threshing Society.

The society, formed in 1917 to undertake threshing when this service was much in demand, has 9 members. Share capital amounts to £990, nearly all in threshing tackle. Very little hiring has been done recently and there are considerable accumulated losses. Unpaid debts of hirers equal nearly half the capital.

LINCOLNSHIRE

For some reason Lincolnshire has with one exception a record of singular unsuccess in farmers' co-operation. A requirements society on a fairly large scale at Lincoln was dissolved some years ago. A bacon factory at Ruskington was built and equipped in 1923, and began work in 1924; it had about 800 members, a share capital of £14,447, and an output capacity of 250 pigs per week, a somewhat low figure in proportion to the large capital (about £11,300) which was sunk in plant and premises. Nevertheless it was found impossible to secure a supply of pigs sufficient to keep the factory working to capacity, although the society paid carriage within a radius of 70 miles. The society sold bacon and pork and a proportion of lard and offals on commission through the English Farmers' Bacon Agency. The remaining offals and lard, together with sausages, etc., were sold either direct from the factory or through a retail shop in Nottingham owned by the society. After two years' working, the loss was so great that the killing of pigs was suspended and the factory confined itself to the manufacture of sausages and pies and the sale of live pigs. Shortly afterwards it went into liquidation. A small trading society handling potatoes existed for some time in the fen district, but has recently been dissolved. The only remaining organizations are a very successful egg marketing society and the newly formed Central Wool Growers, both with headquarters at Stamford, in the extreme south-west of the county. The co-operative supply of requirements is provided for to a certain extent by two organizations: a Lancashire society, the Preston Farmers, whose members in Lincolnshire are served by travellers; and the Lincoln Industrial Society, which sells feeding stuffs to a number of farmer and small-holder members. This industrial society has made unusual efforts to extend its work into the country. It has 25,000 members, of whom one-third are country people, agricultural labourers, a few small-holders (it is not a small-holding district) and some large farmers. The society has a 20–30 mile radius of activity round Lincoln city and 15 country branches originally established under great difficulties in the face of local opposition. The bulk of trade is in domestic goods, but there is also a sale for feeding stuffs and the society buys eggs and vegetables

from its members, collecting them by the delivery carts. Transport and other charges have remained relatively high in country branches. Profits vary between 6*d*. and 1*s*. in the £ and are very considerably lower than those made in city branches. All, however, receive a uniform bonus on purchases of 1*s*. 8*d*. in the £. The society started milk retailing on a large scale in the autumn of 1929, buying 5,000 gallons per week on contract from farmers, most of whom are members of the society.

Stamford and District Co-operative Egg and Poultry Society.

The society, formed in 1916 to market members' eggs, rents a depot at Stamford and collects over a radius of 10 miles. It has recently absorbed a private business at Bourne. Membership has increased steadily, and stood at 771 in 1929. Share capital is £518 with reserves of £470, some of it in equipment. A trifling quantity of poultry food is sold, but the bulk of the trade is in eggs, which are collected by the society's own lorries, tested at the depot and sold to retailers and industrial co-operative societies, etc., a fairly large proportion being sold over the counter at the society's own depot. The National Mark grading system was adopted in 1928; permission to use returnable cases was obtained and about half the society's output is dealt with in this way. The cash value of turnover fell somewhat after the War, but numbers appear to have increased steadily. In 1929 eggs sold numbered 2,580,000, an increase of 722,000 on the previous year, the value being £17,711 or £23 per member and £39 per £ of share capital. Running costs are low and have been steadily reduced; the figures for 1920–1, and 1928–9 may be compared in pence per dozen.

	1920–1	1928–9
Transport	1·67	0·34
Wages	1·25	0·70
Other charges	0·55	0·25
Total	3·47	1·29

The reduction in transport costs is especially noticeable. During the year, the society paid on an average 1*s*. 6*d*. per dozen and received 1*s*. 8*d*. After substantial depreciation, the society was left with a profit of £507 or nearly 100 per cent. on the share capital. This was distributed in 5 per cent. interest on capital, bonus to staff and bonus of 8*d*. in the £ to members on eggs collected, an allocation to reserve and a balance to carry forward.

Central Wool Growers.

The society, formed early in 1929, largely on the initiative of the Rutland Branch of the N.F.U., has 398 members. Support was

also obtained from the Lincoln Longwool Sheep Breeders' Association, from South Notts, and from North Northants, Leicester and the Soke of Peterborough. Premises were acquired at Stamford capable of holding 200,000 fleeces. The society undertakes road transport of wool to depot within a radius of 25 miles, and pays carriage on rail from any distance or makes an allowance on a ton-mile basis on fleeces delivered by the supplier. Sheets are provided by the society. Suppliers are recommended not to wash wool. Wool is weighed as delivered, graded, re-weighed in grades and members credited with the total weight of each grade. Advances obtained by bank overdraft are paid to suppliers up to 75 per cent. of estimated prices. The society handles any type of wool but has a certain advantage in the prevalence of the Lincoln Longwool breed over its proposed sphere of operations. Share capital is £1,898 and the turnover of the first clip handled was £42,002, about £108 per member and £22 per £ of capital. Running costs were 2·3 per cent. of turnover. After heavy depreciation there was a profit of £218; interest was paid on shares and balance carried forward.

RUTLAND

No agricultural co-operative society has its headquarters in the county but it is well within the area of the Stamford and District Co-operative Egg and Poultry Society, also of the Central Wool Growers. The Rutland branch of the N.F.U. took a prominent part in the formation of the latter organization. The best facilities for the co-operative supply of requirements appear to be from Melton Mowbray.

LEICESTERSHIRE

The county is peculiar from the co-operative point of view in that the most usual type of organization—the requirements society—is but little developed, while marketing organizations, including a recently formed egg marketing society at Loughborough, and comparatively rare co-operative forms, such as a cattle breeding society and a threshing society, are unusually well represented. There is one small requirements society, and the Melton Mowbray Farmers, it is true, has a flourishing requirements department, but its turnover (not more than about £30,000) does not rank it as more than a small to medium-sized undertaking as far as that side of its business is concerned. On the other hand, the Melton Mowbray Farmers conducts with great success, and on a large scale, one of the comparatively few farmers' stock auctions in the country and has also recently taken up the handling of eggs.

Further, there are in this area a number of co-operative cheese factories in many ways unlike anything else in England. These societies form so distinctive a group and have so much in common that certain general remarks about them are better made here than in the section dealing with any particular society. The group numbers seven, of which one is in Nottinghamshire. The others are situated in the strip of Leicestershire, about 15 miles long, lying on the eastern side of the Vale of Trent, bordering on Nottinghamshire. It is a district of relatively small dairy farms, from 50 to 100 acres and in most cases not more than 20–30 cows on each. There is a little stock raising and some poultry keeping in the district, but very little grain. There are fairly numerous villages in which, contrary to the usual English practice, many of the farmers live. Transport between villages is poor, the roads are frequently roundabout, the railway is of little service, and the bus routes radiate from Nottingham rather than connect the villages. It is difficult to say to what extent this concentration in somewhat isolated communities has been a factor in the success of co-operation in the neighbourhood; probably economic and technical considerations are more important. The district is a traditional centre for Stilton cheese making; this is almost confined to the "vale," as milk from the "hill" is said to be inferior for the purpose. Until about twenty-five years ago, cheese was universally farm-made. The pioneer co-operative societies introduced dairy manufacture; they were followed not only by other co-operative societies but by a number of proprietary concerns, one-man businesses, small (non-co-operative) groups of farmers, and large combines. The co-operative concerns, however, had a certain start. All the societies are small and local in their spheres of operations, mainly because milk intended for Stilton cheese will not bear much transport. It is claimed that this has made for "local interest, economies of management and genuine division of profits." The two last could probably be equally well secured if the business were on a larger scale, but the first is undeniable and the strength of all societies lies in the high percentage of farmers within each society's area who are members, and their exemplary loyalty. In some cases these two factors give the society a virtual monopoly over a few miles of country. The weakness of the societies is that, being unable or unwilling to

extend (in many cases their existing premises are working to capacity), they have not infrequently allowed a proprietary undertaking to establish itself in a neighbouring village, whence it can only be with the greatest difficulty dislodged. A more serious defect is inherent in marketing methods. Cheese, apart from small quantities sold back to members, is disposed of wholesale to cheese factors or large retailers. There is on the whole a good market for first-grade Stilton, but none for anything but the best. The societies, selling independently, compete with one another in the market and are inevitably played off against one another by the buyers. Sales of liquid milk present a rather different problem. The intervention of the societies doubtless secures the full advantage of collective bargaining and ensures full liquid price and steady outlet; but as the sales are often to large combines, it seems doubtful if any very striking price benefits can be obtained. It has been suggested that retailing should be attempted, but this course would be inevitably risky, even if all the dairies combined. The representatives of the dairies appear to meet occasionally to discuss milk prices; a more permanent committee dealing with cheese prices and cheese sales would seem to be desirable. It has also been suggested that such a body might attempt to advertise and so increase the market for Stilton cheese. It seems doubtful, however, how much the societies would be repaid for their trouble unless they were able to get into more direct touch with the consumer.

The methods of operation of the societies in this interesting group are described in the following sections. As will be seen, they vary considerably in cost of handling, turnover per member and similar points, showing that a uniform standard of efficiency has by no means been reached. It may also be observed that nearly all show a steady decline in turnover. This may to a large extent be due to the coincidence of falling prices and inelastic supply. It does suggest, however, that the societies should ask themselves whether they are putting up the best resistance possible to local competition and are carrying not only their production but their marketing to the highest point of efficiency.

Melton Mowbray and District Farmers' Association.

The society was formed in 1919 as a live-stock auction mart on the initiative of the local N.F.U. branch. Many members of the

branch (about 400) took up shares, from £5 to £10 in the case of farmers of over 200 acres and from £2 to £5 for smaller men. In this way the £1,500 required for initial expenses was secured. Capital has subsequently been increased to £3,751 and there is in addition a reserve fund of £5,308. The bulk of this is required to cover the credit given to purchasers. There are no loan capital figures on the balance sheet, but an occasional overdraft is employed. Membership now stands at about 450. The services of an auctioneer were secured and the society began regular sales in the public auction market owned by the town. The society has throughout charged a fixed commission, inclusive of tolls, which now stands as follows: Beasts, 4*s.*; sheep, 1*s.*; calves, 2*s.*–3*s.*; pigs, 1*s.*–5*s.*; poultry, 5 per cent.; horses, 5 per cent. for the first £20 and 2½ per cent. on the remainder. These rates compare very favourably with those charged in the neighbouring markets. They were at one time even less, but were raised owing to the raising of market tolls. After a few years the society also acquired a ring in Nottingham market. In addition the society conducts farm sales and occasional special sales, such as those for horses, bulls, wool, rams, breeding sheep, etc., also valuations. The business has been profitable from the first. The profits from the first year's trading allowed for an allocation to reserve, 6 per cent. interest on share capital, and a bonus of 2*s.* 6*d.* in the £ on commission earned from members. In 1920 a feeding stuffs department was started as well as a butcher's shop for the sale of members' meat, developments for which the increased capital mentioned above was raised. These departments account for perhaps one-fifth of the society's turnover. Supplies of requirements are obtained to a large extent from the C.W.S. of which the society is now a member. In 1922 a local society attempted to handle eggs, but without success and the business was dropped. In 1928 it was taken up by the Melton Mowbray Association which collected, graded and candled at a cost of approximately 1*d.* per dozen. Early in 1929 an average of 100 cases per week were being handled, but the society could increase up to 50 per day, in which event costs would be halved. Eggs are sold on the market and members paid what they have fetched, less cost of handling. During 1929, 3,315,648 eggs from 250 producers were sold. It was proposed to take up the Ministry's marking scheme as soon as it was launched. Sales of beasts, calves and pigs have fluctuated somewhat, partly owing to the incidence of foot-and-mouth disease; sales of sheep have none the less increased steadily. Horse sales appear to be diminishing to a certain extent; poultry sales have enormously increased. The figures for 1929 are: Beasts, 7,555; sheep, 19,586; calves, 2,313; pigs, 341; horses, 282; poultry, 56,849. Sales of requirements for the same year included 2,449 tons of meal, 904 of cake, 329 of corn, 157 of manure, 331 of coal, besides seeds and seed potatoes. The cash turnover of the society, which includes sales by auction, fell considerably after the War, but appears to be now once more rising. In 1929 it totalled £222,568 or £494 per member and

£60 per £ of share capital. The high figure for sales per member should probably be modified by sales on behalf of non-members. The proportion of business to capital is a striking one. Running costs amount to the small figure of 2·8 per cent. of the turnover. The society has depreciated fairly heavily and has further made regular contributions to reserve, paid interest at 6 per cent. on share capital and in addition has in most years paid a bonus to employees and a bonus to members on commission earned from them as well as on purchases. In 1928 the bonus was at the high figure of 2*s.* 6*d.* in the £. The society, and the auction mart in particular, seems to be steadily gaining in popularity and importance.

Coalville and District Farmers' Association.

The society was formed in 1917 and is run from an architect's office in Coalville for the modest charge of £5 5*s.* a year. Storage room is rented from the railway company and there is one small subsidiary depot. The society contracts for haulage. The members are small dairy farmers very much scattered, the furthest being 45 miles away. Trade is mainly in feeding stuffs, little being done in fertilizers and seeds. There are 38 members, who have subscribed £240 capital in £ shares fully paid. Supplies are purchased almost entirely through the C.W.S. Turnover in 1929 was £2,204, about £58 per member and £9 per £ capital. About one-quarter of the trade is with non-members, making the turnover per customer £47. Running costs were 5·6 per cent. of the turnover. A small profit was made last year, sufficient to pay the usual 5 per cent. interest on capital. Outstanding accounts show that nearly three months' credit is allowed, accounting largely for the overdraft, which is rather more than the capital. Against this there is a reserve fund of over £100. The society offers a small Prize at the Annual Fat Stock Sale.

Loughborough and District Farmers' Association.

This society, formed in 1928 to market eggs under the National Mark, has 77 members. It does not own any premises but has an arrangement with an ice factory in Loughborough to grade the eggs at ½*d.* per dozen, including use of the premises. All appliances are the property of the society. This arrangement has enabled the ice factory to employ its staff all the year round. Eggs are collected by the society within a 20-mile radius. The Melton egg station competes to some extent in the district and a suggestion is being considered to set up a central selling agency in Leicester to handle the eggs of these two societies. Eggs are marketed in Loughborough or sent to Birmingham and London by rail. The society is anxious to develop its connections in Loughborough, but there is considerable opposition from the grocers, who have bought direct from the producers for many years and offered better prices to keep the society out. The turnover, however, is increasing satisfactorily, and the connection in Loughborough is being extended by one of the members who already has a milk round. It is considered that the bulk of the

output ought to be disposed of in Loughborough, and if the grocers continue to refuse National Mark eggs, the society may open a retail shop in the town. Some eggs are being sold to the Co-operative retail stores, but the price is not found to be satisfactory. Eggs are accepted from members and non-members. The Committee would like to deal only with members and under contracts, if they could be enforced. Share capital is £231. Turnover in 1929 was £4,202, about £55 per member and £18 per £ of share capital. Running costs work out at 2*d.* per dozen, including ½*d.* paid to the ice factory; in 1929 they were 6 per cent. of turnover. There was a small loss.

Long Clawson Dairy.

The society, formed in 1912, is the largest of the group of relatively small co-operative dairies manufacturing Stilton cheese in Leicestershire and South Nottinghamshire. There are 77 members. The radius served is not more than 3 miles and includes the villages of Long Clawson, Hose, Holwell and Hickling. Within this area practically all farmers are members. The society does not, except on rare occasions, take milk from non-members. As the society is surrounded by other similar societies, there is little opportunity for expansion, and membership has remained almost stationary. Shares are taken up on a basis of £2 per cow, of which £1 is paid up on application. Share capital is £1,293 with bad debt reserves of £70 and a bank overdraft of £4,666, jointly guaranteed by the bulk of the society's members. The overdraft is of a seasonal character and is required to enable the society to carry heavy stocks of cheese in the latter part of the year. A considerable proportion of capital is in two freehold factories at Long Clawson and Hose respectively, to which members deliver their milk. The society also collects by motor from Hickling. The rules provide that every member must enter into an annual contract to supply all his milk to the society at a fixed price. If he terminates or fails to renew his contract he is liable to expulsion, with repayment of his share capital; if he breaks it, he is liable to a fine of 1*s.* per cow per day. In practice only one member has been so expelled in the society's history and legal fixed-period contracts have been practically replaced by an implied obligation to sell all milk through the society—an obligation with which members faithfully comply. Payments to members are made monthly, prices being usually based on the N.F.U. scale. The society handles 500,000 gallons a year, of which about half, including the bulk of the summer milk, is made into Stilton cheese; a small quantity (perhaps 200 gallons per week) is made into cheese in the winter. The greater part of this and the early summer cheese is sold green to the colliery districts; the remainder is ripened for the Christmas trade. The whey is sold back to members for pig-feeding. The remainder of the society's supplies, including the greater part of the winter milk, are sold liquid to retailers, mainly in Nottingham and Leicester, the society's lorries collecting and delivering direct to purchasers. Railway milk, however, is cooled at the dairy before

dispatch. Milk and cheese to the value of several thousand pounds is sold to the industrial societies. The society's turnover fell considerably in value immediately after the war and there was a further slight but continued decline until 1927, when there was an improvement which brought the figure to £27,134; in 1929 it was £23,474, about £305 per member and £18 per £ of capital. Running costs amount to 9 per cent. of turnover. Staff varies from 6 or 7 in winter, to 20 in the cheese season. The society has passed through some difficult years, and incurred fairly heavy losses in 1926. In the year following, however, the position improved and the loss was partly paid off. In 1929 there was a profit of £278 and a surplus of £17 was carried forward.

Stathern and District Dairy.

This dairy, one of the Stilton cheese group, was started in 1920 and serves the immediate neighbourhood of Stathern. It has 26 members; supplies are drawn almost entirely from members, though occasionally non-members' milk is taken. Share capital is £845 and reserves £181; there is an overdraft, £1,222. The greater part of the capital is in land, buildings and plant. Besides owning one dairy, the society has rented another as well as a depot for milk-cooling. Members are bound by rule to send all their supplies to the society; they may only withdraw with the committee's consent. Trouble with disloyalty is almost unknown. The society tests for butter fat content and cleanliness. Milk is made into Stilton cheese whenever it is profitable to do so and is paid for on a basis of the estimated price of cheese for the forthcoming year less 1*d.* per gallon to cover costs of manufacture. Liquid milk, on the other hand, is paid for at the price received from retailers or others to whom it is transmitted. The society finds a ready market for the best quality cheese. A proportion of it goes to the C.W.S., which buys on behalf of the retail industrial societies. The society is a member of the C.W.S. and does a certain business in agricultural requirements derived from it. The society has passed through several difficult years, including that of the General Strike, when the demand for "green" cheese in the colliery districts fell off heavily, leaving the society with no outlet for its second-grade cheese. The position, however, is now improving, and the society is recruiting new members from the "vale". Farms on the "hill" do not produce milk of the right quality. The society keeps pigs to consume surplus whey, and the undertaking appears to be profitable. Turnover declined steadily after the war until 1928, when there was a recovery of just under £10,000, of which the principal items were: milk, £4,943; cheese, £2,884; meal, £1,227; pigs, £916. In 1929 it was £8,278, about £317 per member and £9 5*s.* per £ of share capital. Running costs were about 10 per cent. of turnover. Certain losses were carried forward from 1927, but these were rather more than wiped out by the profit from 1928. The profit in 1929 was £126. Interest on shares was paid and a balance of £127 carried forward.

Scalford Dairy.

The society, formed in 1903, is the oldest of this group of Stilton cheese societies. It serves the immediate neighbourhood of Scalford and has 39 members, a figure which has varied little for a number of years. Share capital is £771, and reserves £1,071. Members contract to supply milk from a stated number of cows for a given period. The society has a factory at Scalford which works to capacity in the summer (May to September) in the production of cheese. A little cheese-making is done at other times. The society's main business, however, is now in the sale of liquid milk, paying the supplier the price received, less the cost of cooling, without taking any profit on this part of the business. Before the war some business was done in requirements, but this has been dropped. Turnover has been falling gradually for a number of years and is now less than half that at the close of the war, in part attributable to falling prices and inelastic supply; in 1927 it was £5,899, and in 1929 £5,117, about £130 per member and £6 6*s.* per £ of capital. Running costs are 8·4 per cent. of turnover. There was a loss of £54, making total of £156.

Harby Farmers' Dairy.

The society was formed in 1920 by a group of farmers dissatisfied with the prices obtained from the local proprietary creamery. There are 14 members with share capital of £666, reserves of £780, loan capital of £270, and an overdraft of £207. The society owns a cheese factory, which is usually working to capacity. A certain amount of liquid milk is sold, but the quantity is not large. Turnover, unlike that of some of the older societies, has risen slowly but steadily since the formation of the society; in 1927 it was £7,743 and £7,952 in 1929, or £568 per member—a very high figure—and about £12 per £ of share capital. Running costs are less than 7 per cent. of turnover. There was a profit of £476, which was carried forward, accumulated profits providing 5 per cent. interest on shares, £256 bonus on supplies, and a bonus to staff.

Ashby Folville Co-operative Dairy.

The society, formed in 1922 to market members' milk, is in the same area and closely resembles the foregoing societies; it owns a dairy and cheese-making premises, and serves the village of Ashby Folville and its immediate neighbourhood. It has 24 members with share capital of £1,199, a depreciation fund of £130 and overdraft of £503. The society receives the total milk output of members and does not buy from non-members. It makes Stilton cheese in the summer months or at any time when it is profitable to do so. It has also regular contracts for the sale of liquid milk wholesale. Turnover has fallen in the last few years; in 1927 it was £10,245, and in 1929 £4,778, about £200 per member and £4 per £ of share capital. Running costs are 7·5 per cent. of turnover. There was a year's loss of £50, reducing accumulated surplus to £19.

Melton Mowbray Dairy Farmers.

The society, formed in 1922 to manufacture Stilton cheese, has 46 members divided into A and B shareholders, according to whether they supply milk or have merely contributed capital. No non-members' milk is accepted. Share capital is £2,110 and there are loans of £1,651. The dairy built by the society in Melton Mowbray stands at £2,402. Members are under contract to supply. The society's main business is in Stilton, though a certain quantity of liquid milk, mostly accommodation, is also sold. The cheese factory is not yet working to capacity. The society did badly during the first two years of its existence, but is now said to be on a firmer foundation, though turnover shows a tendency to fall; in 1927 it stood at £8,107, and in 1929 £6,143, about £133 per member and not quite £3 per £ of share capital. The turnover per supplier would be much larger as there are a number of non-supplying shareholders. Running costs amount to about 15 per cent. of turnover. A profit of £431 was made in 1929, which was set off against accumulated loss. The society works in close touch with and is composed to some extent of the same individuals as the Melton Mowbray District Farmers' Association.

Leicester and Rutland Cattle Improvement Society.

The society was formed with the support of a few wealthy hunting men and some assistance from the Ministry of Agriculture. The object was to purchase good bulls, which might raise the standard of stock in the county. At one time the society owned 8 bulls, which were placed in certain districts where not less than ten farmers had signed a contract to use the bull. A smallholder was selected to keep the bull, and paid a fixed sum per year by the society for its expenses. Anyone in the district might then use the bull for the payment of a small service fee of about 5*s*., depending on the quality of the bull. The bulls were badly looked after and the farmers did not support the society. It has only one bull now and is going into liquidation. The Ministry's stock improvement scheme has taken the place of the society. The capital was £225 and the membership 29, but none of the members were small-holders by whom the bulls were to be used, and this no doubt accounts very largely for the lack of support the society received.

STAFFORDSHIRE

Owing no doubt largely to the industrial development of the county, it has only one agricultural co-operative business, a large requirements society, which serves the territory very thoroughly, dealing mainly in feeding stuffs and fertilizers. The same society attempted to run a number of auction markets, also a dairy, but although they have not all been sold they are no longer managed by the society.

Staffordshire Farmers.

The society, formed in 1919, has headquarters in Wolverhampton with six branch depots in various parts of the county. The society originally attempted to run four auction markets, also a milk business, besides supplying general requirements, but accumulated a loss of £6,000. Eventually it was decided to write down the £ shares to 10*s.* and reorganize the business. A new manager was engaged, the dairy premises were rented to a private firm and the auction markets either sold or rented. The society deals in feeding stuffs, fertilizers and general requirements and has been able to wipe out the loss in two years and show a credit balance. There are 1,235 members, including some large estates, but mainly dairy farmers and a few small-holders. Members' corn is purchased and either retailed to backyard poultry keepers from the society's own shops, or sold to the other co-operative societies for the same purpose. Share capital amounts to £29,365 in 10*s.* shares either fully paid or 7*s.* 6*d.* paid up. There is also a small loan capital. The turnover for 1929 was £203,655 or £165 per member, £6 9*s.* per £ capital. A considerable proportion of the society's trade is with non-members; the rather low proportion of turnover per £ capital is accounted for by the large amount of capital tied up in the dairy plant and auction markets. The society is a member of the C.W.S., buys most of its requirements through it, banks with it, and has both share and loan investments in it. There is also a small investment in the Agricultural and General Co-op. Insurance Society and the Market Drayton Cattle Market Co., formerly one of its own auction markets. The running costs amount to 6·1 per cent. of the turnover, salaries and wages accounting for 61 per cent. of these costs. Average credit allowed is about two months and there is an equivalent overdraft at the bank. The general reserve and reserve for bad debts amount to £4,000. After depreciating generously and wiping out the loss, interest on share capital was paid this year at 3 per cent.

SHROPSHIRE

The county is served by two large requirements societies, one serving a wide area over the north of the county and the other of special interest as it sells a large quantity of wool for its members and other customers direct to manufacturers in Bradford; and a smaller society on the Welsh border. Other societies engaged in marketing are the Midland Dairy Farmers, one of the largest and most successful dairies in the country, with head office at Shrewsbury, a newly formed National Mark Egg society, and a small, old established greengrocery business, which is no longer strictly co-operative.

Shropshire Farmers.

The society was formed in 1904 to supply farmers' requirements. Its headquarters are in Shrewsbury and it covers the greater part of North Shropshire. The membership of the society has been stationary for some years at 1,224. Most of the older members are fairly large farmers; in recent years the society has acquired a number of small-holder customers whom it hopes to bring in as members. They purchase in comparatively small lots, necessitating a slightly different scale of prices to that for members purchasing in bulk, but they are highly satisfactory as supporters of the society, loyal, prompt and reliable in payment. The share capital of the society has been written down to £17,731. There is a bad debts reserve of £1,261 and an overdraft of £13,596. The society has four warehouses and an investment of £11,190 in the C.W.S., and buys feeding stuffs and cake from it to the extent of about a quarter of its turnover. It also sells fairly large quantities of members' grain, beans, etc., small quantities of which are resold to members, most passing to private millers. Clover and grass seeds are both sold to and purchased from the Eastern Counties Agricultural Co-operative Association. The turnover of the society was halved immediately after the war and has fluctuated somewhat since; in 1927 it was £92,096, and in 1929 £68,400, about £56 per member and £4 per £ of share capital. Average credit is three months. Running costs are 5·6 per cent. of turnover, which included £11,829 of members' produce sold. On the year's trade there was a loss of £992, making a total of £3,691.

South Shropshire Farmers.

The society covers a wide area in Shropshire, having its headquarters at Craven Arms, conveniently placed on the railway line with a private siding. It deals in feeding stuffs and fertilizers and to some extent in implements. Large quantities of corn are purchased from members and other customers, also wool, which is sold direct to manufacturers in Bradford, sales in the last year (1928–29) being £20,000. There are 257 members, all large sheep and arable farmers, but 80 per cent. of the trade is with non-members. Share capital is £4,806, in 15*s.* shares, 5*s.* paid up. About eleven weeks' credit is the average, which accounts for a fairly large overdraft at the bank. There is a small reserve. The total turnover, including grain and wool sales, amounted to £71,569 or £280 per member, £56 per customer and £15 per £ capital. Running costs were 3·6 per cent. of the total turnover, salaries and wages accounting for 62 per cent. and transport charges 1·3 per cent., which is exceptionally low on account of the proximity of the warehouse to the railway and the fact that the society's business is almost entirely on a truckload basis. The motors and machinery are depreciated well. The society holds shares in the C.W.S. and the Staffordshire Farmers, and purchases a considerable proportion of its supplies through the C.W.S. It pays 5 per cent. interest on capital and has definitely established

itself after a difficult period when, due to mismanagement and a considerable financial loss in the A.W.S., it was obliged to write down its capital to approximately half; turnover dropped in the period 1920–2 from nearly £80,000 to £20,000, partly to be accounted for by the severe fall of prices.

Weston Rhyn Farmers.

The society was formed in 1905 to supply requirements on the Welsh border. There are 98 members, who have subscribed a capital of £1,018, loans amount to £486 and reserves £1,005, and there are investments in the C.W.S. of £1,209. Turnover, which has varied little in the past few years, was £11,935 in 1929, about £121 per member and £11 7*s.* per £ share capital. Running costs were 5·8 per cent. of turnover and there was a profit of £270, which was distributed in the usual 5 per cent. interest on shares, a dividend of £155 on members' purchases and a bonus to staff, carrying forward a surplus of £330.

Midland Dairy Farmers.

The society, founded in 1921 to market members' milk, has headquarters in Shrewsbury and depots in Birmingham, London and Manchester. It has 315 members, representing a considerable increase, and also draws supplies from non-members. Share capital, which has risen steadily, is £20,092. There is a sinking fund of £500, reserve funds of £2,752 and a bank overdraft of £18,569. Property and plant, including three creameries at Crudgington, Dorrington and Nesscliffe, stand at £31,729. Supplies are drawn mainly from the parts of Shropshire round these creameries and the Shrewsbury depot. Milk is usually collected by the society's lorries; in some cases a group of suppliers combine to send through a collector, or the supplier delivers his own milk to the creamery, or in a few cases dispatches it on rail. Most members are under annual contract to supply. Two classes of selling are permitted, one allowing a 10 per cent. and the other a 20 per cent. variation in quantity either way from the basic quantity fixed by the member himself. Any milk in excess of this quantity is taken by the creamery at 2*d.* per gallon less than the contract price, and a 2*d.* per gallon fine is payable on every gallon short. The farmer must sell all milk to the society except what he may retain for his own use. Milk must reach a certain butter-fat and solid content and be refrigerated before sale. Deliveries are usually once a day, but two deliveries may be insisted upon. The supplier agrees to pay damages to the society if he ceases to supply milk during the contract period. Milk is either sold wholesale, including occasional sales of accommodation milk to the industrial societies, or is made into cheese; pigs are also kept. Members also make a certain amount of cheese on the farm from their surplus. Turnover has risen steadily and has nearly doubled in value since the formation of the society. In 1927 it stood at £126,750, or £422 per member and £6 6*s.* per £ of share capital. In

1929 it was £117,747. Running costs were 6 per cent., excluding manufacturing cost, and 18 per cent. inclusive. The society depreciates heavily and has accumulated losses of £3,056. Consequently no interest or bonus has been paid in recent years.

Shropshire Egg Producers.

The society was formed in April, 1929, with 68 members to market eggs under the National Mark. It rents premises in Craven Arms and collects the eggs from its members by van. Already the effect has been to raise the general price of eggs in the district paid by the higglers, etc. Accounts are settled weekly, according to the proportion of eggs under the different grades. For a time a flat rate was paid on all eggs brought into the station; this gave less work for the clerical staff, but caused dissatisfaction among producers owing to the difference in standard between one producer and another. Some of the eggs are sent to Smithfield, but the society is trying to work up a connection with retailers in Birmingham, delivering the eggs by road. The capital in £ shares fully paid amounts to £350. The first half year's trading account showed a profit of £12 on a turnover of £2,467 but after writing off preliminary expenses a loss of £125 was carried forward.

Shropshire Co-operative Produce Society.

The society was started during the war for selling surplus garden produce, mainly fruit and vegetables but including a small trade in eggs. It had at that time about 400 members. Membership has since been halved, but capital and turnover have increased. The society, however, does not confine itself to members' produce and to-day is in effect a well-equipped greengrocery shop selling a small proportion of surplus produce for the owners of large gardens. Eggs, however, are sold wholesale more frequently than through the shop. Share capital stands at £1,222 and turnover at £22,710.

HEREFORDSHIRE

The county is served by three requirements societies which also handle members' produce on a considerable and growing scale; one serves an area of about 30 miles radius and is a registered miller of National Mark Flour. One of the others has its headquarters in the country but does a large part of its trade in Wales and is affiliated to the Welsh Agricultural Organization Society.

South Herefordshire Agricultural Co-operative Society.

The society was formed in 1919 to supply feeding stuffs, fertilizers and seeds, and owns flour and provender mills at Ross and Monmouth, being registered millers of National Mark flour. The Ross

premises have recently been fitted with the latest machinery for mixing feeds and cleaning seed, corn and clover. There are 500 members, arable and dairy farmers, also small-holders and poultry keepers, spread over an area of approximately 30 miles radius. Half the society's trade is with non-members. It buys milling wheat, seed, corn, grass and clover seeds, eggs and other dairy produce, from its members, eggs being collected by the society's delivery vans. Share capital is £23,687, and reserve funds £5,672. Bank overdraft was £10,381. Credit of three months is allowed. Turnover in 1929 was £81,695, about £163 per member and £3 4*s*. per £ capital, a low figure accounted for by the large proportion of capital invested in land and buildings, wagons and motors. The turnover includes £1,161 of members' produce. The profit in 1929 was £1,599; 6 per cent. interest on share capital was paid and a bonus on members' purchases. Running costs were 10 per cent. of turnover, including all services.

Ledbury Agricultural Co-operative Society.

The society, formed in 1919, serves an area of about 14 miles radius from its depots at Ledbury, Dymock and Much Marckle. It owns premises and mills in Ledbury. Besides supplying general requirements, it markets members' poultry, pigs, eggs, fruit and wool and buys a small quantity of corn from members. There are 172 members, farmers and small-holders, who have subscribed a share capital of £5,553 in £1 shares fully paid up. About a quarter of its trade is with non-members. Turnover in requirements in 1929 was £40,393, and in produce £5,110, of which pigs represent £3,171. Total turnover per member was £264 and £8 2*s*. per £ capital. Running costs are 5·5 per cent. of turnover, salaries being 54 per cent. of these costs. Members' credit averages three months, which necessitates a fairly heavy overdraft. About 20 per cent. of its requirements are bought from the C.W.S. Both the requirements business and the marketing of members' produce showed a loss last year, but the society was able to pay the usual 5 per cent. interest on share capital and a small bonus to employees. No charge was made for depreciation.

Hay and District Farmers' Co-operative Society.

The society was formed in 1919 to supply requirements over a 10 miles radius from its two depots at Hay and Talgarth; members' grain is also purchased. There are 77 members, including a number of small-holders and very little trade is done with non-members. Share capital is £4,622, and there are reserves of £2,715. Turnover has varied little for the past few years and was £27,092 in 1929, about £361 per member and £5 8*s*. per £ share capital. Running costs were 4·2 per cent. of turnover and there was a profit of £511, distributed in the usual 5 per cent. interest on shares, a bonus to staff and £455 allocated to reserve, leaving a surplus of £511.

MONMOUTHSHIRE

One society established in the county supplies requirements on a fairly large scale, including groceries. The South Herefordshire Agricultural Co-operative Society, also, has a depot at Monmouth and serves the north of the county, and one or two of the Welsh societies supply the west border.

Chepstow Farmers.

The society was formed in 1920 and serves the south of Monmouthshire, owning premises in Newport. There are 274 members who have subscribed a capital of £13,710 and there is a reserve fund of £200. Besides feeding stuffs, fertilizers and seeds, a considerable trade is done in groceries. The turnover has been approximately the same since 1922; for 1929 it was £55,569, or £202 per member and £4 per £ capital. Running costs were 8·4 per cent. of the turnover, salaries and wages accounting for 65 per cent. and motor expenses 12 per cent. of these costs. The society shows a good profit and pays 6 per cent. on share capital, a dividend on members' purchases and a bonus to employees, besides depreciating very generously. Members' credit is under two months and there is a negligible overdraft at the bank. The society holds shares in the C.W.S.

GLOUCESTERSHIRE

The county is well served by two requirements societies which also handle considerable quantities of corn, and a truckload society. There is a fairly large dairy society wholesaling liquid milk and a considerable fruit and egg marketing society working on up-to-date lines, including grading under the National Mark and running an auction market in Cheltenham. There is one smaller fruit growers' society. One or two small egg societies (turnover £1,000 to £7,000) operated for a number of years in the county, but have recently passed into private hands; to some extent their trade has gone to the larger society mentioned. A co-operative auction market at Winchcombe, although not officially liquidated, has also passed into private hands. There is no meat or wool marketing society in the county.

West Midland Farmers.

The society was formed in 1901 to sell agricultural requirements. A society known as the West Midland Co-operative Mill was merged with it in 1919 and there was a further amalgamation with a subsidiary society, the Western Farmers, in 1925. The society covers

the whole county, together with the Hereford border, and runs up to the territory of the Worcestershire and Oxfordshire societies. Membership in 1929 stood at 1,215 and has been more or less stationary for a number of years. There is little trade with non-members. Farms in the district run from 300 to 400 acres, but the society has a few small-holder members. Share capital stands at just under £20,000, with a reserve fund of £1,650. A bank overdraft of £3,660 has been wiped out in the year by careful attention to stock and members' outstanding accounts. C.W.S. and other co-operative investments amount to £1,536 and £7,800 stands against property, including warehouses and a mill at Gloucester. The society was involved in the A.W.S. collapse but has cleared off all its liabilities. As a member of the C.W.S. it buys there to the extent of about one-sixth of its purchases. Turnover has fluctuated considerably since the society's foundation. The usual peak was reached in 1920, since when a sharp decline and partial recovery has taken place. Just before the slump the society's capital was increased as much as 20 times, and this absorbed all profits for the next 4 years. Turnover in 1929 was £124,300, or about £102 per member and £6 per £ of share capital, on which was a profit of just under £2,000. An average of one month's credit is allowed to members. Running costs, including mill expenses, are only 4 per cent. of turnover—a very low figure. A bonus on purchases has been paid every year except the four mentioned above and has varied between 2*d.* and 1*s.* in the £, the average being about 6*d.* Interest on capital is paid at 5 per cent. and it is usual to pay a bonus to staff.

Lydney District Farmers' Co-operative Society.

The society, formed in 1904, serves the compact strip of Gloucestershire on the north of the Severn, having its headquarters, including a mill, at Lydney. There is also a depot at Whitecroft. Members are largely small-holders raising pigs and poultry and the society supplies them mainly with feeding stuffs and some fertilizers. Members' corn is also bought and last year, by buying from non-members as well, the society handled the whole of the corn grown in the district. It is resold to members for poultry food, or after being ground in the mill, for pig food, and the surplus is disposed of to other co-operative societies or on the open market. Share capital is £6,621; reserves, £5,321; loans, £150; and overdraft, £1,220. Turnover for 1928 was £51,621, and for 1929 £45,904, about £100 per member and £6 7*s.* per £ capital. A small proportion of trade is with non-members who are encouraged to join the society, as is indicated by the steady increase of members each year; there were 386 in 1925, 416 in 1926, 441 in 1927, 453 in 1928, and 461 in 1929. About three months' credit is taken by members. Running costs are about 8 per cent. of turnover. In 1929 there was a profit of £1,890; after allowing 5 per cent. interest on share capital, a bonus on purchases and to employees, and provision for depreciation and reserve, £3,273 was carried forward.

Cirencester Farmers' Association.

The society was founded twenty-five years ago to supply requirements on a truckload basis to local farmers and landowners. It has now 142 members representing a steady increase. Share capital is £211 and reserves, £82. The society is run part time by the bailiff on a large local estate. Requirements are bought by the truckload and sold for cash in seven days. A small proportion is derived from the C.W.S. No marketing is undertaken except comparatively small purchases of members' grain. Turnover has fallen somewhat since the war and in 1929 was £12,670, about £90 per member and £60 per £ of share capital. Running costs were under 2 per cent. of turnover. A profit of £233 provided 6 per cent. interest on shares, a bonus of £266 on purchases, carrying forward £332.

Gloucester Farmers' Milk Depot.

The society, formed in 1912 to market members' milk, has a dairy in Gloucester and draws supplies from the country round. The members now number 381 and are mostly large farmers. No trade is done with non-members. Share capital is £4,426 and there are bonds to the value of £1,360 and reserves of £2,492. Rather over half the society's capital is in property and plant. Its main trade is in liquid milk, which is collected (in most cases by the society's own lorries) cleaned, pasteurised and sold wholesale to the trade in London, Sheffield, South Wales and elsewhere. A certain proportion passes to a subsidiary retail society, County Dairies. Customers formerly included several industrial co-operative societies, but during 1929 this trade was lost, as the C.W.S. opened a depot in the neighbourhood. A little cheese—Cheddar, Caerphilly and Gloucester—is made in periods of surplus, but the trade is not profitable. The society has no contract with its members; under a twelve months' general agreement all milk is taken at market prices, any price payable in addition to this ranking as bonus. The turnover was about £100,000 in 1928 and £72,267 in 1929, about £190 per member and £16 per £ share capital. Running costs are roughly 5·7 per cent. of turnover, which is very low. A profit of £802 paid the regular 5 per cent. interest on share capital and £1,520 was carried forward.

County Dairies.

The society was formed in 1923 as a subsidiary company to the Gloucester Farmers' Milk Depot to retail that society's milk in Gloucester. There are also 8 individual members who supply County Dairies direct. The share capital is £358. The turnover in 1929, including dairy produce and eggs, was £4,619, on which there was a profit of £330, reducing the accumulated loss to £161. Running costs were 23 per cent. of turnover.

The Gloucester Marketing Society.

The society was formed to take over a fruit auction market in Cheltenham, which it has operated for some years. Some time

before the National Mark for eggs was instituted, the Ministry of Agriculture used the society as an experimental station for the better marketing of eggs. This side has now been very much developed; with the assistance of the Ministry premises were built to handle large quantities of eggs under the National Mark. The capital of the society is £6,525 and there is a loan from the Ministry of £1,500 which the society is paying off. The capital is subscribed by 275 members. The 1929 turnover showed an increase of £3,000; in fruit and vegetables it was £45,035 (contributing £3,352 in commission), and in eggs £36,829. This is an average of £297 per member, but a large proportion of the society's trade, however, particularly in the auction market, is with non-members. Eggs were formerly sent to wholesalers in London, but practically the whole supply was disposed of to large retailers in Birmingham in 1929. Running costs were 7·7 per cent. of the turnover, salaries, wages and porterage accounting for 40 per cent. of these costs, and delivery charges, including wages, insurance and depreciation, 12·6 per cent. The cost of egg cases and materials is a heavy item owing to the compulsory use of non-returnables under the National Mark scheme, being 14 per cent. of the total running costs. The society received a small annual grant from the Ministry of Agriculture which expires this June, also some remuneration for training pupils for other National Mark packing stations. Profit last year was £1,204, which paid a 5 per cent. dividend on shares, £200 to reserve, 5 per cent. bonus to the staff, £275 goodwill written down, and a balance of £111 carried forward.

Frampton and District Growers.

The society was formed in 1918 and undertakes the purchase of small-holders' requirements and the sale of their produce, including potatoes, cider, eggs and fruit. There are 70–80 members. Share capital amounts to £305 and there is a loan of £225. The turnover in 1929 was little over £2,000 or about £27 per member and £7 per £ of share capital. Running costs reach 12 per cent. of turnover, a somewhat high figure.

WORCESTERSHIRE

The county has one requirements society of fair size and conducted on the usual lines, but its peculiar co-operative interest lies in the methods of fruit marketing adopted, which are unusually important and well developed. Fruit preserving has twice been tried on co-operative lines without success, but two co-operative auction marts and one marketing society have attained considerable proportions and remarkable success. Two societies outside the county—the Growers Sales (Coventry) and the Gloucester Fruit and Vegetable Co-operative Marketing

Society—belong to the same group and follow similar methods. There is no co-operative provision for dairying or meat or egg marketing within the county, but the Gloucestershire societies operate across the border.

Pershore Co-operative Fruit Market.

The society, formed in 1909 to establish a co-operative auction mart for fruit and vegetables, is situated in the centre of the West Midland fruit-growing district. Membership has risen from 126 at the start to 566. Capital is contributed by members in £1 shares. About 1920, the rules were revised; to qualify for bonus members were required to take up £1 shares for every £10 of produce which they proposed to sell through the society; further quantities of produce are accepted, but do not qualify for bonus; the maximum shareholding of £200 entitles the holder to bonus on any quantity of produce. Share capital is now £11,100. A reserve fund (£5,000 in 1927) was invested until recently, when the temporary rise in the bank-rate made it desirable to avoid overdraft and the reserve fund was in part employed as working capital; it is still shown at £4,926, besides a bad debts reserve of £1,328. Auctions are held daily in summer and frequently occupy the entire day. In winter they are held three times a week, from 11 a.m. to 2 or 3 p.m. Auctioning takes place in a covered market into which vehicles can be brought, produce being unloaded straight on to the floor where it is auctioned. It is checked on entry and the particulars of sale are afterwards entered on the same sheet, a copy of which is handed to the buyer. Prices are published regularly. Growers may send in any quantity or type of produce without preliminary notice. Any unfair packing discovered before buyers have removed their purchases leads to a cancellation of the sale and a fine on the grower responsible. Buyers are to a considerable extent agents buying on commission. The society's commission is 7½ per cent.

Besides the auction mart, the society has two additional methods of sale; firstly, by contract, in which case the grower loads direct on rail, the society charging a half commission on contracts exceeding £25; and secondly, by graded produce. This is a recent development. A grading floor has been provided, with the assistance of a Ministry of Agriculture loan standing at £1,499 in the balance sheet. Members grade their own fruit under the supervision of an official of the society, afterwards receiving the society's guarantee of quality. This produce is sold by private treaty, generally at higher rates than those obtained in the auction room. The same commission is charged. Produce sold by all three methods goes principally to South Wales, the Midlands and the North of England, but a proportion also travels to London, Ireland and Scotland. The society has its own trade-mark and encourages growers also to affix a private mark. The society makes its own baskets, employing men in winter who act as porters in the summer. Growers have the use of empties

at a low charge. Members are not bound by contract to sell through the market and non-members' produce is accepted. It is estimated that about half the produce of the area passes through the market. Some years ago the society started a system of providing short term credit (2–4 months) to growers up to one-third of the estimated value of growing crops, on condition such crops were sold through the market. Interest was charged at ½ per cent. above bank-rate plus a charge for bill stamps and 1 per cent. market charge. The turnover of the society rose with some rapidity, the peak being reached just after the war. Since then a drop has occurred which reached its lowest point in 1923 and has been followed by an upward tendency. In 1929 total sales were £87,731, of which 16 per cent. was eggs and poultry. Auction and contract sales amounted to £85,118 and sales of classified produce on the grading floor, £2,613. Sales per member were £155, a somewhat lower figure than in recent years. On the other hand, the number of growers sending in weekly to the market has increased by over 16 per cent. since 1925, and now stands at 486. About £8 of turnover was done for every £ of share capital. Running costs amount to 5 per cent. of turnover. A profit of £1,293 was distributed in 6 per cent. interest on share capital, an allocation of £1,297 to reserve, a bonus of £35 to staff, and bonus to members of £496 on such proportion of their sales as they are entitled to by their share holding. This bonus varies round an average of 2 per cent. and was 1 per cent. in 1929. There is also a non-members' bonus. About half the sales passing through the market qualify for bonus.

Littleton and Badsey Growers.

The society, formed in 1908 to market fruit and vegetables, serves an intensive area of about 3 miles radius, including four large villages, though a few members live outside the district, which comprises about 600 small-holdings averaging six or seven acres. The society has a present membership of about 340 and deals with another 260 non-member growers. Paid up share capital, which has increased steadily, now amounts to £5,899. There is a small reserve fund, loans amounting to a little over £1,000, and an overdraft of £5,240. More than half the capital is in land, buildings and equipment, and a large sum is invested in a canning factory, of which mention will be made later. The society's main business is in the marketing of fruit and vegetables, which are produced in great variety and in relatively small quantities by local growers. An asparagus grading pool, the first of its kind, has recently been started. The society is in constant communication by telephone with wholesale markets and with customers such as the industrial co-operative societies. It also keeps in touch with members and suppliers by means of messengers on motor bicycles, so that orders can be filled as soon as they are received. The society buys forward all kinds of fruit from members. Sometimes it buys on sample after the member has packed; in many cases fruit is packed and graded at the society's

warehouse to ensure that standards are maintained. It is then dispatched by rail in bulk. It is sold either direct on charge or through agents on commission, about half by each method. About one-sixth of the output which is sold direct goes to retailers, including industrial societies, who now have it principally on "open invoice" and, in a few instances, on charge. Several of these societies are members of the Littleton and Badsey Society and are qualified to receive bonus on their purchases. About one-third of the output sold direct goes to wholesalers and a large proportion of the society's trade goes to a limited number of wholesalers. The society has selling agents in six principal markets.

Early in 1930 a committee was formed, including the greengrocery managers of the leading Midland industrial societies and the manager of the Littleton and Badsey Society, with the object of promoting mutual trade. The Littleton and Badsey Society holds shares in several other growers' societies. It is a member of the C.W.S. and of the Co-operative Union, and does a business in fruit growers' requirements, including fertilizers, much of which the C.W.S. supplies. It further hires out high pressure spraying machinery to members. It is an agent for the Co-operative Insurance Society. In 1927, it organized a subsidiary society to undertake canning which had been carried on by the parent society during the War. This ran for one year with a trifling loss. It was found, however, that more capital would be necessary and the society was transformed into a limited company, the shares being held by the Littleton and Badsey Society and two private firms. The society makes its own baskets in winter. The turnover of the society rose slowly until the War, when a rapid increase took place; a slight drop followed, but was only temporary and even the peak figures have been more than doubled. In 1929 the turnover stood at £41,924, somewhat less than in the preceding year. This amounts to £123 per member, £70 per supplier and £7 per £ of share capital. The figure for share capital is naturally affected by the society's relations to the canning factory. Of this total, sales of fertilizer amount to £6,587, sales of feeding stuffs, coal and sundries to £4,936, and sales of produce to £30,399. Running costs amounted to 6 per cent. of turnover. The society has shown a trading profit every year in the last decade excepting in the drought and slump of 1921 and in the first year of the cannery experiment. When profits permit, interest at 5 per cent. is paid on share capital and a bonus distributed on members' sales.

Worcestershire Farmers.

The society was formed in 1919 as a requirements society and in 1920 was amalgamated with the Worcester Fruit and Vegetable Society, formed during the War. This brought a large accession of membership which, however, in part proved to be transitory, probably because war-time sales of garden produce had attracted a number of people not normally interested in co-operative marketing. The headquarters of the society are in Worcester and it covers a consider-

able area devoted to fruit and mixed farming. Membership stands now at 600 and the society deals fairly largely with non-members. Share capital is £13,277, overdraft £2,380; and there is a reserve of £470 and no loan capital. About 60 per cent. of the society's trade in 1929 was in requirements, largely obtained from the C.W.S., in which the society has invested. The balance of trade in members' produce included: fruit and vegetables, £31,629; wool, £2,536; eggs, £545. Relatively small quantities of produce are sold to the industrial societies. In 1928 a system of grading and packing was introduced. The turnover of the society has risen steadily, except for a fall in 1926, when the society incurred a loss. In 1927 the total turnover rose once more to £88,579 and in 1929 to £92,328, about £154 per member and just under £7 per £ of share capital. An average of six weeks' credit is given. Both the requirements department and produce sales showed a profit, amounting to £993; interest was paid at 6 per cent. and a bonus on trade was paid to members £235, carrying forward £1,081. Running costs were under 6 per cent. of total turnover.

WARWICKSHIRE

On the requirements side the county is well served by a large society at Stratford which covers the district fairly thoroughly and a smaller one run on restricted lines. There are two fruit and vegetable co-operatives, one a primary society helping to supply the other, which holds daily auctions in Coventry. This society also handles eggs under the National Mark. There is another auction market at Henly-in-Arden, handling stock as well as eggs, fruit and vegetables, remarkable among co-operative societies for a distribution of bonus to non-members as well as members. The Birmingham industrial society has a seeds and feeding stuffs department, but its scope is at present limited.

Warwickshire Farmers.

The society was formed in 1919 to supply feeding stuffs, fertilizers and seeds, and serves the whole county. The new office and store recently built by the society in the centre of Stratford allows for expansion of a steadily growing business. The society also owns land and buildings in the station yard. There are 488 members who have subscribed a share capital of £20,620 in £5 fully paid shares. The society is affiliated to the N.F.U. and is a member of the C.W.S., having £400 invested in the latter and purchasing 15 per cent. of its requirements from it. There is an overdraft of £2,472. The turnover for 1929 was £61,766, or £126 per member. A certain amount of trade is done with non-members. Compared with share capital, turnover is low at £3 per £. There was a large increase in trade,

however, in 1928, and a further increase during the past year. The running costs of the society are 5·5 per cent. of the turnover, salaries and wages, including commission and travellers' expenses, accounting for 80 per cent. and motor expenses 11 per cent. of these costs. The society made a fair profit in 1929 and, after depreciating well, paid 4 per cent. interest on capital and placed £100 to reserve. A discount is made to members on cash payments within 28 days; members' credit stands at about 2½ months. The society is still writing off losses incurred by the A.W.S. failure.

Growers' Sales.

The society was formed in 1921 to set up an auction market in Coventry to dispose of fruit, vegetables and eggs. Most of the 216 members are market gardeners or small-holders in and around the Avon valley. Daily auctions are held, and although a number of commission agents have set up in the small market space since the society was formed, they do not hold auctions. The bulk of the society's produce is bought by Coventry retailers, only the surplus being sent to London and other markets. A small producers' society at Welford-on-Avon contributes a fair quantity of supplies, having interchangeable directors with the Growers' Sales. The sale of eggs is under the National Mark, but the cost of handling in competition with those who do not grade so elaborately has forced the society to reduce the number of eggs sold under the National Mark to the minimum laid down by the Ministry. For the first three years the society had a difficult time and had accumulated a loss by 1924 of £1,684, a quarter of this being in bad debts. The capital of the society increased gradually during this period and stands now at £1,654, in £ shares fully paid. Since 1924, a profit has been made each year and the loss reduced to £706. The overdraft, guaranteed by members of the Committee during the difficult period, has now been practically wiped out. The highest turnover was in 1925 and amounted to £54,104. Since then it has decreased each year and in 1929 was £33,300, about £154 per member and £20 per £ capital. The society deals with non-members and is making no particular effort to secure new members among those who had the opportunity to join during the difficult years but have only shown interest in the society since it has been successful. Running costs are 7·6 per cent. of turnover, salaries and wages accounting for 54 per cent.

Welford-on-Avon Growers.

The society, formed in 1921 for marketing fruit and vegetables, has 95 members, all small-holders or market gardeners in and around Welford. Most of the produce is marketed through the Growers Sales (Coventry), which has interchangeable directors with this society. The produce is taken to Coventry under contract with a local garage, the society owning no vans of its own. Share capital is £174, and loans £84, with £116 reserves. Turnover in 1929 was £3,247, about £34 per member and £19 per £ capital. A small profit

was made and interest paid on shares. Running costs were 4·4 per cent. of turnover.

Dunnington Farm Supplies.

This is a small society of only seven members, all large farmers, formed in 1925; they buy for their own farms and non-members, and (contrary to usual practice) do not admit any new members into the society. The trade is mainly in feeding stuffs and fertilizers, but may also be in any kind of household or agricultural requirements members may need. Share capital is only £14; turnover in 1929 was £2,602. Goods are sold at cost.

Henley-in-Arden Auction Sales.

The society, formed in 1912, holds weekly auctions in its own market at Henley. The business is run by an auctioneer under contract with the society. There are 103 members, who have subscribed a capital of £1,997 in £1 shares fully paid. Turnover in 1929 amounted to £73,516, which includes sales of dairy produce, £404; eggs, £11,202; poultry, £2,492; cattle, £35,677; sheep, £17,678; pigs, £4,829; and fruit and vegetables, £331; about £713 per member and £36 per £ capital. Running costs are 2·4 per cent. of the turnover, salaries accounting for 49 per cent. of these costs. Over £4,000 is invested in land and buildings, which are well depreciated. The society incurred a loss of £100 last year but was able to pay the usual 5 per cent. interest on share capital, a small bonus, which is paid both to members and non-members, and a bonus to employees. There is an overdraft of £1,290, a reserve fund of £1,607, and a special depreciation reserve of £500.

NORTHAMPTONSHIRE

There is one large requirements society in Northampton. The county lies between the Midland and the Central Wool Growers and a number of Northamptonshire farmers deliver to one or the other. There are no other facilities for co-operative marketing. A few small-holding and allotment societies exist, but little trading is undertaken.

Northamptonshire Farmers.

The society, founded in 1919 with headquarters in Northampton, has now added branches at Daventry, Oundle and Brackley, the latter through the acquisition of a private merchant's business, and serves the whole of Northamptonshire and part of North Bucks. It has 508 members, whose numbers are gradually increasing, and about 300 non-member customers, amongst whom are a certain number of allotment and small holding societies. The society, formed in an area of large farms averaging 300–400 acres, and at a time when farmers had considerable disposable funds, was from the first ade-

quately capitalized. The minimum shareholding was fixed at 25 £1 shares, 10s. paid up—a figure which has probably tended to limit membership to large farmers. Share capital now is £18,381 ; reserves are £3,400. Comparatively little stands against buildings and plant, which have been severely depreciated. The society deals in all types of agricultural requirements, especially feeding stuffs, seeds and manures. Its trade in machinery is limited, and it has no facilities for repairs. Goods are delivered to members by the society's own lorries. It aims at lowering and steadying prices by serving the whole district thoroughly. It is a member of the C.W.S. and makes perhaps 10 per cent. of its purchases from it. Grain, fodder and seed marketing on behalf of members was 22 per cent. of the total turnover in 1929. It has for some years also purchased eggs in considerable quantities, many of which were resold to the C.W.S. In April, 1929, it began selling under the National Mark scheme. Apart from a setback in 1926, turnover has showed continuous progress until 1928 when it was £145,112 ; in 1929 it fell to £134,356, still a high figure compared with other years, being about £264 per member and roughly £7 per £ of share capital. Running costs are 6·6 per cent. of turnover. Profit in 1928 was £1,445, and in 1929 £1,243, and paid 5 per cent. interest on share capital. The rules provide for a bonus on accounts paid within 28 days, but an average of nine weeks' credit is taken.

HUNTINGDON

No agricultural co-operative society has its headquarters within the county. It is within the area of the Central Wool Growers at Stamford, but it is doubtful how far Huntingdon farmers have been able to make any use of this organization. One of the principal interests of the county is potatoes, grown on the fenland small-holdings, but no attempt has so far been made to organize co-operative marketing.

CAMBRIDGE

The county is served in requirements by the Eastern Counties Farmers, which has a branch in Cambridge. There are also two smaller societies, one supplying general requirements to small-holders and the other confined to poultry farmers. The latter also markets eggs on a small scale. There are three fruit marketing societies ; one specializes in graded apples, and another, recently formed, handles soft fruit principally. A creamery was organized in 1924, under the name of Cambs. Farmers' Creamery, to manufacture surplus milk into cheese and butter ; after about a year it was reorganized, and enlarged

its activities to include the wholesaling of liquid milk, with share capital of about £6,000, half paid up, and a large bank overdraft guaranteed by members of the Committee. The society lost fairly heavily from the outset and the position was made worse by the consequences of the General Strike. By the middle of 1928, although current trading results were improving, the society was in arrears in payments to suppliers and other creditors. The creamery was sold to the London (industrial) Co-operative Society on fairly good terms, but the shareholders incurred a total loss and the creditors and guarantors a partial loss.

Milton and District Small-Holders.

The society was formed a number of years ago as a land purchase society for small-holders, also to supply general requirements, including feeding stuffs and fertilizers and smaller appliances and materials which are kept in stock at the society's premises at Milton. There are 106 members, including some allotment holders. The society receives £147 per annum rent on land under small-holdings and allotments. Share capital amounts to £2,030 and the turnover for 1929 was £6,820, or £64 per member and £3 3*s*. per £ capital. Running costs are 14 per cent. of the turnover, a high figure for this type of society. Salaries account for 63 per cent. of these costs. About three months' credit is allowed to members on purchases, but there is only a small overdraft at the bank. The society showed a profit last year on the requirements business and a slight loss on the land leased to members. A small bonus was paid to employees, and an honorarium to the hon. secretary after paying 5 per cent. interest on shares. A share is held in the Eastern Counties Farmers and there is a reserve fund of over £600.

Cottenham Growers.

The society was formed in 1925 for marketing fruit, mainly apples. The Ministry of Agriculture provided an apple grader which the society has since taken over. The bulk of the fruit is sold by commission agents in London under the society's special brand. Some of the soft fruit is purchased by Chivers' Factory which is near the society's packing station at Cottenham. There are only 17 members, but a large trade is done with non-members, the problem generally being to obtain sufficient fruit to keep the staff fully employed. Paid-up capital amounts to £203 and the society receives a grant from the Ministry of £100 per year. There is also £140 loan capital. The turnover for 1929 was £2,465, approximately the same as for the first year's trading. (Practically no business was done in 1926 and 1927.) Turnover per member is £145 and £12 per £ of share capital. Running costs amounted to 17 per cent. of the turnover, salaries

being 59 per cent. of this and transport 29 per cent. The society showed a small loss on last year's trading.

Upwell and Outwell Packing Station.

The society was formed in 1928 for marketing fruit and owns a small packing station in Upwell. There are only 8 members, but the society does a considerable trade with non-members. Share capital amounts to £160 in fully paid £ shares. The sales for 1929 were £4,888, or £611 per member and £30 per £ capital. Running costs are 17·6 per cent. of the turnover, salaries being 35 per cent. of this. The society made a small profit on the year's trading.

Upwell Poultry Society.

The society was registered in 1926 to supply poultry feeds and requirements and to market members' eggs. It owns a small packing station in Upwell. There are 69 members who have subscribed a capital of £98. The turnover, which has increased steadily each year, was £7,402 in 1929, made up of £5,275 for sales of requirements and £2,127 sales of eggs; £107 per member and £75 per £ of capital. Running costs are 3·7 per cent. of the turnover, salaries accounting for 69 per cent. The requirements department made a profit and the egg marketing a slight loss. The balance was carried forward, no interest being paid on capital.

Cambridge Producers.

The society was formed in 1929 with a nucleus of 8 members interested in promoting better marketing in the county. A traveller was engaged to make connections with retailers in London for the sale of fruit, vegetables and eggs. Share capital is £63 and loans £103. Little support has been received from producers and the sale in 1929 were only £416, showing a loss of £68. A small trade is now being done in potatoes with a local co-operative consumer's store.

NORFOLK

One relatively small society for the supply of requirements serves Norfolk in the extreme North-west. The greater part of the county, however, comes within the area of the Eastern Counties Farmers' Association (see Suffolk) with headquarters in Ipswich and a branch in Norwich. An egg-packing station under the National Mark scheme has recently been set up in Norwich and is making good progress. The most distinctive type of organization, however, is the fruit marketing society. The small requirements society above mentioned handles a proportion of fruit from the Wisbech area, but it is in the black currant districts (roughly corresponding with Broadland)

that the most characteristic societies occur, one being occupied with the produce of large growers and two with that of small-holders. No special organizations handle dairy produce, meat or wool, but the Eastern Counties Farmers handle a certain amount of live-stock and the Eastern Wool Growers in Ipswich may be considered to include Norfolk within its area. There is one threshing Society in the County.

Marshland and Wingland Agricultural Trading Association.

The society was formed in 1908 in the fen country between King's Lynn and Wisbech. Its membership has risen gradually, but now seems to have reached a limit of expansion at 179. Share capital is £613; overdraft £299, and reserves £205. The society has a mill and depot at Walpole Cross Keys, and its main business is the sale of requirements. A certain proportion of these are derived from the C.W.S., of which the society is a member. It includes part of the Wisbech fruit district within its area, and sells £3,000 to £4,000 worth of fruit to the C.W.S. on behalf of its members, also a considerable quantity of eggs, largely to retail industrial societies. Turnover fell somewhat after the War and has fluctuated in the neighbourhood of £12,000, or £66 per member and £20 per £ of share capital. Running costs are 4 per cent. of the turnover. The society trades with the Eastern Counties Farmers and the St. Edmundsbury Bacon Factory. In 1929 there was a loss of £61, reducing surplus to £583.

Norfolk Egg Producers.

The society was formed in October, 1928, as a National Mark packing station and actually began selling under the approved grades some time before the Act came into force; it covers the whole county. In 1929 it had 200 members and 100 non-member suppliers whom it intended to bring in as members. Intimation was recently sent to them that unless they became members the society would cease handling their eggs. All suppliers are now (May, 1930) members. About half of them are large general farmers, and the rest specialized poultry farmers. There are a few small-holders. Share capital is in £ shares, 10*s.* paid up, and was increased from £557 to £687 by addition of members. At the end of the first year's operations it was possible to set aside a reserve fund of £231; there was a bank overdraft of £436. The bulk of capital is used to cover the society's trading operations, though a considerable sum is invested in motor vans. The society rents a depot in Norwich and collects eggs, principally by its own vans, from members who are under contract to supply. On arrival at the depot eggs are graded according to the National Mark system, members being paid within 14 days according to the ruling prices for the grades which their eggs have reached. Eggs are sold to retailers, principally in London. The

society has found a ready market for all its supplies. During the first year 4 million eggs were sold. During October and November, 1929, eggs were being received at the rate of about 125,000 per week, and by March 1930, this figure had been doubled. A turnover of about 10 million eggs is anticipated for the year. The society is considering the possibility of undertaking a business in dressed poultry, but for this larger premises would be necessary. The cash turnover for 1929 was £24,188, or £120 per member and £80 per supplier. The high proportion of £43 of trade is done for every £ of share capital. Running costs amount to 8½ per cent. of the turnover or 1½*d.* per dozen eggs. A profit on the first year's operations was distributed in 5 per cent. interest on share capital and balance to reserve. It was decided not to pay bonus, more capital being still needed to support the rapid growth of the Society.

Norfolk Fruit Growers.

The society was formed in 1926 and grew out of a non-trading association of fruit growers principally interested in the black currant crop. In the preceding year the association, anticipating a rapid expansion in members' acreage of fruit, deputed one of their number to spend the season visiting the central markets at which it was sold. As a result of this investigation the society was formed, with rather under 100 members and £198 capital. There is loan capital of £152. A grant of 25*s.* per ton of fruit handled is made by the Empire Marketing Board. Membership is now 233 and share capital £326. At the outset, most of the members were large growers, with about 200 acres, specializing in fruit, with a certain number of general farmers growing a proportion of fruit. Lately, however, there has been an influx of small-holders, necessitating a certain variation in the society's methods. The society undertakes a limited business in spraying material and apparatus and similar fruit-grower's requirements, but apart from this it only functions during the few weeks of the black currant and raspberry seasons, when an increased temporary staff is taken on. The society then keeps in constant telephone communication with one salesman in each of the leading markets of the country (about 30) and with the growers, whom it instructs to load their produce now to one market and now to another as demand is most favourable. In this way the society does not actually handle fruit and has no premises besides an office. Nearly all fruit is sold for dessert purposes, in chips, with an ornamental paper cover bearing the Society's name and special design. It is expected that fruit should reach a certain standard of ripeness, freshness, size, etc., and the society employs a travelling inspector to see that this is maintained. Any grower sending fruit below standard is deprived of the society's cover and name. The only exception to this method of selling is in the case of small-holders whose fruit is not in sufficient quantities to be marketed separately and does not usually reach dessert standards. This is sold in bulk to jam factories, a system which has worked satisfactorily. The

first year of the society's operations was in the nature of an experiment; its prices, carefully compared with those obtained by members and others who sold a part of their crop individually, were found to be on an average distinctly higher. Since then the society has handled members' entire crops. Payment is not usually made until the close of the season, but in some cases an intermediate payment is arranged. The full price is paid, after deduction of expenses, including 5 per cent. interest on capital and similar charges. No attempt is made to pay bonus on sales or make any similar division of profit. Turnover has risen steadily from about £5,000 in the first year to £10,000 and £17,284 in 1929, about £74 per member, a figure, however, which is of little value for comparison owing to the great differences in character and amount of output between the different groups of members, and £53 per £ of share capital. Running costs are 4·3 per cent. of turnover. There was a profit of £104; interest was paid on shares and £95 carried forward. The society has got out some attractive advertising material, including the covers and posters to be displayed by accredited salesmen, but the industry is said to be in danger of being overwhelmed by the importation of black currants (pulp and fresh fruit) at prices below the cost of home production.

Potter Heigham Fruit Growers.

The society was founded in 1911 to market the fruit crop (principally black currants, though occasionally raspberries and apples) of a number of small-holder growers in the immediate neighbourhood of Potter Heigham. Share capital of £78 (¼ paid up) is held by 78 members, most of them with not more than one acre under fruit. Share capital is in £1 shares. There is no borrowed capital. The society only operates during the black currant season, when it arranges sales and supervises shipments. All fruit is packed on trays, which the society bought in the first instance, debiting a proportion to each members' account and making him responsible for their safe keeping and good repair. All fruit is sold in bulk direct to jam factories, a method which has been found satisfactory. In some cases difficulty is experienced owing to the practice of jam factories in ordering all their requirements from dealers some weeks or months before the fruit season begins. In this event the society is sometimes compelled to sell through the agent. All fruit is pooled, and when the season is over members are paid a uniform rate per pound of fruit supplied, based on returns throughout the season, after deduction of expenses. An intermediate payment is sometimes made in the middle of the season based on anticipated results. Turnover has for some years been constant at about £2,500, about £32 per member and £125 per £ of paid-up share capital. Running costs are not more than 2 per cent. of turnover, and the society is thus extremely economically run in every respect. As all net proceeds are shared out, there is no bonus; nor is there any interest on capital.

Norfolk Farm and Garden Produce Association.

The society was formed in 1923 on the model of the older society at Potter Heigham. It is engaged in the marketing of soft fruit, produced principally by small-holders. It has 388 members holding £1 shares, part paid up, making a total of £155, and a bank overdraft of £693 guaranteed by the members of the Committee, required for the initial heavy outlay in trays, which it has not yet been possible to pay off. Sales are for the most part to jam factories, but some difficulty has been experienced in selling direct. Turnover has increased since the formation of the society and in 1929 was £5,224, showing the rather low figure of £13 per member and about £33 per £ of share capital. Running costs were about 5 per cent. of turnover and there was a small profit.

Market Weston Threshing Society.

The society was formed in 1920 and undertakes threshing of members' corn. There are 15 members, who have subscribed £1,425 share capital, on which interest is paid at 6 per cent. The receipts for hire of the threshing tackle for 1929 amounted to £953, running costs accounting for 70 per cent. of this figure and wages 84 per cent. of these costs. The society makes a good profit and after depreciating generously has accumulated unappropriated surplus, and reserve of £1,500.

SUFFOLK

The county is headquarters for several large societies whose scope usually extends far beyond its borders. The Eastern Counties Farmers' Co-operative Association (requirements, grain and live-stock), The Framlingham and Eastern Counties Egg and Poultry Society, and the St. Edmundsbury Co-operative Bacon Factory, are all amongst the largest, if not the largest of their kind, in England. The Eastern Wool Growers is also a substantial organization. There is one other small requirements society, but it is scarcely more than an allotment holders' provider. There are two small threshing societies. Thus all branches of farmers' business are provided for within the county except fruit, not a typical Suffolk product, and the more important dairy produce, which however is handled by the industrial societies, especially the C.W.S., which has a depot in the county.

Eastern Counties Farmers' Co-operative Association.

The society is one of the oldest and largest farmers' co-operative organizations in England. It was formed in 1904 to deal in agricultural requirements, but has since considerably extended the scope

of its operations. Its head office is in Ipswich, where its trade is dealt with in various departments. It also has branches, and in most cases warehouses, at Norwich, Cambridge, Bungay, Framlingham, Kenton and Woodbridge. It covers Suffolk, Norfolk, Essex and Cambridge, though its work is probably most concentrated in Suffolk. In 1929 it had 3,146 members. Capital consists of 5*s.* shares, not all fully paid up, and amounts to about £64,000. There are also reserves amounting to £12,000, loans of about £20,000 and a variable bank overdraft. Rather less than half the capital stands against premises and plant and there are some relatively small investments. The corn department has from half to two-thirds of the turnover, and includes large purchases of members' grain, in some cases re-sold to other co-operative societies; also sales of seed corn, feeding stuffs, cakes, fertilizers and coal, and a very considerable business in seeds. Seeds are bought from members, and besides supplying other co-operative societies the society has a large export trade. All these goods are delivered to members from all branches except those in Norwich and Cambridge. The society is a member of the C.W.S. and purchases considerably but not exclusively from that society. The second department deals in machinery, to the extent of about 4 per cent. or 5 per cent. of the society's turnover. The actual turnover, however, is not inconsiderable, and the society has a repair shop. The wool department undertook wool marketing on a small scale for a number of years, but gave it up on the formation of the Eastern Wool Growers in 1926. The remaining departments are closely related, as both deal with live-stock. Early in its career the society took up the sale of pigs. An expert was employed to study markets and advise members as to the disposal of their pigs, which were forwarded to the selected market in the name of the Association. Later the system developed into collecting and grading pigs, on an agency basis, for dispatch to various factories, co-operative and otherwise. Insurance was included in the society's commission. This trade is very large and has in some years amounted to as much as half the society's turnover, as many as 62,000 animals being dealt with. In recent years it has been about one-third of total business. In addition, the society owns a slaughter-house; the business, however, is comparatively small, amounting to perhaps 4 per cent. of the total turnover. Average credit is about six weeks. The turnover of the society rose steadily from the beginning, and during the War very rapidly, until 1920, when a peak of £1,605,226 was reached. There followed, as in most cases, a considerable drop, with certain losses, followed by a partial recovery in 1924. In 1925 there was a further loss, followed by a further heavy drop, especially in live-stock, which continued into 1927, when further losses were made. In addition, the society suffered in the A.W.S. collapse. Since then a complete reorganization of the business has taken place, which has included stronger central control of departments and general economies in management resulting in a reduction of running costs. The tonnage turnover, including that of the corn depart-

ment, rose slightly. Total turnover now stands at approximately £650,000, or £200 per member and £10 per £ of share capital. Running costs, including certain interest charges, are about 6 per cent. of the turnover. In 1929 payment of interest on shares was resumed at 6 per cent., together with a bonus of 1*d.* in the £ on members' purchases from the corn and machinery departments.

Framlingham and Eastern Counties Co-operative Egg and Poultry Society.

Soon after the society was formed in 1903, as a small requirements organization, it took up egg marketing, and carried on the two businesses side by side until 1917. Until that year it competed in both lines with the Eastern Counties Farmers' Association, when an arrangement was made by which the Framlingham Society relinquished its requirements business and the Eastern Counties its sale of eggs. The Framlingham Society has since devoted itself to marketing only, except for small sales of poultry food and appliances, the former largely derived from the C.W.S. It covers the counties of Norfolk, Suffolk and Cambridge and touches Lincoln and Essex. Its headquarters are at Ipswich and it has twenty branches acting as collecting depots. Members number 5,992 and are mainly farmers, though they also include small-holders and cottagers. Share capital, composed of 5*s.* shares, nearly all fully paid, amounts to £14,363; there is a small reserve fund; members' loans amount to £1,281; and there is a bank overdraft of £6,605. More than half the total capital is represented by premises and plant. Eggs are collected through the society's depots by the society's vans, prices being fixed at frequent intervals by the head office. These prices are not contingent on grade or actual sale price and the society thus takes the risk of the market. After testing, grading and packing, the depots dispatch eggs direct to purchasers on instructions from head office. The eggs of each supplier are placed in separate containers on reaching the depot, in order to trace back faulty ones to the producer and secure their replacement. This system has replaced one of stamping, to which purchasers objected. The National Mark Scheme has been adopted experimentally at two of the society's depots, but it was not proposed to extend it immediately. Members are not bound by contract to supply, but in recent years the society has declined to accept eggs during the glut season unless regular supplies are received throughout the year. The bulk of sales are of wholesale or semi-wholesale character to retailers, hotels, clubs, etc. The society employs one traveller but no commission agents. Almost all sales are effected from the society's headquarters. The greater part of the output in fresh eggs goes to London in its own vehicles, though there are certain local sales. The society has installed pickling tanks for the glut season and preserves annually several millions of eggs, most of which are disposed of in the Midlands, some passing to the C.W.S. The society also undertakes the sale of poultry, game, rabbits and small quantities of butter and

honey. Christmas turkeys are only sold if promised in advance. At Ipswich, fattening is also undertaken. The society made rapid progress for a number of years; after 1924, however, there was a fall in turnover and certain losses were incurred. Recently the society has been to some extent reorganized, the number of depots has been reduced and it is once more running profitably. In 1929 it handled over 17 million eggs and its cash turnover amounted to £137,986, or about £30 per member and nearly £10 per £ of share capital. The comparatively low turnover per member is accounted for by the fact that few members are specialized poultry farmers on a large scale. Running costs, exclusive of interest charges and depreciation, amounted to 10 per cent. of the turnover, or slightly under 2½*d.* per dozen eggs—a rate which, though still somewhat high, is an improvement on recent years. After depreciation, which prior to the reorganization had been somewhat neglected, the society was left with net profit sufficient to pay interest on share capital at 5 per cent. for that and a previous year, to make a small allocation to reserve fund and another to employees' bonus, and to provide, after a lapse of four years, a bonus on members' sales to the society, for the last six months of the year, at 2*d.* in the £.

St. Edmundsbury Co-operative Bacon Factory.

This factory was erected in 1911–12. At the end of 1925 there were 1,773 members, the subscribed capital amounted to £29,953, and the society showed good profits on the fourteen years' working. The society owned three retail shops on the East Coast for some time, also an experimental farm, but these have now been abandoned. The factory was modelled on Danish lines, and has a capacity for 1,200 pigs per week, dry cure. Prices for pigs are fixed weekly, subject to variations in market charges before the end of the price week. In addition to this price, 2*s.* per pig is allowed if members cart their own pigs in. The society also pays carriage on minimum lots of eight pigs sent by rail within 100 miles. All pigs are paid for at a flat rate, and the inferior pigs slightly below it; they are bought by dead weight, the society accepting any pigs sent in, those not fit to kill being resold and paid for at 77 per cent. of recorded weight, to allow for the difference of live weight. Two canvassers are employed to explain the purposes of the society to farmers, supplies being booked up if possible one week in advance. No dealers are used. The society disposes of its products through its own selling organization, the "St. Edmunds Brand" of bacon being now firmly established in the trade. Offals are all disposed of in London, and sausages, pies, puddings, etc., sold ex factory. Membership has been increasing slowly each year and now stands at 1,870. Capital is in £ shares fully paid and amounts to £30,211. There are also 436 6 per cent. bonds at £5 each, a considerable Sinking Fund, and a reserve against depreciation of property of £10,000. The society has investments in a local co-operative threshing society, the Agricultural and General Insurance Co-operative Society, and the Eastern Counties Farmers'

Co-operative Association. Turnover has decreased by half since 1921 and in 1929 was £245,000. This, however, is a considerable improvement on the 1927 figure, £202,000. Turnover per member is about £131 and £8 per £ of share capital. Running costs are 9·1 per cent. of turnover. Production costs account for a third of these costs and distribution costs for 47 per cent. The profit in 1929 was sufficient to cover a 3 per cent. dividend on share capital.

Eastern Wool Growers.

The society, formed in 1926 with headquarters at Ipswich, covers the counties of Norfolk, Suffolk, Essex, Herts and Cambridge and has 198 members. Its premises are rented. It has a share capital of £1,403. Its methods are the same as those followed by the Kent and Southern Wool Growers. Members are not bound by contract; they forward wool to the society's depot, where it is weighed, graded and reweighed in its grades, senders being credited with the weight of their clip in each grade. It is then stored at the society's premises until the autumn, when it is disposed of at the London Wool Sales. Advances are made to members on wool delivered, and these are financed by a bank overdraft. A considerable variety of breeds is dealt with. In 1927 the society handled 43,297 fleeces; in 1928 40,245, and in 1929 40,620. The cash turnover in 1928 was £18,159. In 1929, owing to the fall in wool prices, of £11,911 advanced, £4,705 became repayable by members. Overhead charges stand at 1¼*d.* per pound, a figure which will doubtless be improved as the society's business increases. Interest at 5 per cent. is paid on share capital; there is no distribution of bonus, as all proceeds of sales, less running costs, are received by members.

Rattlesden and District Farmers' Co-operative Society.

The society was formed in 1918 with headquarters near Bury St. Edmunds to undertake threshing for members and others. It has now 38 members and a share capital of £1,945, besides loans and considerable reserve and accumulated profits. Threshing fees in 1929 amounted to £1,448 and expenses to £941. There are considerable outstanding debts of hirers.

Elmswell and District Co-operative Threshing Society.

The society was formed in 1919 at a time when farmers had capital available and threshing services were not easily secured. It has 61 members and is linked up with the St. Edmundsbury Bacon Factory which is a shareholder, the secretary acting as secretary of the Threshing Society. It has share capital of £1,735 in threshing tackle and other implements. There is a small bank overdraft. In 1929 work to the value of £920 was done, including threshing, chaff-cutting and seed-hulling. A small profit was made during the year, but this was set off against accumulated loss. Considerable debts are owing by hirers.

Essex

There is no requirements society with headquarters in the county, but the district is served by the Eastern Counties Farmers. On the marketing side there is an old-established fruit and vegetable marketing society with sales headquarters at Stratford and another handling soft fruit for a group of small-holders very economically. A society known as the Essex Dairy Farmers' League was formed in 1925 to market eggs, but it never did more than £2,000 turnover with a capital of over £4,000 and a membership of 200. Another attempt was made recently to form an egg marketing society, under the name of the Essex Egg Producers, but it has not functioned and will probably be wound up. The main cause of these failures appears to be the proximity of the district to London and the opportunity for individual producers to make their own retail connections. The only other society in the county is a small market gardening business, which is owned co-operatively.

East Anglian Farmers.

The society was formed in 1897 to market members' fruit and vegetables and is the only example in England of a producers' society establishing its own sales organization on a London wholesale market. Covent Garden was used for a time, but the business has now been moved to Stratford Market. There are 97 members, showing a slight decline since 1927. Share capital is £1,064, loans amount to £487 and there is a bad debts reserve of £160. Turnover reached £27,294 in 1927, compared with £15,744 in 1923, and in 1929 was £24,599, about £253 per member and £23 per £ share capital; about half the trade is with non-members. Some foreign produce is handled in season, and all supplies are sold on commission, any surplus being distributed to members in the usual way. Running costs were 6 per cent. of turnover, and a profit of £433 reduced an accumulated loss to £1,315.

Tiptree and District Fruit Growers' Association.

The society markets members' fruit and vegetables, principally strawberries and other soft fruit. Membership has increased steadily and now stands at 105 with £110 share capital. Turnover in 1929 amounted to £1,328, including £52 for the sale of requirements, and averages £12 per member and approximately the same per £ capital. Running costs are negligible, there being no premises or employees. The secretary, one of the members, receives a small honorarium and members deliver their own fruit to the station. The bulk is sent to

commission agents in London. The society works on a small margin of profit, which is returned to members at the end of the year.

Lea Valley Co-operative Nursery Society.

The society, founded in 1920, is a small market gardening venture rather than a requirements or marketing society of the usual kind. It has 160 members and share capital of £2,211, supplemented by bank overdraft. The society purchases manures for its own use and resells a small quantity. The main sales consist of tomatoes and cucumbers, which amounted in 1929 to about £3,000. Six men are employed, and the wages and expenses bill is high.

HERTFORDSHIRE

The county is perhaps too much overshadowed by the huge multiple market of London to show any strong inclination towards co-operative action. It is also, in the south, increasingly suburbanized. The largest co-operative undertaking—the Herts and Beds Bacon Factory—is situated on the northern border of the county. There is, however, one successful dairy, which confines itself to local activities in central Hertfordshire. There is no county headquarters for sale of requirements; limited purchases are carried on by allotment societies; and there is no organized marketing except of bacon and liquid milk. A research and experimental station is run under a co-operative constitution at Cheshunt under the name of Nursery and Market Garden Industries Development Co., and is supported by a grant from the Empire Marketing Board.

Four organizations of a special type, connected with Welwyn Garden City, require mention. They are the Welwyn Dairy Farms, Ltd. (1924), the Welwyn Garden City Poultry Farm (1925), the Brickwall Gardens (1926), and the Digswell Nurseries. They are engaged in marketing the produce of the farming land belonging to the Welwyn Garden City estate. Although registered under the Industrial and Provident Societies Act, all shares are held by the Welwyn Garden City Trust and the undertakings are not co-operative in the technical sense of the term. The Dairy Society is the largest of the three and handles a turnover of about £9,000, which, however, is declining owing to the use of land for building purposes. Brickwall Gardens (fruit and vegetables) does not sell more than about £1,800 worth of produce per year. Neither of these organizations handles any outside produce. The Poultry

Farm, however, opened in 1929 an accredited packing station under the National Mark Scheme and began collecting from farmers and others all over the county. None of the suppliers, however, have been admitted to membership and the society consequently does not differ in this respect from a proprietary concern. A proposal was under consideration to start a counter trade in feeding stuffs and appliances, which if adopted would bring the society's co-operative status still more sharply into question.

Herts and Beds Co-operative Bacon Factory.

The society was formed in 1913 by a group of farmers who subscribed share capital now amounting to nearly £13,000. Loan capital of about £6,000 was obtained from certain local landlords and recourse to bank capital has also been necessary. Reserve is nearly equal to share capital. A factory at Hitchin was built and equipped, at a cost of £17,700, with a weekly output capacity of 400–500 pigs, dry cure. The area served is a wide one, supplies being drawn not only from Herts and Beds but also from Bucks, Hunts, Cambridge and to a limited extent from Essex. There are at present 343 members. Each £1 share held, annually entitles the holder to a bonus on four pigs supplied. There is no contract to supply. The society pays railway carriage inwards and collects by road within 20 miles. The bulk of its supplies come from members and non-member farmers within this area. The method of the factory is to state weekly the prices offered, the weights required generally being 7 score to 8 score 10, a small extra being paid on the right type of pig. The factory has for the last twelve months been gaining the confidence and loyalty of the farmer, but some difficulty has been experienced in obtaining the right type of pig, especially in view of the competition of the pork trade. Recently more farmers have been induced to make pigs heavy to meet a call from the Midland trade, which is considered regrettable in view of Danish competition in Wiltshire bacon. In order to regularize its supplies the factory is sometimes forced into the open market, which would not be the case if members realized what a disastrous policy that means for them. When properly supported there is good evidence that the factory stabilizes prices in the district. The factory owns twelve retail shops in the towns of Herts and Beds. These take 50 per cent. of the society's output, including all edible by-products—pies, sausages, brawn, etc. The remainder, including most of the bacon, is sold by the factory's agents in different parts of the country. The factory is not at present working to capacity and has rarely dealt with more than 200–300 pigs per week. An output of 150 per week shows overhead charges of 22*s.* per pig, whereas on 400 they are only 12*s.* Turnover fell after the War, partly on account of falling prices, but is now rising. In 1927 it was £66,403; in 1929 it had risen to £75,591, about £220 per

member and £5 8*s.* per £ of share capital. Profits were made for the first time in 1915 and have since averaged nearly £1,800 annually. There was a loss in 1929, largely owing to reorganization. Interest as high as 7½ per cent. has been paid on shares and in most years a bonus on pigs delivered by members. The society appears to be firmly established, but its future clearly depends upon larger and more regular supplies. The society has taken 28 medals for bacon and other products at dairy shows.

Harpenden Dairies.

The society was started as a joint-stock company during the War with the object of marketing members' milk, and was registered as a co-operative society in 1919. It has 15 members, most of them local farmers living within a 5-mile radius of the town of Harpenden and owning anything from 8 to 60 cows. One or two members—retired farmers and others—are investors and not suppliers. A small quantity of non-members' milk is purchased in times of shortage, but this is not a regular practice. The society accepts all milk supplied by members and the latter are bound by the rules not to sell to any other wholesaler or retailer. The share capital stands at £2,345 and there is in addition loan capital to the value of about £2,000, some of which was credited to members in exchange for goodwill at the formation of the society, and reserves amounting to over £5,000. Recently an additional loan has been obtained from the Ministry of Agriculture to finance the building of a new and well-equipped dairy. The object of the society is to retail milk of high quality to the town of Harpenden, and in recent years also to St. Albans. Milk is collected from members twice a day by the society's own lorries at a charge of ¼*d.* per gallon and 2½*d.* per mile. It is provided that it shall be cooled to 60° Fahrenheit before leaving the farm; it is further cooled to 40° on arrival at the dairy. A fine of 1*d.* is charged for omission to cool on the farm. The bulk of the milk is sold by roundsmen or at the society's shops in Harpenden and St. Albans. A proportion of the milk is bottled. The society has a fairly large cream trade in pasteurized cream (without preservatives) and in ice cream. Butter and soft cheese are also made in small quantities when the surplus milk makes it necessary. Members enter into an annual contract with the society based on the N.F.U. contract, with a stipulated margin of variation in quantity agreed to by the supplier. In addition to the flat rate for all milk delivered, various bonuses are paid for quality, as follows: a bonus of 1*d.* per gallon to members supplying all their milk from cows that have passed the tuberculin test; 1½*d.* per gallon to those licensed as Grade A producers; 3*d.* per gallon to those holding the Ministry of Health Grade A.T.T. Licence. Further bonuses are payable for fat content and for the presence of a proportion of Channel Island cows in member's herds—one Channel Island cow in eight earns a bonus of ½*d.* per gallon; one in five, a bonus of 1*d.* In addition, a variable monthly bonus is paid according to the profits earned. This has usually

been in the neighbourhood of 2*d.* per gallon. Milk is carefully tested and the supplier regularly made acquainted with the results. The milk from different suppliers is not mixed, and defects can consequently be readily traced. Milk is sold to the consumer at market rates, and a bonus of 1*s.* in the £ is paid to regular customers by means of a system of tallies sold at the rate of 5*s.* 3*d.* worth for 5*s.* to customers who undertake to deal only with the society. The society sells eggs supplied by its members, as well as butter and cheese. Except for a check after the War, turnover has risen steadily and in 1929 stood at over £20,000 or about £1,300 per member—the figure per supplier would be higher. About £8 10*s.* of trade is done for every £ of share capital. Running costs amount to 23 per cent. of turnover, but this covers a fairly elaborate service. A profit has been regularly made, but no bonus distribution has been made to suppliers ; instead, a high rate of interest, until recently 20 per cent., has been paid on share capital. This has now been somewhat reduced in order to bring it within reach of co-operative practice.

Watford Pigkeepers.

The society was formed five or six years ago by a group of people of small means living in the semi-rural outskirts of Watford. Its 30 members subscribed a capital of £130, which was invested in young pigs. These are not distributed among members but are fattened on a small farm and resold. The annual turnover amounts to a few hundred pounds and the undertaking has proved profitable. It is in the nature of a small business venture, however, rather than a co-operative society in the usual sense of the term.

Nursery Trades.

The society was formed in 1920 and supplies nurserymen around Waltham Cross with seeds, plants and general requirements. There are 104 members, who have subscribed a capital of £1,924. The sales for 1929 were £29,526, which shows a falling off of over £10,000 on the previous year. In the earlier years the society had a turnover of nearly £55,000. Membership has dropped by about 50. Turnover per member amounts to £283, and £14 per £ capital. The running costs are 3·6 per cent. of the turnover, a low figure, salaries accounting for 69 per cent. of these costs. Credit with members extends to about two and a half months, and there is an overdraft of £494 at the bank. The society had a small surplus last year after paying 4½ per cent. interest on capital.

BEDFORDSHIRE

The Herts and Beds Co-operative Bacon Factory at Hitchin draws supplies from Bedfordshire. The Buckingham and Northampton requirements societies have their headquarters at no great distance from the county boundaries. Dairy sales

and the marketing of eggs, fruit and vegetables remain unorganized. The county had at one time a number of smallholding societies. Few continue to function as trading organizations. The Beds, Hunts, and District Allotment and Smallholders' Federation was registered in 1920 with a membership of 20 registered societies in Bedfordshire and 25 branches in that county and in South Huntingdon. It secured considerable initial success both in the sale of requirements, the marketing of potatoes and fresh vegetables, and the arrangement of leases. Prosperity, however, was not maintained, and the Federation was wound up in 1924.

BUCKINGHAMSHIRE

The co-operative record of Buckinghamshire is not on the whole an encouraging one. There is one smallish requirements society covering an area in the north of the county. Neighbouring districts are served by the Northamptonshire Farmers (see Northamptonshire), and the south comes within the area of the Berks, Bucks and Oxon Farmers, operating from near Reading (see Berkshire). A small dairy at Beaconsfield has become a private company and an egg society at Princes Risborough is virtually suspended but still carries on a small requirements business. The county is within the area of the Midland Wool Growers. A cattle insurance society at Aylesbury insures against death or loss of live-stock previous to slaughter and after delivery to the butcher or grazier; also against loss through diseased meat. It is primarily of interest to butchers rather than farmers.

Buckinghamshire Agricultural Trading Society.

The society was formed in 1902 to deal in farm requirements. It has a warehouse and mill in Buckingham and serves a radius of about 15 miles round that centre. There are 211 members, mostly dairy farmers on a fairly large scale, and as many non-member customers. The society has passed through a period of difficulty, including a heavy fall in turnover after the War, and about 1924 the capital appears to have been written down to about a quarter of its value; it now stands at £1,400. There is also a bank overdraft for £4,826. The main business is in requirements, but members' grain is marketed to the extent of about one-fifth of the turnover. Turnover has remained steady, with a tendency to recover, since 1921, and in 1929 was £24,872, about half that of 1919. This represents a turnover of about £118 per member and perhaps £50–£60

per customer, rather a low figure for that district. About £18 of trade is done for every £ of share capital. Running costs amount to about 6 per cent. of turnover. A small profit has been made in recent years. The society does not appear to be especially active in attracting new members. Milk, the farmers' principal product, is not handled by the society, but a large proportion of it is sold by members direct to the creamery of the London (industrial) Co-operative Society in Buckingham.

Askett Agricultural Co-operative Society.

The society was started during the War with a small membership in the neighbourhood of Princes Risborough, and for some years collected weekly a considerable number of eggs, which it marketed on behalf of members. The cost of collection, however, proved too high for profitable working and the society is virtually suspended. It is not dissolved, however, but returns a membership of 13, for whom it purchased about £100 worth of requirements during the past year.

OXFORDSHIRE

The county is served by one successful and fairly large requirements society which is remarkable for being run entirely on the truckload system. In addition, part of the southern area of the county is covered by the Berks, Bucks and Oxon Farmers, with headquarters in Berkshire. Oxfordshire also has the headquarters of the Midland Woolgrowers, which extends over several counties. There are or have been one or two small egg marketing societies, but their history, with the exception of one recently started, has not been a particularly happy one. A fairly large dairy at Oxford had a membership of under 20 and did a turnover of between £15,000 and £20,000, but not profitably, and in 1928 was taken over on relatively favourable terms by the local industrial co-operative society; the same farmers continue to supply, but have ceased to have any financial or controlling interest in the undertaking. A bacon factory, built in 1923 near Oxford, opened at the close of that year with share capital of about £25,000 and a loan from the Ministry of Agriculture; there were 667 members, about half of whom were under contract to supply pigs, carriage inward being paid in all cases by the factory. The factory also acquired six retail shops for the disposal of by-products. The premises were shortly enlarged from a capacity of 500 to 1,000 pigs per week, but

the average weekly supply never seems to have exceeded 500 and was sometimes as low as 250. Various other contributory causes of failure have been suggested—the hostility of private firms, inadequate canvassing by the society, lack of loyalty on the part of members—but in any case the supply of pigs was not only small, but uneven and frequently of the wrong type. Although under contract, members with growing frequency broke their contracts and sent their pigs elsewhere, while those they did supply were delivered at inconvenient intervals. Marketing also presented difficulties, as the factory was entirely in the hands of wholesale firms. No prospect of surmounting these difficulties being in sight, in 1928 the factory went into liquidation.

One other organization to which some allusion should be made, although it is not in the full technical sense a co-operative body, is The Midland Marts, Ltd. at Banbury, a farmer-owned auction mart of the type commoner in Scotland than the South of England. A small corporation market formerly existed at Banbury and attempts were made to get this rebuilt in accordance with modern needs. This proved impossible, and a group of local farmers next considered the formation of a co-operative auction mart under the Industrial and Provident Societies Act. Adequate capital could not be obtained on this basis and the mart was finally registered as a limited company with a predominantly farming membership and directorate. The mart deals principally in live-stock and has been highly successful, greatly increasing both the number of beasts passing through the Banbury market and the area from which they are drawn. In the last year or two it has taken up the auction sale of eggs and live poultry. Eggs are sold on their reputation as submitted by the producer. No eggs are accepted for auction if more than a week old and none may be withdrawn after they have once been entered. Good prices have been secured both for eggs and in the more important stock sales.

Oxfordshire Farmers.

The society was formed in 1920 with just over 200 members, most of them large farmers with 200–2,000 acres. There are a few small-holder members, including one or two small-holders' and allotment societies. The area covered is Oxfordshire and the Berkshire border; membership has increased to over 400, but nothing like saturation point has yet been reached. Capital consists of £1 shares 5*s*. paid

up, each member, except small-holders with less than 50 acres, taking at least 20 shares. Any member whose shares amount to less than 2 per cent. of his annual business with the society may be called upon to increase his holding or forgo bonus on business done. Share capital amounts to £6,439, a considerable proportion of it invested. The society also had a fairly large reserve, but it was anticipated that part of this would be required to cover loss on the society's investment in the Oxfordshire Bacon Factory. There has never been any borrowed capital. The society leases an office in Oxford, but no depots, as all its fairly extensive business is carried out on a truckload basis. This is made possible by the large scale on which most members operate, purchases in bulk obviating the division of shipments into small lots. Small-holders are generally served by bulking orders or by shipping with a large purchasers' consignment. Business is carried on in feeding stuffs, coal, fertilizers and seeds. It does not include machinery. The society purchases fairly largely from the C.W.S. but is not a member. Turnover has risen, with a few minor fluctuations, from about £40,000 to £70,000, about £117 per member and £10 per £ of capital. Running costs do not total more than about 2½ per cent. of turnover. The average credit given is under one month. The society makes substantial contribution to reserves, pays 6 per cent. on share capital, a bonus to staff, and a bonus on purchases paid for within 14 days, which has been successively 3*d*., 6*d*., 8*d*. and now 9*d*. in the £, representing this year a distribution of about £1,540 to members. A large proportion of sales qualify for bonus.

Midland Wool Growers.

The society, formed in 1928 with headquarters at Banbury, covers the counties of Oxford, Bucks, Northants, Leicester, Warwick, Gloucester and Stafford. At the end of the first year's work, share capital stood at £1,734, subscribed by 415 members. A small proportion of non-members' wool was accepted. Premises were rented at £101 annually. In its first year the society handled 48,000 fleeces, representing 301,352 lb. weight, the gross sales being £22,133, about £53 per member. Cost of handling amounted to 1¾*d*. per pound, including brokerage. Estimated on the same basis as other wool societies, it would have amounted to 1¼*d*. The society had the ill luck to begin operations in a season in which wool prices fell heavily and unexpectedly. As a business concern the society did not suffer, but the price obtained for members' wool was not as satisfactory as had been hoped. Even so it would seem that the society's prices did not fall so low as those received by other dealers in wool after the slump had taken place. Competitive prices offered by local wool buyers did to some extent affect the society adversely, but the exceptionally low prices which followed were entirely due to world conditions. Owing to the state of sheep farming in the district in which it operates, the society handles very various types of wool, necessitating a multiplicity of grades, which at one time actually

amounted to 350. This increases not only the labour costs but also the transport charges, as in the case of small lots the whole lot has to be sent up to London, while for larger amounts (over 5 bales) a 25 per cent. sample is accepted. At the close of the year the society was able to pay 5 per cent. interest on share capital and carry forward a certain surplus to the next year.

Carterton Egg Club.

The society, formed in 1927, now has 68 members and a share capital of £122. There is no loan capital. The main business is the marketing of eggs, of which 1,200,000 were handled in 1929, the total value being £9,044. The turnover thus averages £133 per member and £74 per £ of share capital. There is also a small sale of appliances, amounting to about £60 per year. Running costs are 19 per cent. of the turnover, a comparatively high figure; the second year's working has nevertheless resulted in a surplus providing for interest on share capital and an allocation to reserve.

BERKSHIRE

The county is served by one large requirements society, which also covers parts of Buckingham and Oxford. A well-managed dairy specializes in wholesaling Grade A.T.T. milk. A creamery is being organized at Wallingford.

Berks, Bucks and Oxon Farmers.

The society was originally engaged in marketing members' milk, but later concentrated on supplying agricultural requirements to its 328 members, nearly all dairy farmers. The premises are at Twyford and include a mill which has been reconstructed during the past year. Share capital amounts to £5,381; there is also a mortgage of £3,900 and 6 per cent. loans of £2,200. The turnover for 1929 was £86,960, an increase of £3,000 on the previous year, representing a considerably greater tonnage increase; it is, however, £10,000 less than in 1926. Turnover per member is £265 and £16 per £ share capital. Running costs are under 3 per cent. of the turnover, which does not include mill expenses; travelling expenses and salaries account for 70 per cent. The society holds shares in the C.W.S. and in Farmers' Clean Milk Dairies. Members' credit is well under two months; discounts allowed for cash were nearly £1,600 in 1929. There is a bank overdraft and the reserve, including special reserve for bad debts, exceeds £1,200. The society has made a profit for the past six years and has paid 5 per cent. interest and written off preliminary expenses; it carried a further £500 to reserve this year after depreciating very generously.

Farmers' Clean Milk Dairies.

The society was formed in 1921 with the special object of dealing in Grade A.T.T. milk, a considerable quantity of which was produced

in the Reading area under the influence of the British Dairy Institute. It has now 25 members, of whom only 12 are suppliers of milk. It operated for three years with a depot in Reading and retail business direct to consumer, operating three milk rounds. Its activities seem to have been spread too widely and through this and other causes it incurred losses, and in 1924 it was reorganized to do a wholesale trade only, mainly to institutions and retailers in London. It obtained considerable loan capital in order to restart, partly from individuals and partly from another farmers' co-operative society; this has now been paid off. Share capital is £2,506 with £726 reserves. Land buildings and equipment stand at £2,675. The bulk of the society's trade is in Grade A.T.T. milk, though recently a certain business has been done in good quality milk of other grades. Its 12 supplying members live within a radius of 15 miles. The remaining members do not as a rule produce milk up to the required standard, but as the society increases its capacity more farmers achieve this standard and become active members. Accommodation milk is occasionally taken from non-members, who are invited to become members, or it is obtained from co-operative creameries or others in the West of England. Contracts with members admit of a 10 per cent. variation in either direction, all surplus being paid for at manufacturing rates unless the society is able to dispose of the milk in question at liquid rate. Surplus is made into cheese by the British Dairy Institute, at an agreed charge, and usually fetches a sufficient price to cover costs. Milk prices are fixed by contract for three periods and are 3*d*. above N.F.U. rates. This is slightly lower than the agreed Grade A.T.T. price, but includes marketing services. Milk is sold raw; some of it is cooled on the farm and a difference in price is made for brine and water-cooled milk. Turnover has risen in value in five years from £16,000 to £27,418, about £1,096 per member, £2,285 per supplier and £11 per £ of share capital. While turnover increased nearly 60 per cent. in four years, the increase in running costs was not more than 20 per cent. Running costs in 1929 were 5·3 per cent. of turnover, a low figure in the circumstances. An annual profit has been made ever since the reconstruction of the society; in 1929 it was £1,154; 5 per cent. interest on shares was paid, £200 to reserve, a bonus to staff, and £1,928 carried forward. Bonus shares for £303 were allotted to suppliers.

MIDDLESEX

There are no agricultural co-operative organizations in Middlesex—a small requirements society at Uxbridge was wound up in 1926—as there is practically no agricultural district to serve. Any market gardening on the Essex border would come within the area of the Nursery Trades at Cheshunt (see Hertfordshire section).

KENT

There is only one small requirements society in the county, the main co-operative development being in large scale marketing organizations. The English Hop Growers, described in detail in a later section on Hop Marketing, served all hop-growing counties, but the bulk of its supplies were drawn from Kent. The Kent Wool Growers was formed in 1920 in a small way and has steadily grown until it now handles about one-third of the county's production of fleeces. The Kent Co-operative Dairy at Gravesend is owned by three consumers' societies, but is of special interest as it pays a bonus to its farmer suppliers. The Kent, Surrey and Sussex Farmers' Bacon Factory, formed in 1922 with 750 members and a capital of £23,775, operated for only 14 months, failure being mainly due to the heavy expense of adapting the premises and original equipment which involved too much hand labour. The Kent Federation of Women's Institutes runs a successful co-operative stall in Ashford Market, selling members' eggs, butter and other home-made produce. A small fruit marketing society, the Eastry Growers, marketed principally soft fruit through London commission agents, but had insufficient capital and is in liquidation. There is a small credits society and the only example in England of a co-operative Lime society.

Hartley Agricultural Co-operative Society.

The society, registered in 1914, supplies feeding stuffs, fertilizers, implements and coal from its own store at Longfield. Membership has increased steadily and stands at 141. Share capital is £517, loan capital £1,328, and reserves £350. Turnover in 1929 showed an increase of £4,000 in 1927, and was £10,605, about £75 per member and £20 per £ share capital. Running costs are 9 per cent. of the turnover, salaries accounting for 76 per cent. The society was involved in the A.W.S. failure but wrote off its loss in 1928. Shares are held in the C.W.S. and members' credit is short, being well under one month. After depreciating well, paying 5 per cent. interest on share capital, a bonus on members' purchases, redeeming loans by £110, and adding £22 to the reserve fund, a surplus of £67 was carried forward at the end of 1929.

Kent Wool Growers.

The society was registered early in 1920, membership being open to any farmer on taking a minimum of one £1 share bearing 5 per cent. interest. It started with 75 members and £611 capital, and a bank guarantee from members. Premises were acquired consisting

of six army huts costing £450 ; their number has since been doubled, giving accommodation for 150,000 fleeces. The buildings and plant, consisting of fixed wooden bins, scales for weighing and two Australian type presses, now stand at £1,514. The society supplies bags and sheets to the members for the dispatch of their clip. A full-time manager and foreman are employed, an expert grader for two or three months in the summer, and about twelve unskilled men for the season. The progress of the society has been as follows :—

	Members.	Capital. £	Fleeces.	Net Sales. £	Overhead Charges per lb.
1920	75	611	25,000	12,000	1¾d.
1921	101	688	25,000	8,900	1½d.
1922	165	694	45,000	16,501	1¼d.
1923	497	1,517	95,000	51,617	¾d.
1924	501	1,813	120,000	74,418	⅝d.
1925	705	2,201	149,000	71,888	¾d.
1926	765	2,298	163,000	76,727	¾d.
1927	824	2,399	164,000	83,212	¾d.
1928	1,021	2,723	209,000	127,348	¾d.
1929	1,021	2,912	204,000	82,314	⅞d.

The Kentish production of fleeces is estimated at 700,000 per year and the number handled by the Society is therefore not far short of one-third of the total.

The method of operation is as follows. Members are not bound by contract to sell their wool through the society, but unless it is well supported, it is, of course, liable to the same fate as the Hop Growers. Shortly before the shearing season each member is requested to fill in a form stating the number of fleeces which he wishes to dispose of in this way, and the approximate dates on which he intends to deliver. Bags and hemp sheets are then supplied. The farmer is asked to keep the fleeces of different breeds separate and divide his clip into (*a*) fleeces—flock ewes ; (*b*) fleeces—hogs or tegs ; (*c*) dunglocks and sweepings ; (*d*) blacks and cots ; (*e*) lambs' wool. The sheets and bags, each with a label stating its contents, are then forwarded to the society, which pays carriage between 10 and 50 miles. An advance regulated by the market price of wool is paid to the grower within a week of receipt, bank overdraft furnishing this, in the first few weeks backed by personal guarantee, but later with the wool as security, the society thus operating on a comparatively small share capital. On arrival, the fleeces are weighed, graded and then re-weighed in their grades, and the grower credited with the weights of his wool in each class. Wool is then baled and stored, and a 25 per cent. sample of each grade is forwarded to the London Docks, where it is sold by brokers at the Coleman Street exchange at the wool sales taking place during the autumn and winter. Brokers' commission is 1 per cent. plus 6*d*. per bale for sale expenses. The sold wool is dispatched direct from the Kent depot to the purchaser, who pays carriage. Payment is collected by the brokers as soon as sales

are effected, and forwarded to the society. After the final sale, overhead charges are deducted from the proceeds and the balance is paid to growers plus the 5 per cent. interest on share capital. After the last settlement, advances of £1,992 were repayable by members, owing to the heavy fall of prices.

Goodnestone Agricultural Lime Society.

The society was formed in December, 1924, with a membership based upon a holding of 5 £1 shares, 10*s.* paid up, for every hundred acres farmed. There are now 31 members with share capital of £150 and reserves of £182. The society has a 21 years' lease of a kiln and 6 acres of land and pays a rental of £22 10*s.* per annum plus 6*d.* per yard royalty, with a minimum of £25 per year for 100 yards. The kiln was built by a local landowner. The society employs two lime burners, who work from November to April only and find work with local farmers during the summer. At the beginning of each lime-burning period the order of supply of lime to members is determined by lot, each £1 share entitling the holder to one day's output. Members are then notified when their allotment is ready. The price is fixed each year but has always been 15*s.* per yard. The annual output since the formation of the society has been as follows: 1925, 833 yards; 1926, 340 yards; 1927, 314 yards; 1928, 808 yards. In the first year the society made a substantial profit, distributed in 5 per cent. interest on shares and allocation to reserve, bonus to employees and a bonus of 10 per cent. on members' purchases. In the following year the bonus on members' purchases was raised to 20 per cent. In 1926 and 1927 the accumulated results of the coal situation had affected the society, and though a small profit was made there was no bonus. In 1929 the turnover was £414, showing a profit of £172; interest was paid on shares, a small bonus to staff and £112 distributed to members. Running costs were 32 per cent. of turnover, wages being 57 per cent. of costs.

SURREY

The principal development of co-operation in the county is the supply of requirements. There are four societies which cover the ground fairly thoroughly, including one very active and growing society which confines its activities to poultry keepers. The West Surrey Farmers at Guildford is the largest, and is an example of efficient organization. There is a small credit society in the county. A hop-growers society also serves a part of Hampshire.

West Surrey Farmers' Association.

The society, formed in 1907, supplies fertilizers, feeding stuffs and implements, and is a model society of its type. The business is run from the premises in Guildford, which have recently been extended

and are the property of the society. They are conveniently placed opposite the stock markets. There are no subsidiary depots and the society does not own a mill. Very complete service is given to members, including repair departments for machinery, implements and harness. There is also an arrangement with a local cart and wagon works for supplying members. Membership has increased steadily each year and now stands at 659. Most of the members are large farmers producing milk and a fair quantity of corn. Capital is raised by shares of the nominal value of 5*s*. each and one share has to be taken for every 10 acres or part of 10 acres, with a minimum of four shares, 1*s*. 3*d*. being paid up on each share. Share capital at present amounts to £564 and a further £375, which is interest credited to members' share capital, making a total of £939. Members of the association also hold mortgages on the society's property amounting to £7,700. Credit allowed to members is comparatively short, being 1 month to 6 weeks. The turnover for 1929 amounted to £58,228, or £62 per £ of members' capital, which is comparatively high, and per member, £88. No trade is done with non-members, which is unusual for this type of society. Although the turnover shows a decrease of £2,000 on the previous year, this is accounted for by the low price of feeding stuffs and fertilizers; the tonnage turnover was a record for the society. The running costs, not including cost of lorries and transport generally, amount to 4·8 per cent. of the turnover. Salaries, wages and auditors' fees amounted to 65 per cent. of these costs. A profit has been made every year since the society was formed. After regularly paying 5 per cent. interest on capital, 5 per cent. bonus to staff, and depreciating generously, a reserve fund of over £5,000 has been built up.

East Surrey Farmers' Co-operative Society.

The society was formed in 1919 to supply farmers' requirements, mainly feeding stuffs and fertilizers. A store is rented from the Southern Railway in the Goods Yard at Redhill, customers fetching their requirements or being supplied on a truckload basis. Membership has not varied since the society was formed and stands at 60, representing mainly medium-sized dairy and arable farmers. The society buys members' corn but has no mill. Capital is subscribed in £1 shares fully paid and amounts to £2,530. A considerable trade is done with non-members. Turnover was £30,000 in the first year the society operated and has not been as high since. A considerable loss was sustained during the first two years, but a profit has been made each year since 1921 on a turnover of between £20,000 and £25,000. The business is now well established and open to new members. The turnover per member is approximately £415 and £9 8*s*. per £ capital. Outstanding accounts with members show about 2½ months' credit, which necessitates an overdraft at the bank. Running costs amount to 4·4 per cent. of the turnover, salaries and wages accounting for 70 per cent. The society suffered in the A.W.S. failure, but the loss has now been wiped out, together with that of

the first two years. The stores and office have been well depreciated and the society is paying interest on capital for the first time this year at 6 per cent.

Wealden Farmers.

The society was formed in 1911 and owns premises in the station yard at Oxted. There are 223 members, mainly medium-sized dairy farmers, who have subscribed a share capital of £1,099. There is a further £1,500 on mortgage and loan capital. The society deals mainly in feeding stuffs, fertilizers and coal. It passed through a difficult period a few years ago and accumulated a considerable loss, mainly through being involved in the A.W.S. failure. The turnover for 1929 was £16,376, and has been stationary for some time. It is not anticipated that it will increase as there is considerable competition of private firms in the district. Turnover per member is £73 and £15 per £ share capital. Running costs are 11·3 per cent. of the turnover, a comparatively high figure, salaries and wages accounting for 63 per cent. of these costs. Approximately two months' credit is given to members and there is a heavy overdraft. The society was only just able to show a profit last year; no interest was paid on share capital.

Surrey County Poultry Society.

The society was formed in 1923 and supplies poultry keepers with feeding stuffs and appliances. Rapid development has recently taken place; membership, now 462, has more than doubled in the last two years, 101 new members having taken up shares in 1928, and 126 in 1929. The society's office and store are at Chilworth near Guildford; the majority of members are farming in West Surrey, but membership is not refused from any part of the country, and the society has already reached out to the south-west as far as Devon. There are also members as far north as Lancashire and Yorkshire. Whether or not this is a wise policy, the Committee is ambitious and is anxious to develop the co-operative system of business organization as widely as possible. There is a strong desire also to co-operate with other societies in the South of England with the object of building up a strong federation of poultry keepers. Although the West Surrey Farmers' Association is only 3 miles away, no overlapping occurs, as the Poultry Society is only interested in serving the poultry keepers, generally working in a small way. The society's various enterprises include a monthly poultry journal and an annual, both self-supporting, and an information bureau for veterinary and other scientific advice. Laying trials are also held and in the last two years the society has held a poultry and rabbit show. The capital is £673 in 10*s.* shares, about a quarter fully paid. Turnover in 1929 was £15,690, averaging about £40 per member and £23 per £1 of capital. After generous allowance for depreciation, a profit of £140 was shown, £46 going to pay bonus to members, 5 per cent. for interest on shares and balance to reserve.

The Farnham, Alton and Districts Farmers' and Hop Growers' Co-operative Association.

The society, formed mainly for supplying requirements to hop growers, has its office in Farnham, and 126 members who have subscribed £417 capital in £ shares fully paid. It does no trade with non-members. Turnover in 1929 amounted to £6,226, showing a decline during the past three years of £3,000, the decrease in 1929 largely accounted for by the exceptional weather conditions, which reduced demand for hop wash or powder. Turnover per member is about £49 and £15 per £ share capital. There is a reserve fund of £3,800 and undistributed surplus of £300. Running costs are only 1·8 per cent. of the turnover, exceptionally low, as the business is run from the Secretary's office free of charge and there is no storage or transport. Interest was paid at 5 per cent. on shares and the Secretary received a small bonus on profits; no bonus was returned to members on purchases.

Addington Agricultural Credit.

The society was formed in 1926 to provide members with credit. Share capital is £124, with £42 paid up. Its 31 members have outstanding loans amounting to £39, which includes £10 of loans made in 1929. It banks with the C.W.S. Interest has been paid on loans regularly, and the society has accumulated a few pounds profit.

SUSSEX

Apart from one society which supplies poultry requirements and markets members' eggs, and a small-holders society, there is no requirements society in the county. There are, however, interesting developments on the marketing side, including the Southern Wool Growers, which has made steady progress in membership and turnover since it was formed and draws supplies from several surrounding counties. In the milk crisis of 1925 the Horsham Milk Producers' Society was formed by 74 farmers with a capital of £358 in order to handle the supply independently, the local auctioneer acting as secretary. Its activities did not survive the settlement and the society is to be wound up and its plant and machinery sold when they have been depreciated to a marketable value; the loss showing at present is £100. A dairy handling liquid milk disposes of its surplus to one of two dairies formed for converting surplus milk as emergency organizations in case of a breakdown in the N.F.U. negotiations for contract prices. These two own between them five plants, but apart from occasionally converting surplus milk, they are inactive

and will probably be liquidated shortly. The main reason for their inactivity is the shortness of the surplus period, due to the heavy demand for liquid milk in the south-coast towns during the summer months. In the east of the county there is a progressive National Mark egg marketing society, which also slaughters and markets members' pigs and does a small trade in fruit and vegetables. Although only recently formed, it is developing rapidly and hopes eventually to cover the whole county. The Scientific Poultry Breeders' Association, which has its headquarters at Rudgwick, has formed an egg marketing society which has not yet commenced to operate; another, recently formed, has not been successful. A new fruit marketing society has made a promising start on a small scale. The East Sussex Credit Society operated for a time on a larger scale than at present under the 1923 Act. A retail shop for the sale of market-garden produce and eggs has developed into a general greengrocery business. The West Sussex Livestock Improvement Society is no longer active. There are also co-operative stalls in four markets which are run by volunteer members of the Sussex Federation of Women's Institutes.

Southern Wool Growers.

The society was formed in 1923 under the name of Southdown Woolgrowers, and was largely inspired by the example of the wool society in Kent. Its original object was to market Southdown wool, but it was soon found necessary to handle crossbreds and other breeds; supplies were drawn from 14 counties and represented nearly 20 breeds. The name was changed to Southern Wool Growers and in 1925 a smaller society, the Ryeland Wool Growers, with 105 members and handling about 10,000 fleeces per year, was absorbed. The society's rented premises in Chichester were inconvenient and too small, and a new depot was accordingly built, with the help of a loan from the Ministry of Agriculture. It is of ferro-concrete, 200 by 100 feet, with a capacity of 250,000 fleeces, close to the railway station, with good loading and unloading facilities, including a travelling crane. It is at present valued at £9,969. The methods of operating differ only in small particulars from those followed in Kent. Instructions in shearing, rolling, packing, etc., are sent out to members before the shearing season begins. A preliminary enquiry is made as to the number of fleeces likely to be sent in; on receipt of replies, the necessary sheets, labels, etc., are forwarded. Railway carriage inward on wool is paid by the society and a ton mileage allowance is paid on wool delivered by road. Wool is weighed on arrival, then classed, a large number of classes being made neces-

sary by the variety of breeds, and afterwards reweighed in its classes, the grower being credited with the weight of wool supplied in each class. As many as 27 different breeds have been handled, but it has generally been possible to make up lots of from 25 to 35 bales. Some of the smaller classes are sold in "starred" lots, which usually find a ready market. In 1924 the society made advances to members in the payments of 50 per cent. and 25 per cent. of estimated value, but from 1925 the method was altered to one advance of 75 per cent., made within seven days of the receipt of the wool. For this purpose a large seasonal overdraft is required. This is secured partly by a joint and several guarantee signed by members, and partly on the wool; the interest is a fairly large item in the society's expenses. A final payment is made as soon as the results of the year's sales are known. This payment includes interest at 5 per cent. on share capital, plus total value of wool less the society's working costs and the advance already made. The society has no contract with its members. The progress of the Southern Wool Growers may be summarized as follows:

	Member-ship.	Share Capital. £	Fleeces.	Gross Sales. £
1924	252	1,395	65,000	37,256
1925 [1]	667	3,915	165,000	57,433
1926	734	5,230	152,000	46,209
1927	798	5,671	150,000	50,001
1928	903	5,864	150,000	56,866

In 1929 there were 906 members, with share capital of £5,957.

Stonegate and East Sussex Farmers' Co-operative Society.

The society was formed in 1926 to market eggs under the National Mark, poultry, fruit, vegetables and pigs. The present managing director handed over to the society the goodwill of a considerable private connection with retailers he had built up. The members include all types of farmers and the object of the society is to extend its service over the whole county; at present the majority of members are in East Sussex. Eggs are collected from members in the society's vans, no quantity, however small, being refused. The majority of the eggs are sold direct to retailers in London, being delivered by road and 10 per cent. commission is charged for handling the eggs. Each member is paid on his eggs after they have been graded, although the society is considering the alternative plan of paying a flat rate regardless of grade. Accounts are settled weekly. The pigs are slaughtered at the manager's own farm, which is near the slaughter-house, and in most cases sold direct to retailers in the neighbourhood. The turnover for 1927–28 was £4,194, and in fruit and vegetables, £701. Membership has increased rapidly during the past year and now (1930) stands at over 150. No trade is done

[1] Amalgamation with Ryeland Wool Growers.

with non-members. Capital has increased from £281 to £1,098 in £ shares fully paid. Members have to sign a contract on joining the society to sell all eggs for human consumption through the society, with the option of giving one month's notice if it is intended to sell outside the society, in which case membership is cancelled, though the member may rejoin the society. Failure to give a month's notice may involve expulsion. Similar contracts are signed for pig and fruit and vegetable deliveries. Total turnover for 1928–29 amounted to £18,824, or £126 per member and £17 per £ capital. Running costs for the year were 8·3 per cent. of turnover. Wages, including an honorarium to the managing director, amount to 41 per cent. of these costs and motor expenses 30 per cent. The society shows a fair profit after paying 5 per cent. interest on share capital, a bonus to the working manager, putting £80 to reserve and paying members a 1 per cent. bonus on all business done.

Hurstpierpoint Co-operative Society.

The society, formed in 1924, supplies requirements mainly to small-holders. There are 23 members who have subscribed a capital of £158. The society is a member of the C.W.S. and has £100 invested in it, buying the bulk of its supplies from this source. Turnover for 1929 amounted to £5,301, or £230 per member, but this includes trade with non-members. There is no full-time employee, the secretary managing the business for a small honorarium. Running costs, mainly accounted for by rent and rates, are under 1 per cent. of the turnover. The society made a profit last year and paid a small bonus on members' purchases. No interest was paid on capital; there is an undistributed surplus of £150.

Heathfield and District Poultry Keepers' Association.

The society was formed in 1921 and supplies poultry feeds and appliances to its members. Eggs, and to some extent poultry, are marketed for members. A fairly compact area of small poultry keepers is served. The Stonegate and East Sussex Society comes into the same territory for the collection of eggs and the Surrey County Poultry Society, with requirements, and the S.P.B.A., whose headquarters are in Sussex, also supplies a number of poultry farmers in the district. Poultry mashes are mixed by the society for members, saving a considerable amount of trouble. Capital and membership have increased steadily since the society was formed. Capital stands at £2,542, with £500 reserve, subscribed by 395 members, with a minimum of five shares if a flock of more than 100 birds is kept. Turnover in requirements for 1929 was £24,722, an increase of £3,000 on 1927. Eggs marketed amounted to £9,689, an increase of over £1,000, the total turnover being £34,411, about £87 per member and £13 per £ capital. Running costs are 5·2 per cent. of turnover. There was a profit of £268, paying interest at 5 per cent. on shares, a bonus to staff, £126 to reserve, and carrying forward £364.

Chichester and District Milk Producers.

The society was formed in 1925 in order to have an organization ready in the event of a breakdown in the N.F.U. milk contract negotiations. Premises were bought in Portsmouth for handling milk. The society has done practically no trade, apart from occasionally converting surplus milk into cheese. The main function of the society is to bargain with retailers, the industrial co-operative societies chiefly, for contract prices, and it has served a useful purpose on certain occasions in this respect. There are 82 members who have subscribed £669 in £1 shares fully paid. The 1929 turnover was £289 showing a loss of £129 which made the total loss £493.

Horeham Road Co-operative Society.

The society was formed in 1920 to handle liquid milk. There are 112 members who deliver their own milk to the dairy, conveniently placed near the station. Share capital is £3,150, loans £1,637, overdraft £1,053 and reserves £47. Turnover in 1929 was £26,156, about £233 per member and £8 per £ capital. Running costs were 8·6 per cent. of turnover, salaries accounting for rather more than half. Some milk is retailed locally. Last year out of the profits of £208, a small bonus was paid, and interest on share capital at 5 per cent. Shares are held in the C.W.S., which takes the bulk of the supplies, any surplus being sold to the East Sussex Dairy Farmers for manufacture.

Kirdford Growers.

The society was formed in 1929 in a small intensive fruit-growing area around Billingshurst by five members, who sent their apples and soft fruit to a commission agent in London. Share capital is £60 and sales for 1929 were £358, distributed among the members after deducting expenses. A high quality of fruit is grown and development of the district is expected to lead to expansion of the society.

East Sussex Dairy Farmers.

The society was formed with headquarters at Lewes in 1924, to provide an alternative outlet for milk in the event of a breakdown in price negotiations. It has 386 members and share capital of £2,284. Four cooling plants were erected; elaborate preparations were also made for retailing milk in surrounding towns during the crisis in 1929. The cost of upkeep is about £200 a year, which is defrayed by opening one or more of the plants to manufacture a particular cattle cube during the surplus period in the spring for resale to members. There is no surplus milk in summer owing to the demand in the south-coast resorts. The turnover fluctuates considerably, being dependent on the period that it pays to convert surplus milk into cattle cubes. It was £7,000 in 1926, £16,000 in 1927, and £785 in 1929, showing a profit of £31. It is expected that the plants will be sold as soon as they have been depreciated to a marketable value.

Southdown Egg Producers.

The society was formed in 1928 for the sale of eggs and rents premises near Chichester. There are 57 members who have subscribed a capital of £150. The turnover for 1929 amounted to £9,643, or £175 per member and £64 per £ capital. Running costs are 3·5 per cent. of the turnover, a low figure for this type of society, salaries accounting for 87 per cent. Members deliver their own eggs. The society made a loss of nearly £200, owing to lack of support from members.

East Grinstead and District Producers.

The society, formed in 1920, runs a retail shop in East Grinstead to dispose of allotment-holders' produce, including eggs. There are 137 members, which include some owners of large gardens, who subscribed the bulk of the £589 capital. The society has not been very prosperous; quality of members' produce is irregular and the business has become more and more dependent on imported produce. The sales for 1928 were £3,965, and in 1929 £3,293. Running costs are 18 per cent. of turnover. A small profit was made in 1928, after depreciating well, and a small loss in 1929.

HAMPSHIRE

The county has been the scene of a good many co-operative experiments, some of which have attained considerable success. One large requirements society serves the whole county, but there are four others, and more once existed. Some serve more or less isolated areas or specialized communities, but there is overlapping. The county has one co-operative slaughter-house working on a moderate scale; dairying is represented only by a small and recently founded surplus milk society; eggs are handled by the principal requirements society. The county is within the area of the Southern Wool Growers; there is no handling of fruit. A small threshing society exists, but not in a very active condition. The Swanwick Basket Factory, Southampton, though hardly an agricultural organization, is owned by fruit growers, whose requirements it supplies. A bacon factory at Eastleigh Junction, near Southampton, was first registered in 1919 to take over the Government slaughter-house in Southampton; in 1920 it purchased a private bacon factory and enlarged its scope accordingly. The slaughter-house was subsequently separated once more. After several extensions and changes of name, the society opened at the end of 1924 as the Four Counties Bacon Factory, with about 400 members in the counties of Hants, Wilts,

Somerset and Dorset. The cost of site, buildings and plant was nearly £30,000; capital of £22,797 was subscribed, but in 1925 was written down to 10s. per share. There was also a Government guarantee. The society adopted a scheme of voluntary contracts with members for the supply of pigs, with a system of bonuses and fines. No dealers were employed and the majority of pigs supplied were from members. Carriage within the four counties was paid on lots of not less than ten pigs. One penny per score was deducted from the price for insurance, and 6*d*. per score was paid for extra quality pigs. Sales were made through the English Farmers' Bacon Agency. The factory had a capacity of 1,000 pigs per week, dry cure, but rarely received more than 200–250. Certain bonuses and a fairly high rate of interest on shares were paid, but the result of five years' working was a loss, practically all accrued during the transition period from a small to a large factory, and in 1926 the society went into liquidation and the factory was taken over by a private company.

Southern Counties Agricultural Trading Society.

The society, formed in 1906 to sell agricultural requirements, covers Hampshire and touches on some of the neighbouring counties, especially South Wilts. Membership is rather under 1,000, mostly large and medium farmers, and the society also sells to non-members, including a number of small-holders, said to be satisfactory customers, loyal and prompt in payment, whom it is hoped to bring into membership. Share capital stands at £27,283 and is insufficient for present requirements. There are trade debts and a bank overdraft amounting to £68,244. The bulk of the capital is required to cover trading operations and members' credits, but a certain proportion is in premises and plant, including a mill. The society was a shareholder in the A.W.S. and suffered severely in the collapse of that organization. It has been assisted through the ensuing period of difficulty by the C.W.S., of which the society is a member. Assistance has taken the form of trading credits, together with a certain amount of advice on management. The society is under no obligation to purchase from the C.W.S., but in fact does so to the extent of about one-sixth of its total purchases. Its principal business is in the sale of feeding stuffs, cakes, seeds, seed potatoes, coal and fertilizers. It has recently extended its seed department and installed modern seed-cleaning machinery. It is one of only few societies which have implement departments and repair shops. At one time the society owned and hired out a threshing tackle, but this business has been dropped. It also handles members' wheat, usually selling about one-third to the C.W.S. Oats, barley and seeds are also handled.

The society further sells eggs and poultry for its members; the bulk of the eggs are graded and tested and sold to ships in Southampton. During the glut season they are occasionally cold stored. Turnover fell considerably after the War and has not shown any marked recovery until last year, as far as cash total is concerned, though it would appear that the tonnage turnover is increasing. In 1929 it stood in value at £522,884, or £525 per member and £20 per £ of share capital. The turnover per customer is not ascertainable. The average credit given is rather under two months. Running costs amount to 6 per cent. of the turnover. The society brought forward considerable losses from previous years, but since it has been making a profit these losses have been steadily reduced. No interest or bonus was paid for some years, but interest at 5 per cent. has now been resumed.

New Forest Agricultural Co-operative Society.

The society, formed in 1913 for the sale of agricultural requirements, serves the somewhat isolated New Forest area of Hampshire, operating over a 15-mile radius to the west of Southampton. It has 450 members, most of whom run small dairy and mixed farms up to 100 acres. Membership has steadily increased, but the process is slowing down, as the society has nearly reached saturation point in the district. Share capital has increased somewhat more rapidly and now stands at £3,133 and loans at £3,615, with reserves of £611. The society owns a warehouse, which it is outgrowing, but no mill. Goods are delivered by the society's four lorries. It is a member of the C.W.S. and purchases largely from it, especially offals, meal and cake. Turnover fell somewhat in cash value after the War, but the position has been almost recovered; in 1929 it was £19,895, about £44 per member and £6 3*s.* per £ share capital. Running costs were 10·5 per cent. of turnover. There was a loss of £169 charged to reserves and interest was paid on share capital.

Tichfield Abbey Co-operative Society.

The society was founded in 1920, in connection with an ex-servicemen's colony, to sell agricultural requirements, with 35 members and £380 share capital. The present membership stands at 168, nearly all strawberry growers with an average of 4 acres of land, though some are also pig and poultry keepers. Share capital is £1,088, and reserves £322, and there is a £1,206 overdraft; investment in a grist mill (water power) and machinery stand at £1,408. The society sells feeding stuffs, fertilizers, tools, coal and baskets. A considerable proportion of its purchases are from the C.W.S. Fairly long credit is given, averaging nearly three months, but as much as six months in some cases, largely due to local dependence on the strawberry crop. At one time an attempt was made to market strawberries, but they were merely consigned to a London salesman and no advantage in price was secured; bulk loading also proved difficult to arrange, and the scheme was dropped. Turnover has fallen somewhat since the

first years, but in 1928 rose to just under £10,000; in 1929 it was £7,945, about £47 per member and £7 3s. per £ capital. Running costs are 12·4 per cent. of turnover, a somewhat high figure. A profit of £100 made provision for reserve and depreciation, 5 per cent. on share capital and a bonus on members' purchases, £210 being carried forward.

Wellow and District Agricultural Co-operative Society.

The society was formed in 1914 to sell agricultural requirements. Its 44 members are for the most part small-holders and pig-keepers; not all, however, are customers. Share capital now is £26 and there is an equal amount uncalled. The society owns a store which is open daily from 9 to 9.30 a.m. The main business is in pig food, but coal and other goods are sold. The greater part of supplies is derived from the C.W.S. Goods are railed to Totten, the nearest station, and brought thence by lorry. The society had few competitors when it started, but since the War they have multiplied, even some of its own members having set up as coal agents, etc. Turnover fell considerably at the time of the post-war slump and again recently, from about £1,700 in 1928 to £892 in 1929, being about £20 per member and £34 per £ of share capital. Running costs are 6·8 per cent. of turnover. There was a small loss this year, but a surplus of £253 was carried forward after paying a bonus on purchases.

Westend and District Agricultural Co-operative Society.

The society sells agricultural requirements to a group of farmers in a small-holding district on the outskirts of Southampton. The present membership is 40 and has varied little over a number of years. Share capital is just over £100. Turnover has fallen heavily since the War, but now seems stable at about £700 or £17 per member and £7 per £ of share capital.

Itchen Valley Co-operative Cheese Factory.

The society was formed in 1926 by a group of 36 farmers engaged individually in the liquid milk trade, to make cheese of surplus. Share capital of £326 was raised and loans of £50; plant was installed at a farm where the farmer's wife was qualified to undertake cheese-making when required. In 1927 the society made cheese to the value of £246 and found a ready market for it. In 1928 and 1929 there was no surplus milk. In the first year a small loss was incurred, which was repeated in 1928, and in 1929 amounted to £88. The society is more in the nature of an insurance against loss on surplus than a commercial concern.

Hants Farmers' Abattoirs.

A society was formed in 1919 to take over the Government slaughter-house in Southampton at the period of decontrol. This organization soon after acquired a bacon factory and the two were

operated together for a short time. Later they were separated, the bacon factory becoming eventually the Four Counties Bacon Factory, which failed to make good as a co-operative and was transferred to private hands, the slaughter-house reverting to independent co-operative management under the above title. The society has 64 members, share capital of £1,690 and no loan capital. Reserves stand at £828. Its sales declined slightly and then recovered in the last few years. They now stand at rather over £43,000 or £670 per member and £25 per £ of share capital. All meat is sold on the local (Southampton) market to retailers. Running costs amount to 5 per cent. of turnover. A profit has been made in recent years and interest has been paid on shares together with a bonus on members' deliveries of livestock.

Waterlooville and District Poultry Society.

The society, registered in 1929, supplies poultry feeds and has its own premises at Waterlooville. There are 121 members who have subscribed a share capital of £639. A further £600 was raised on mortgage of the land and buildings. Turnover for the first trading period amounted to £2,906 or £24 per member and £4 4*s.* per £ capital. Running costs are 6·4 per cent. of the turnover, salaries accounting for 40 per cent. of these costs. The society made a fair profit, paying 4½ per cent. interest on shares. Members' credit is well under a month and there is no overdraft.

Romsey and District Farm Implements Society.

The society was formed in 1919 when it was difficult to get threshing done and farmers had capital to spare. A group of 11 farmers joined together to purchase tackle, which they hired out to members and non-members. A man was employed during the winter. In the boom years, however, a number of other farmers also invested in threshing tackle, which they hired out in competition with the society. The latter, being unable to offer better terms, has since found little use for its services. The capital of the society is £998.

ISLE OF WIGHT

One requirements society serves the whole island fairly thoroughly from a central depot at Newport. The only marketing business is an egg society operating under the National Mark, with headquarters also in the capital, which has recently started selling by auction in the town.

Isle of Wight Farmers' Trading Society.

The society was formed in 1916 and serves the island with feeding stuffs, fertilizers and implements. No trade is done with the C.W.S. owing to difficulty in obtaining the necessary credit terms. The office and stores are in Newport. The society buys all members'

corn, which is milled by private firms under contract. There are 145 members, mainly dairy farmers and a few poultry farmers. The society accumulated a loss of £13,000 during the first few years of its existence, including a heavy loss in the A.W.S. failure. A new manager was engaged and in 1925 the £1 shares were written down to 5*s.*, share capital now being £3,216. The loss has been reduced to well below £3,000. Loan stock subscriptions have almost doubled during the past year, and stand at £2,045. Turnover has not varied much for several years; in 1929 it was £35,700, or £246 per member and £11 per £ of share capital. About 50 per cent. of the trade is with non-members. Running costs are 11·5 per cent. of the turnover, a comparatively high figure accounted for by the fact that everything dealt with has to be handled by the society; there are no branch depots and the members are scattered over the island. Members have rather long credit with the society, extending to nearly four months, which necessitates a proportional overdraft. The society made a fair profit last year but had a temporary setback owing to heavy legal charges in connection with a controversy over certain rights relating to the River Medina, upon which the society largely depends for receiving supplies. The usual depreciation was made, however, and bad debts written off. There is a small reserve for bad debts, but no general reserve.

Isle of Wight Egg and Poultry Supply Depot.

The society, formed in 1922 to market members' eggs and poultry, has 78 members with share capital of £185. The National Mark has been adopted recently. The turnover for 1929 was £2,835, showing a decrease of about £2,000 since 1925. Turnover per member is £36 and £15 per £ share capital. Running costs are 7·5 per cent. of the turnover, salaries accounting for about 50 per cent. A loss of £38 was shown in 1929, after adequate depreciation, against a surplus brought forward from the previous year of £36. To meet the competition of a new private auction market in Newport, the society is starting an auction of its own.

WILTSHIRE

The county is served by two requirements societies of fair size, which have, however, no recognized boundary between them. There are three other small local societies, one of which (Purton and District) has done no trade since 1920. There is a dairy society dealing in surplus milk only. The county comes within the area of the Southern Wool Growers. Eggs are handled only by one local and not highly successful society. Another new egg society operating under the National Mark has already been liquidated and there is no co-operative marketing of meat, an important product, or of the locally

less important fruit. The C.W.S. is a considerable buyer of liquid milk in the county.

Wiltshire Agricultural Co-operative Society.

The society, formed about twenty years ago as a small egg-marketing society, in 1916 amalgamated with a local requirements society, existed precariously until 1922, and then went into liquidation. At this point the Co-operative Wholesale Society (which was a considerable creditor) came to the rescue, lent large sums and assumed partial control. The society has by these means been gradually restored to prosperity; the C.W.S. debt is being paid off and control will go with it. The society serves a radius of about 20 miles round its head office in Melksham, and has depots in Warminster and Shepton Mallet. It has 963 members, mostly large dairy farmers, but including a large number of small-holders and one small-holding society, which is a considerable purchaser. It also sells to non-members. The share capital stands at £6,668, and loans, including special loans from the C.W.S., £15,446. There is a bad debts reserve of £568 and investment in premises stands at £5,530, after heavy depreciation. The society owns a central warehouse, besides depots, and delivers by its own lorries. It has a small mill, which plays a minor part. A little marketing of members' grain is undertaken, but the society's main business is in the sale of requirements, the greater part of which are derived from the C.W.S. The society is an agent for the Co-operative Insurance Society. Average credit to members is about 3 months, but this is more than counterbalanced by trade credits given to the society. Trade fell heavily at the time of the society's difficulties but has since been steadily improving, so that the cash position of the peak years has almost been regained and the tonnage position improved upon. Turnover in 1928 was £70,000, and in 1929 £72,078, about £75 per member and £10 per £ of share capital. Running costs are 5 per cent. of turnover, omitting bank and trade interest, which is naturally unusually heavy. After depreciation, a profit of £636 was made which was employed in reducing the accumulated loss to £10,130. No interest or bonus has been paid for some years.

Pewsey Vale.

The society, formed in 1925 for the sale of agricultural requirements, has 109 members, mainly large dairy farmers with 200–3,000 acres. There are a few small-holder members. The society also deals with non-members, most of them purchasers of balanced ration cubes, in which the society specializes. The area covered is the whole of Wilts and the neighbouring part of Hants. Share capital is £703, loan capital £3,750, and reserves £250. The society has a depot at Pewsey, where small quantities of goods are stocked, but almost all goods are delivered by hired lorry direct from London or Bristol. Sales include feeding stuffs, fertilizers, seeds, implements, etc. Credit

to customers averages 3 to 4 weeks. The society sold a small quantity of market-garden produce on the London market last year and is considering developing this business. Turnover in the past has fluctuated somewhat; but in 1928 it was £49,211, and in 1929 £51,367, about £471 per member, though less per customer, and £73 per £ of share capital. Running costs, omitting bank charges, are 2·5 per cent. of turnover. The society has made a profit in recent years; in 1929 it was £545, interest was paid at 5 per cent. on share capital, £250 was passed to bad debts reserve and a balance of £872 carried forward.

The Sherston Co-operative Milling Society.

The society, founded in 1908, has its premises, which include a grist mill, at Sherston. There are 59 members, 7 having withdrawn from the society during the past year. The society buys members' corn for the mill. Other requirements, such as fertilizers and feeding stuffs, are purchased through the C.W.S. There is £921 capital in £ shares fully paid. The turnover in 1929 was £5,200, or £88 per member and £5 6*s*. per £ share capital, but a fair proportion of trade is with non-members. Loan capital is approximately the same as share capital. The land, buildings and machinery which belong to the society have been depreciated to a fifth of their original value, and there is a reserve fund of over £600. The society banks with the C.W.S. and has both share and loan investments in it. Running costs are 11 per cent. of the turnover, wages accounting for 59 per cent. and transport 22 per cent. The turnover has remained fairly steady, although the 1929 figure shows the usual falling off for this year due to the low price of feeding stuffs. Besides paying 5 per cent. on loan and share capital, the society paid 6*d*. in the pound to members on general purchases and 3*d*. in the pound on feeding cakes, leaving a small balance carried forward.

Wanborough and District Agricultural Co-operative Society.

The society, formed in 1912, sells agricultural requirements on a limited scale in the small area of the Wanboroughs where it has a depot. Membership has fallen slightly and capital considerably in the last ten years, the figures now being: Members 39, capital £40, reserves £105, and loans £68. Turnover in 1929 was £428. There was a small profit.

Devizes and District Poultry Society.

The society, formed in 1908 to market members' eggs, has 605 members, most of whom are farmers, though there are also a few small-holders and cottagers. The share capital is £241 and reserves of £857. The society steadied and improved the local price of eggs, but there is a decline of poultry-keeping in the neighbourhood, and lack of interest among members. The society has a depot where it receives eggs, but it does not collect. Eggs are candled but

not graded and it has been decided not to take up the National Mark scheme. The society has had some difficulty in finding suitable customers; it shares travellers with other firms, and they sell on commission to London retailers and others. Turnover in 1928 was £12,572, and in 1929, £11,236 about £18 per member and £46 per £ share capital. Profits in 1928 allowed of 5 per cent. interest on share capital and a bonus of 1½*d.* per dozen on eggs bought during October–November. The profit in 1929 was £219; a bonus of £75 was distributed and £332 carried forward. Running costs were 7·7 per cent. of turnover.

South Wilts Milk Society.

The society, formed in 1926 to make cheese from surplus milk, has 114 members, mostly large farmers, but milk is accepted from non-members at lower rates. Capital of £1,483 is subscribed on a basis of 6*s.* per cow; it bears no interest. Four small cheese depots have been installed at members' farms and can deal with about 1,000 gallons daily per centre. A levy of 6*d.* per cow per year is charged which covers running costs. In the first year cheese was made to the value of £251 and sold well. With the help of the levy, costs were covered and milk paid for at the rate of 11½*d.* per gallon as against a factory price of 9*d.* No cash is paid out until after the sales of cheese are completed, when the whole amount is distributed. No business was done in 1929. The district is not traditionally a cheese-making one, and the society's main difficulty is in securing qualified cheese-makers for the short periods required; it is regarded as insurance against times of glut rather than as a commercial venture.

DORSETSHIRE

The county is served by one requirements society which does a large turnover and covers the whole area fairly well. On the marketing side there is a very progressive dairy handling liquid milk in the north, one of the few examples in this country of an agricultural co-operative society having a members' contract with penalty for infringement. There is also an old established egg and poultry marketing society, which has recently adopted the National Mark.

The Dorset Farmers.

The society, formed a good many years ago to sell agricultural requirements, covers practically the whole of Dorset and has a membership of rather over 1,200. It also sells to non-members. Share capital stands at £34,975 and there is a bank overdraft of £26,504. The society suffered severely in the collapse of the A.W.S. In the ensuing period of difficulty the C.W.S. became its banker and auditor, allows considerable trading credits, and appoints a

representative to the society's board of management. The society is not under any obligation to purchase from the C.W.S. but in fact buys cake, offals, grass and root seeds to the value of £75,000–£80,000 annually. On the marketing side the society buys grain and seed from its members, a small proportion of which is resold to the C.W.S. No other commodities are marketed. The turnover of the society rose steadily until 1926, when there was a setback, followed by a recovery ; in 1929 it was £230,436, or £192 per member and £6 per £ of share capital. The average credit allowed is 2 months. Running costs amount to 9 per cent. of turnover.

Sturminster Newton and District Farmers.

The society was formed in 1912 to market members' milk and to supply them with feeding stuffs. It covers a radius of about 10–15 miles with centres at Sturminster Newton and Gillingham. It includes over 90 per cent. of the farmers in the former district and over 60 per cent. in the latter. The members now number about 500 and very little non-members' milk is taken. Share capital was originally subscribed at the rate of £1 share per cow, but this has now been increased to £2 and amounts to £19,416. The society passed at one time through a period of some financial difficulty owing to shortage of working capital and loans were raised by an agreement to withhold a proportion of members' milk money. This has now largely been paid off and stands at not more than £1,000. In addition, there is a comparatively small bank overdraft of £2,576, and a reserve of £1,650. The Co-operative Wholesale Society acts as the society's bankers and auditors and has been a valuable financial supporter in the past. The society's headquarters are at Sturminster Newton, where it owns a factory with a capacity of 6,000 gallons of milk, 2,000 gallons of which can be manufactured into cheese, together with offices, laboratory, motor garage and repair shops. There is also a factory at Gillingham with a capacity of 2,000 gallons per day. These factories represent a large proportion of the society's capital. A form of membership contract is provided by a rule specifying that any member who supplies milk to the society is bound, under penalty of a fine of 2*d*. per gallon, to continue to do so until the end of the current contract period. Milk is collected by the society's own lorries and in churns manufactured and provided by the society. It is brought to the factory, cleaned, pasteurised, cooled and dispatched on rail to retailers in London, Southampton, Portsmouth and elsewhere. Milk is tested regularly and a high standard of butter-fat content required. Surplus milk is made into Cheddar cheese and sold to factors. This trade is less profitable than that in liquid milk and has been considerably reduced in recent years. The price paid to members is fixed monthly by the finance committee, and is based on the total proceeds of the previous month's sales after deduction of expenses. In this way no distinction is made between liquid and manufacturing price. The cash turnover of the society has fallen considerably since the war, but this is

mainly a matter of prices, the quantity of milk—about 2 million gallons—having varied much less. The society also does a comparatively small business in feeding stuffs, petrol, and other requirements, largely derived from the C.W.S. The total turnover in 1929 was £130,329 or £260 per member and £6 15s. per £ of share capital. Running costs amount to 5½ per cent. of turnover, a moderate proportion for a society of this type. A profit has been made in most years, and after sound depreciation and payment of 5 per cent. on loans, the society has been able to pay interest on share capital also at 5 per cent. and to make an allocation to reserve. The society has had a steady influence in supporting the general price level in the district and has secured the advantages of bulk handling and collective bargaining.

Beaminster and District Collecting Depot.

The society, formed a number of years ago for marketing eggs, poultry and rabbits, serves a compact area around Beaminster where it owns two depots for handling eggs. There are 259 members, mostly small poultry keepers; a considerable trade is also done with non-members. The society has recently been registered as a National Mark packing station, which no doubt accounts for an increase in membership for the first time for many years. Share capital is £357 in £1 shares fully paid. Interest is paid at 4 per cent. Turnover in 1929 amounted to £8,653, or £37 per member and £24 per £ capital. Running costs were 9 per cent. of the turnover, which is comparatively low for a society undertaking the collection of eggs. The bulk of the eggs and poultry are sent to commission agents in London by rail, carriage being a heavy item in the running costs, nearly 30 per cent. A fair profit was made last year and a small bonus was distributed to members, after depreciating well. There is no overdraft at the bank and the society has an accumulated surplus of nearly £1,000.

SOMERSET

There is no large general requirements society in the county; the Wilts Agricultural Co-operative Society has a depot at Shepton Mallet and serves the north to some extent. There are, however, two small-holders' societies, supplying feeding stuffs and coal principally, also marketing members' eggs and poultry on a small scale. Another society was formed last year for marketing eggs under the National Mark. There are three milk societies, two the usual type of dairy handling liquid milk, and the other mainly a price bargaining society, the members selling their milk under one name. The C.W.S. is a considerable buyer of liquid milk in the county. The Cheddar Valley and District Fruit Growers' Association, formed

in 1914 for supplying requirements, has done no trade for the past ten years.

Donyatt and District Co-operative Society.

The society, formed in 1927, serves a compact settlement of County Council small-holders, both poultry farmers and dairy farmers, with feeding stuffs, fertilizers and coal. Rapid progress was made and the membership, which includes 60 new members for 1929, now stands at 162. During the past year the society has also undertaken the marketing of eggs and poultry. The eggs are candled and graded and were delivered direct to retailers in London by road for a time, but this was found to be too expensive; they are now sent up by rail. A store has been built during the past year, the land being provided by the County Council at a nominal rent. Share capital is £231, in £1 shares, 10*s.* paid up; interest is paid at 2 per cent. Turnover for 1929 in requirements was £7,667 and in sales of eggs and poultry, £1,947, making a total of £59 per member and £41 per £ capital. Both departments showed a small profit. Running costs are 1·6 per cent. of the turnover, salaries accounting for 51 per cent. The running costs are exceptionally low owing to the business being run from the County Council's Small-holding office in Donyatt without charge, until recently the Clerk of the County Council acting as Secretary. The society now employs a whole time man to help the secretary and to grade and candle eggs. Delivery of goods is undertaken by one of the members under contract. A small bonus was paid to members on purchases of requirements last year.

Dunster, Williton and District Agricultural Co-operative Society.

The society has 293 members and serves an area in West Somerset with requirements, principally feeding stuffs and coal, to an annual value of about £12,000. Share capital stands at £2,570, there is no loan capital, and the reserve (mostly invested in War Loan and similar securities) totals £2,192. The turnover in requirements is about £40 per member and £4 16*s.* per £ of share capital. There are also sales of eggs to the value of about £350. Running costs amount to about 5 per cent. of turnover. The society allows an average of two months' credit. It made a good profit in 1929, distributed in interest on capital, bonus on sales to members, bonus to employees and an allocation to reserve.

Sparkford Vale Co-operative Dairy Society.

The society, formed in 1918, serves a radius of about 10 miles around Sparkford. Milk is collected from members and sold in London; a fair quantity of cheese is manufactured when there is a surplus. There are now 264 members, of whom 48 joined in 1929. Share capital (£10,262) and turnover have not varied much. The turnover in 1929 was £114,651, or £434 per member and £11 per £ share capital. No milk is received from non-members. Running

costs are 5·5 per cent. of the turnover, salaries and wages accounting for 53 per cent. The society made a good profit last year, and after adequate depreciation of plant, machinery and motors, interest was paid on share capital at 5 per cent., a bonus to employees and a further addition to the reserve fund, which amounts to over £7,000.

Ilminster and District Farmers' Co-operative Society.

The society, formed in 1921, handles liquid milk, manufacturing cheese when there is a surplus. The dairy at Ilminster has been rebuilt recently and is conveniently placed near the station. Membership increased very little for some years but took a big jump during 1929 and now stands at 350. Members include a number of smallholders as well as larger dairy farmers. Most of the milk is collected by contract or delivered to the dairy by members themselves. The bulk is sold in London, being delivered to retailers under contract, the accounts being paid by the retailers direct to the dairy. Share capital amounts to £7,743 in £ shares fully paid. Interest is paid at 6 per cent. The turnover for 1929 was £80,932, £6,657 being sales of cheese. This shows a considerable increase on previous years and a turnover per member of £432 and £10 4*s*. per £ capital. The running costs are 5·8 per cent. of the turnover, management expenses accounting for 51 per cent. of these costs. The society makes a fair profit and has a reserve of over £1,400. No bonus was paid to members last year, but there was a small bonus to employees.

Wincanton Dairy Farmers.

The society, formed ten years ago, is run from a local farmer's house. Its main object is collective bargaining, but members' milk, cooled and delivered for sale by the members individually, is sold under the name of the society; a small levy is made for running costs. The bulk of the milk is bought by a large factory in the district. The success of the society depends entirely on the loyalty of members, which has been well maintained. There are 192 members covering a small area. Share capital is £1,124, and reserve £200. Turnover for 1929 was £55,474, nearly £20,000 less than in 1925, although membership has only decreased slightly. The turnover per member is £288 and £4 9*s*. per £ capital. Running costs amount to only £150. The society makes a small profit and pays interest at 5 per cent. It has an investment of £1,000 in War Stock. No bonus is paid to members.

Taunton Vale Egg Producers.

The society, formed in 1929 to market eggs under the National Mark, rented premises at Milverton, but later made an arrangement with a local egg dealer to manage the society under contract on her premises, running her own business separately at the same time. The arrangement is working satisfactorily, at a considerable saving to the society. It is hoped that in time the two businesses may be

merged in the society. There are 21 members, mainly large poultry farmers, and no business is done with non-members. Share capital, in £ shares fully paid, is £101. There are other £ shares available, 2*s.* 6*d.* paid up. Turnover for the first trading period, which does not include a complete year, was £2,330, or £110 per member and £23 per £ capital. Running costs were 12·6 per cent. of the turnover, wages and commission accounting for 41 per cent. and packing materials 27 per cent. Members delivered their own eggs to the packing station. The society showed a small loss, owing mainly to writing off the cost of outlay on the original premises when the business was moved.

DEVONSHIRE

The county is reasonably well covered by the four requirements societies dealing with North, South, East and West Devon respectively, and a fairly high level of service and efficiency is generally reached. West Devon manages a slaughter-house business in addition to requirements, and also handles wool, as does North Devon. South Devon does a relatively small business in eggs and dairy produce. Apart from this there is no co-operative dairy society, but the C.W.S. is a large buyer of milk in the neighbourhood. There are three small specialized egg marketing societies in the county, one under the National Mark, and a slaughter-house in Plymouth. A fruit growers' society with an interesting and in some ways peculiar history exists on the Cornish border. One at the opposite side of the county failed on the withdrawal of Government support. A new society has been formed to promote the sale of cider and there is one threshing society. A co-operative bacon factory at Crediton has ceased to function. On the whole, however, co-operation appears to have found congenial soil in the small mixed farms and small holdings of Devonshire, although marketing is still of a tentative character and would seem—taking geographical and economic conditions into account—to offer possibilities of more systematic development.

One organization in the county, although not technically co-operative, is so in some respects and is too important to ignore. The Western Counties Agricultural Co-operative Association, Ltd., was founded in 1879 with the object of supplying tested manures, feeding stuffs and seeds to its members. Marketing has never been touched. It was registered as a joint-stock company. To-day it has headquarters at Plymouth, and serves a wide and scattered area, with

branches at Bristol, Truro, Bideford, Wadebridge, Carmarthen, Haverfordwest and Guernsey, together with numerous depots. This brings it into direct competition with a number of regular co-operative societies and it has incurred a certain amount of unpopularity in consequence. All customers must become members, a membership fee of 5*s.* being charged automatically to every purchaser's account. They are not obliged to become shareholders, but have no votes unless they do so. Voting is in proportion to shareholding. The authorized share capital is £50,000 in £5 shares fully paid, which are now being issued at a premium of 10*s.*, and the subscribed capital is about £45,000. The Association has also certain reserves and considerable sums on deposit from members. Its turnover in 1929 was £603,692, somewhat lower than in recent years. Net profit amounted to £20,456, of which was allocated £5,000 to reserve, £2,515 to income tax, £2,262 to interest on share capital (limited to 5 per cent.) without deduction of income tax, and £10,678 to a bonus of 6*d.* in the £ on all purchases paid cash within 14 days. A little over two-thirds of the turnover appears to have qualified for this bonus. The association was a pioneer in organized agricultural business; it has grown to dimensions only rivalled by the Preston Farmers and the Eastern Counties Farmers' Co-operative Association, and it claims to be actuated by co-operative ideals and "conducted strictly on co-operative principles." Two serious bars to this claim are the manner of voting and shareholding, and the fact that it is not registered under the Industrial and Provident Societies Acts.

West Devon and North Cornwall Farmers.

The society, formed in 1919 by the amalgamation of two smaller societies, with headquarters at Holsworthy, now has six branches. It serves a radius of 35 miles. There are 473 members and as many non-member customers—a large proportion of the farmers in the districts. The majority of members are engaged in dairying and stock-raising on farms of 100–120 acres. The share capital is £11,385, with loans amounting to £1,635, reserves of £3,844 and overdraft of £3,674. Only £5,221 stands against severely depreciated buildings, plant, etc. The bulk of the society's business is in requirements. It holds shares in the C.W.S., with whom it works in fairly close association and from whom it buys about a quarter of its supplies. The society has had some difficulty in securing reasonably prompt payment of accounts (the average credit given in 1928 was about

two months) and has recently revised its trading terms. The present arrangement is a discount of 2½ per cent. for cash in seven days on monthly accounts, with an additional 1½ per cent. for cash or when a deposit account is opened. Accounts paid within three months will be eligible for bonus; any accounts allowed to run on after this period will be charged interest at 6 per cent. The society has no facilities for the repair of machinery. It markets small quantities of grain and potatoes for its members and undertakes the sale of wool, largely because it is the local custom to include wool sales amongst the general business of an agricultural merchant. Devon fleeces are bought outright and resold to two or three large buyers, including the C.W.S. The society is a member of the Southern Wool Growers. The number of fleeces handled in 1928 was about 6,000 and the value about £3,000. The society was licensed for slaughtering by the Ministry of Food during the War, and has maintained the business. It rents two slaughter-houses from the railway company and cattle, sheep and pigs to the value of £7,374 were handled in 1928, and £11,865 in 1929. A price is guaranteed to farmers on the basis of current quotations. Sales are effected through a Smithfield commission agent; in summer it is sometimes more profitable to sell locally, when the society takes a commission on weight. It also sends bacon pigs to a private bacon factory at Totnes. A special arrangement is in force whereby the slaughter-house is available to non-members, including dealers. At first all meat was sold on commission, but as this failed to satisfy members owing to erratic prices, an alternative scheme of paying a definite price and taking the risks of the market was adopted and has given general satisfaction. Pelts are sold to the C.W.S. fellmongery at Buckfastleigh and the society also purchases pelts for the C.W.S. from dealers and others killing on the premises. The society considered egg marketing under the National Mark, but has taken no action at present. Turnover has fluctuated somewhat, reaching a peak in 1925, after which there was a certain fall. Since then it has been once more on the up grade, and in 1928 (a year of 11 months only) reached a total of £83,506, and in 1929 £88,409, about £187 per member, £94 per customer, and £7 7*s.* per £ of share capital. Running costs are about 10 per cent. of total turnover; separate running costs of requirements turnover were 6·3 per cent., and of slaughter-house turnover 26 per cent. The society has made a profit for a number of years; in 1929 it was £1,573, distributed in dividend on share capital, allocation of £375 to reserve, bonus to employees £100, bonus of 4*d.* in the £ on members' purchases, and £2,187 carried forward.

South Devon Farmers.

The society was formed in 1917 with a membership of 130 and headquarters at Newton Abbot. It has now a membership of 437, showing a steady if not very rapid increase, and also sells to 100 or more non-members who are, however, gradually being brought in as members. Nearly all are small and middle farmers, carrying on mixed farming,

including a good deal of stock-raising and dairying, but the society also caters for small-holders and allotment holders. The area covered is a coastal belt about 20 miles deep extending from Dawlish to Plymouth. The society has depots at Newton Abbot, Paignton and Kingsbridge, but no mill. Members hold shares in proportion to acreage, £1 share for every five acres. The share capital of the society stood (at the close of 1929) at £8,344 and there was in addition a small bank overdraft of £761. There is no reserve. Rather more than half the capital is in land and buildings, which are depreciated annually, though not at a very high rate. The main business of the society is in requirements (feeding stuffs, manures, seeds, implements), between one half and two-thirds being derived from the C.W.S., which, however, also sells in competition through the Buckfastleigh Mills. The society further sells produce on behalf of its members. Wheat goes in large measure to the C.W.S., barley to local brewers and a considerable quantity of oats from producing to consuming members. Potatoes and cider apples are also handled. The society had for some years a retail shop in Paignton at which milk, cream, butter and eggs were sold. Suppliers received the prices ruling during the preceding week; any eggs not sold in this way were passed on to a wholesaler in Plymouth. The manager of the shop was paid on a commission basis and the shop proved fairly profitable at first but its success was not such as to justify continuance and it has been sold. The society has discussed the possibility of handling wool, but nothing has yet been done. Goods are received in many instances by sea to one or other of the small South Devon ports and are distributed to members by rail or by hired lorry, which the society has found more economical than having its own lorries. The turnover in 1929 was £35,368, the culmination of a steady rise during the twelve years of the society's existence. It represents about £80 per member or £60 per customer. This is not a high figure, though it appears more considerable when the size of farms and the type of farming is taken into consideration. Probably a certain amount of buying outside the society still takes place. Running costs are moderate, about 6 per cent. of the turnover, of which 60 per cent. goes in wages and salaries. The society sells nominally for cash in 14 days, but actually between 5 and 6 weeks' credit was outstanding at the end of 1928, which compares favourably with other societies. The society does not attempt definite price cutting, but it claims to have had a wholesome effect upon local prices generally. A satisfactory profit has been made in every year except 1920 and 1921 and regular interest paid at 5 per cent. on capital together with a bonus of 3*d*. in the £ on accounts paid within 14 days. The society incurred certain losses owing to the A.W.S. collapse, which have been nearly paid off.

North Devon Farmers.

The society, registered in 1919, has headquarters at Bideford, where it has warehouses and a wharf; it has three branches, includ-

ing one recently established at South Molton, and serves a radius of about 15 miles round Barnstaple. It has 309 members—a gradually increasing figure—and about 200 non-member customers. Shares are taken up in proportion to the rateable value of farms, one £5 share (£1 paid up on application) for £75 rateable value, two shares up to £150 rateable value, and four shares above that sum. The present share capital is £5,494. There is in addition a reserve fund of £2,950 and overdraft of £1,596. A considerable proportion of this capital is in freehold property. Lack of capital is a recurring difficulty, as the society is expanding fairly rapidly. Its business is based on the sale of requirements which it purchases in large measure (between ¼ and ½) from the C.W.S. [mainly feeding stuffs, but also seeds and manures] in which it is a shareholder. Members require an average credit of rather over two months. The society handles members' grain and potatoes and would sell the former to the C.W.S. but cannot offer the combined quantity and quality demanded. The society also handles members' wool to the extent of about 10,000 fleeces which are bought outright and usually resold immediately. In some cases, however, they are pooled, roughly graded and sold as occasion offers. A considerable proportion go to the C.W.S. The value of the wool trade amounts to about £5,000 or one-seventh of the turnover. The society also rents and operates a public slaughter-house and acts as agent, dispatching carcasses to commission agents in London, itself charging 7 per cent. for handling. The main business is in sheep, bullocks being usually sold on the hoof. The trade has proved satisfactory, though members have not supported it as widely as they might. The total value of this business in 1928 was about £7,000, and in 1929 £5,799; better prices were secured than through private channels. The society considered the possibility of taking up egg grading under the National Mark Scheme, but decided that its capital was at present insufficient. Apart from the slaughter-house, turnover of the society in 1928 was £35,100, after a steady increase over several years, and in 1929 rose to £37,440, about £121 per member and £7 per £ of share capital. Running costs are 5·3 per cent. of total turnover, of which about 70 per cent. is salaries and wages, including slaughter-house employees. There was a profit of £1,262 in 1929; interest was paid on shares at 5 per cent., a bonus of £244 distributed to members and employees, £300 passed to reserve and balance of £2,087 carried forward.

East Devon Agricultural Co-operative Society.

The society was founded in 1914 and reorganized, after an amalgamation, in 1919. Headquarters are at Exeter and the society's operations extend about 18 miles east of the city and about 10 miles in other directions. There are several subsidiary depots. The society has 564 members and sells to a large number of non-members. Farms vary between 50 and 300 acres, but the majority are small and are frequently dairy small-holdings. Share capital is £11,533, and has fallen slightly in the last 6 or 7 years; there is no reserve.

Comparatively little capital is in property. Almost the whole business is in requirements, delivered to customers' premises. The society also buys members' grain and re-sells. Some years ago it amalgamated with a fruit and vegetable society which had up to that time been running with Government support; on the withdrawal of which the society had fallen into an unsatisfactory position; the East Devon Society was unwilling to take over the risks of fruit marketing and consequently paid off a certain number of the fruit society's shareholders, keeping on the remainder (about 100) as part of its own general membership. The society is not a member of the C.W.S. but buys from it to the extent of about one-fifth of its turnover. Turnover in 1929 amounted to £39,286, about £70 per member, though less per customer, and only £3 4s. per £ of capital. Members' loyalty is not too good and there is a tendency to try and beat down the society's prices; the society has not attempted a policy of price cutting. Nominally one month's credit is given, but actually up to six months is taken, and the average works out at a little over two months. Running costs, including a small provision for depreciation, amount to about 6½ per cent. of sales, of which 55 per cent. is salaries and wages. The society made a profit of £657 in 1928 which went to reduction of an accumulated loss of £1,198. This was paid off in 1929, in spite of reduced turnover.

Plymouth and District Farmers.

The society was formed in 1920 with headquarters at Plymouth "to carry on the business of licensed slaughterers". Shares were of the nominal value of £5, £3 paid up. Individual members were originally required to take up two shares, but the number was subsequently increased to five. In 1922 a rule was inserted providing that new shares should only be issued at a premium of 10s. There are now 189 members and twice as many non-members. A number of local farmers' societies hold shares in the slaughter-house. The original capital was rather over £5,000, but fell in 1923 to £3,283, since when it has remained more or less stationary. There are small reserves and a bank overdraft. The society owns little property, and the greater part of the capital is employed in covering the society's credits to purchasers, the remainder being invested. The society has premises on the Plymouth meat market, and kills at the public slaughter-house. Turnover has fallen considerably and is now £21,000 in value, of which a small proportion is represented by offals. The society is indifferently supported; a few years ago not more than a third of its trade was derived from members, the tendency being to send only surplus in times of glut. The society's main business is in cattle (979 head), followed by sheep and lambs (484 head), and pigs (326 head). Running costs amount to about 7 per cent. of turnover. Profit is distributed as dividend on shares, staff bonus and to reserve. There is no bonus on business done, the last few years having resulted in losses. The society provides for a tuberculosis fund.

East Devon Agricultural Produce Society.

The society was formed in 1910 for the purpose of marketing eggs, poultry and rabbits. Poultry feeds and requirements are also supplied. The premises are at Sidmouth Junction, conveniently placed for the station, and the manager collects the produce from the farms in a van. The majority of suppliers are small poultry keepers. Membership has been fairly constant for some time and stands at 145, but the society does half its trade with non-members. No particular effort is made to encourage new members, mainly because the society has adequate working capital and does not wish to be burdened with any further interest charges or undertake the responsibility of investing superfluous capital. Share capital is £392 in 10*s.* shares fully paid. Turnover has remained steady for a number of years, owing largely to the very keen competition of private traders in the district. The bulk of the produce is sent to Smithfield Market to be sold on commission, suppliers being paid a week after collection. Turnover last year amounted to £8,164, which includes £2,910 for requirements, about £56 per member, and £20 per £ capital. Running costs were 6·5 per cent. of turnover, which includes £150 apportioned to the requirements business. Salaries in connection with egg marketing accounted for 53 per cent. of marketing costs, and motor expenses for 15 per cent. The society showed a loss in 1929, but was able to pay the usual 5 per cent. interest on shares and a small bonus to members and employees, from accumulated surplus.

Tamar Valley Fruit Growers' Association.
Tamar Valley and District Basket and Box-Making Association.

The Tamar Valley fruit-growing area has largely been developed within the last twenty years. The valley was formerly a mining area, but after the closing of the mines the population turned to small-holding and the production of early vegetables, fruit and flowers on plots of 3–5 acres. Fairly early in this process a Fruit Growers' Association was formed with a small share capital which has never risen above £20, and a membership which has remained stationary at just under 100. The society does a good deal of general supervision of the members' interests and markets their surplus fruit to jam factories to the value of a few thousand pounds yearly (£2,596 in 1929). It has not yet prevailed on them to allow their regular supplies to be pooled and marketed co-operatively. Shortly afterwards a box and basket factory was started, as a separate co-operative undertaking, with 121 members and a capital of £3,196. The output has been as much as £10,000 in value, but was not more than £4,477 in 1929. Growing timber is bought and the process of box, basket, pack and chip making carried through. The factory employs 6 men and 15 girls, most of whom work as fruit-pickers in the summer. It sells to all local growers and also to some considerable distance outside the district. The factory acts as agent for all

kinds of fruit growers' supplies, including coal. An as yet unregistered association has recently been formed in the valley for the sterilization of diseased bulbs. The whole district, including the two ex-mining villages of Bere Alston and Calstock, the traditionally market gardening village of St. Nicholas and some fruit growing districts in Cornwall, appear to be developing more on co-operative lines than the relatively small figures for turnover and capital would indicate.

Tavistock Farmers.

The society, formed in 1929 for marketing eggs, has its own premises near Tavistock, 21 members and a capital of £105. Turnover for the first trading period amounted to £2,544 or £121 per member and £24 per £ capital. Running costs were 8 per cent. of the turnover, salaries accounting for 44 per cent. The society just showed a profit; no interest was paid on share capital.

Poultry Farmers of Devon.

The society was formed in April, 1929, to assist members to market their eggs and obtain requirements. Capital amounts to £38 subscribed by 12 members in £ shares, 10*s.* paid up. No staff is employed and there are no premises. Turnover for the first trading period was £1,292, including £33 for requirements.

Devon Farmers' Cider Growers' Society.

The society was formed in 1927 with the object of growing and improving cider apples and advertising and selling the product. It has 15 members, and share capital of £142. Headquarters are at Exeter. Beyond some limited essays in advertising the society seems to have done little so far.

West Devon Agricultural Co-operative Threshing Association.

The society was formed in 1918 at a time when some difficulty was experienced in getting threshing done. There are now 20 members and a share capital of £1,000. The society has in the past made considerable profits from hiring. A bonus is paid to members hiring, in addition to interest on capital. In 1929 this bonus wiped out the year's profits and trenched on the accumulated surplus. Hiring fees in that year amounted to £195, not counting outstanding accounts of hirers.

Tiverton Farm and Shire Horse Society.

The society was formed in 1911 to provide members with a pedigree stallion, £279 being subscribed by 92 members. A grant of £72 was made last year by the Ministry of Agriculture. A stallion was hired for £160 and serving fees and subscriptions of £208 were received from members, also £6 prize money. Expenses amounted to £125, and a profit of £3 was shown against an accumulated loss of £69.

CORNWALL

Cornwall has been the scene of some very diverse experiments in co-operation, some of the successes and failures alike unexpected. Several societies started during the war with that inexplicably dangerous commodity, cheese; none have continued with it. Some failed, others transformed themselves into requirements societies, with varying success; one (at Tregony) is reported to have sold out profitably to a private provender merchant. As far as requirements are concerned, the county is served to-day by one large society just emerging from several difficult years, two smaller societies, one serving a limited and rather detached area, and by the West Devon and North Cornwall Farmers, whose headquarters are outside the county; also by the Western Counties Agricultural Association, which is not registered under the Industrial and Provident Societies Act. West Cornwall, in the neighbourhood of Land's End, appears to be the one district in England where co-operative butter-making is a serious industry and not a forced and unprofitable disposal of surplus milk. There is one good co-operative creamery of moderate size; three other dairies—the Land's End Co-operative Dairy (founded in 1896 at St. Burian), the Catchall Co-operative Dairy (Penzance), and the Tremar Farmers' Dairy, which while not registered under the Industrial and Provident Societies Act, appears to work on co-operative lines. There are also proposals under consideration for marketing farm butter, possibly in connection with eggs. Egg marketing is represented by one new and energetic society covering a considerable area, and two or three small societies serving limited districts on more conservative lines; and there is one still more recently formed society, the Cornish Cream and Butter Producers'. There are no meat or fruit marketing societies in the county, but the Tamar Valley Fruit Growers and the Plymouth Farmers (meat) both draw supplies to some extent from Cornwall. It is a matter for surprise that there is no market gardeners' society in the Penzance area. A bulb society has been started recently, but appears to be occupied chiefly in sterilizing. There have been several threshing societies, two of which survive. There is a C.W.S. milk depot at Gweek.

Cornwall Farmers.

The society, founded in 1921 by amalgamation of several existing small societies and three private businesses, has headquarters at Truro, offices at Wadebridge and Lostwithiel, and branches at Penryn, St. Austell, Delabole, Bodmin, Otterham, Looe, Padstow and Pentewan, and covers almost the whole county rather thinly. It has 580 members and sells to an equal number of non-members. Most of the members are middle farmers with about 150 acres devoted to mixed farming, but there are also a number of small-holders doing well. The capital consists of 7,357 fully paid £1 shares and 17,352 on which 10*s.* is paid, making a total of £16,033 paid-up share capital. In addition there are loans amounting to £3,355 and a bank overdraft (rather less than half at the C.W.S.) of £29,431. The society thus operates to the extent of over two-thirds on borrowed capital. It has several depots, mills and machine departments, taken over from the private firms, which represent nearly half the capital. Adequate depreciation is made. The main business is in requirements, which the society delivers to customers by its own road transport. It is a member of the C.W.S. and buys considerably from it. It is one of the relatively few societies engaged in the sale of machinery and it experiences considerable difficulty both with manufacturers and local dealers, being able to buy direct only from certain firms and in other cases having to put orders through a local agent. The society buys members' corn, most of which can be resold profitably as chicken food. It also buys wool, both from members and non-members, including purchases at fairs. It does not grade but merely classes by breeds and as lambs, teggs, etc. The business is considerable but on a commission basis, and no bonus is returnable on wool, any profit being merged in the general profit of the society. Most of the Down wool passes to the C.W.S. and the Devon Longwool to one or two Bradford buyers. Wool handled in 1928 amounted to 200,000 lb. (very roughly, 20,000 fleeces), valued at £15,000. The total turnover of the society in 1928 was £135,209, which represented a recovery after several years of falling turnover, per customer about £135, a reasonable figure considering that farms are not large. Wool amounted to about 11 per cent. of the total. In 1929—a year of falling prices—the turnover was £131,916. Running costs (excluding cost of bank capital and depreciation) were in both years about 8 per cent. of the turnover, rather a high proportion, between two-thirds and three-quarters being represented by wages and salaries. Average credit is about two months. In 1929 certain economies were effected. The society in 1928 had an accumulated loss of £6,143; this was reduced by a profit of £2,099. In 1929, in spite of the smaller turnover, a profit of £3,514 was realized; interest on shares was paid at 5 per cent., thus absorbing £802, the remainder bringing accumulated loss down to £1,332. The C.W.S. has assumed with the society relations somewhat similar to those arranged with some of the societies injured by the A.W.S. collapse. The Cornwall Farmers,

however, was at no time a shareholder in the A.W.S. It holds a few shares in the Plymouth Farmers, Ltd., a co-operative slaughter-house.

Cornwall County Farm and Dairy Co-operative Society.

The society was formed in 1911 for the manufacture of butter. Its premises are at Treloquithack, a few miles from Helston, and it draws supplies from a considerable area in West Cornwall, its collectors covering about 375 miles in the week. It has 266 suppliers, of whom 197 are members, membership increasing slowly. The suppliers are fairly closely concentrated within the area served. Farms in the neighbourhood are small (30–100 acres; rarely as much as 200) and are largely given up to stock raising and dairying, although there is little local market for liquid milk. The society had at the outset to procure considerable loan capital from sympathizers, on which interest was paid at 4 per cent., together with a bank overdraft. Both these have now been paid off. Share capital is £1,930 and reserves £140. The society acquired as premises some old mining works with water-power; the plant has recently been improved and could handle more cream than it actually receives. At the same time, assets have been fairly severely written down and buildings, machinery, plant, fixtures and water-power now stand on the society's books at £1,000. Daily collection of cream is made by contract. The society does not pasteurize. The cream is made into butter, any buttermilk required on farms being returned free of charge by the society and the unclaimed surplus fed to pigs; in 1928, 181 pigs were sold at a profit of £104. Butter is sold principally to a distance, to private customers, clubs, hotels and grocers. It is dispatched either on rail, the railway collecting at favourable rates from Helston, or in weekly parcels of two, three or four pounds, by post. The price per pound, postage free, was 2*s.* 3*d.* throughout the year of 1929. Payment to members is made monthly at the average price per pound of butter for the month in question on a butter-fat basis to each supplier. This has worked out at 2*d.* per pound above the local market rate. There is no contract with members but there is general loyalty. The society does in addition a good trade in cream supplied to County dairy schools and also deals in eggs, which it collects with the cream. The egg business has proved a profitable side-line. Eggs are not graded and it is doubtful if the general standard would make grading profitable; there is no difficulty, however, in disposing of them. Eggs are paid for weekly on the basis of market prices as fixed by the local egg association. The total turnover of the society (butter, cream and eggs) in 1928 was £33,821, and in 1929 £36,993, about £188 per member and £18 per £ of capital. Running costs are 12·6 per cent. of turnover. A profit of £909 was made in 1929. Interest on shares was paid at 5 per cent, but no bonus; £104 was allowed for bad debts reserve and £1,747 carried forward.

Launceston, Lewannick and District Farmers.

The society, which has passed through various vicissitudes, started cheese-making in 1918. The quality of milk, and consequently of cheese, was poor, but during the War saleable. A private dried-milk business established itself in the neighbourhood and offered better prices to farmers. An unsuccessful attempt was made to wholesale milk in Plymouth. Finally the milk business was dropped altogether and a fresh start was made, to sell requirements with the backing of the C.W.S. The society has a depot at Launceston and 121 members, mostly small and middle farmers, within a radius of several miles. Particulars of non-member customers are not available. Share capital is close on £4,000, a large sum for the size of the society, but there is no bank or other loan capital, and £1,587 of it is in buildings, besides other investments of £414. The business is entirely in requirements, largely corn and cakes, and purchases are made to the extent of about four-fifths from the C.W.S. Deliveries are by hired lorry. Sales rose to £14,619 in 1928, and in 1929 were £14,125, about £116 per member and £3 5*s.* per £ capital. Average credit is about six weeks. The society has done well since its reorganization, paying off its heavy accumulated loss. Running costs in 1929 were 2·6 per cent. of turnover and there was a profit of £482. A bonus of £51 was paid to staff and a small balance carried forward.

Gwinear and District Agricultural Co-operative Society.

This society also was formed during the War (1918) to make cheese, and in 1920 was doing a turnover of about £13,964, but it proved increasingly unprofitable and in 1926 was abandoned, the society continuing as a requirements selling organization with a turnover of about £8,000, last year increased to £10,888. There are 86 members and share capital of £660, together with certain reserves. The society has a depot serving a ten-mile radius in the Camborne neighbourhood. Turnover per member is £126, but this does not take into account sales to non-members, and £16 per £ of share capital. No credit is given. Running costs are under 2 per cent. of turnover. In 1929 a profit was made which was distributed in interest on shares and bonus.

Lostwithiel and District Farmers.

This is another society formed in 1917 to manufacture cheese. It has now 63 members, share capital of £1,703 and (1929) a turnover of only £319. When cheese became unprofitable, it also fell back upon requirements, in which, however, it was less successful, suffering badly in the A.W.S. collapse. By 1928 the business in requirements had been abandoned, the members had been turned over to the Cornwall Farmers and the business of the society had diminished to the sale of £1,136 worth of members' dairy produce, on which a small profit was made. Running expenses are practically nil, as it has no paid staff; a small profit was made last year, but it carried forward an accumulated loss of £1,467.

Cornwall Farmers' Egg Marketing Society.

The society, formed in 1928 with a small capital in 10*s.* shares and a guaranteed overdraft at the bank, has a central depot at Wadebridge. Other depots are now being established and it aims at covering the whole county. Many of its 1,029 members are small-holders. It only deals with non-members under exceptional circumstances. Share capital in 1929 was £514; there was a bank overdraft of £1,711. The society collects eggs from members and grades at its depots. At the outset a two-grade system devised by the society was in use, but at the beginning of 1929 the National Mark was adopted at the central (Wadebridge) depot. The Bodmin and Redruth depots were left to carry on as before. Eggs are sold through dealers or on Smithfield. Suppliers are paid weekly on the basis of the past week's prices. The society can sell as many eggs as it can put on the market and can obtain as many as there is mechanical possibility of grading. Opening of National Mark depots at Penzance and Lostwithiel is under consideration. The quality is good, especially of eggs obtained from small producers, many of whom are china clay miners working large allotments; the majority grade as standards, specials taking second place. A higher price has been secured than that given by local buyers and the general local price supported. The Wadebridge depot alone was handling about 80,000 eggs per week from about 200 members in the summer of 1929. Turnover in 1928 was £20,000 and showed a loss of about £550, but interest was paid at 5 per cent. Turnover in 1929 rose to £30,656, about £30 per member and £60 per £ capital. Running costs were 6 per cent. of turnover. There was a profit of £190, reducing the accumulated loss to £325.

St. Gennys and District Produce Society.

The society, founded in 1910, serves a limited agricultural area round Bude on the Devon border. It has had for many years about 102 members, but only about half of them now supply eggs. Share capital is £89 and reserve £150. Eggs are collected by a paid collector who, in addition, receives a commission. Eggs are candled but not graded. The turnover, though not so high as in the War period, has been increasing in recent years. In 1929 it was £2,264, about £22 per member and £25 per £ capital, showing a profit of £75. Interest was paid on shares and £182 carried forward. Running costs are 8·3 per cent. of turnover. The society sells a small quantity of coal, paint, etc., purchased from the C.W.S.

St. Austell and District Co-operative Egg and Poultry Society.

This small marketing society was established in 1916 and serves the immediate neighbourhood of St. Austell, a district partly agricultural and partly given up to china clay mining. Membership of 58, mostly miners and small-holders, has hardly varied over many years. Share capital is £68 in 2*s.* 6*d.* shares and there is a reserve of

£100. The society rents a packing depot and pays a collector on commission (about £40 p.a.) to collect eggs from members. The secretary also receives a small commission and bonus. The number of eggs handled varies between 70 and 250 dozen per week. All eggs are graded and lamp-tested, but the turnover is too small to permit the society to come under the National Mark scheme, a circumstance which is felt as a grievance. Turnover is naturally much less than in the period of high prices and unusual demand at the close of the War, but there has also been a slight decline in more recent years; in 1929 it was £629, showing a profit of 5 per cent. interest on shares, a bonus to members and carrying forward £38. Running costs were 12 per cent. of turnover.

Tregony Threshing Machine Co-operative Society.

The society was formed about the end of the War when it was difficult to get threshing done and farmers had capital to spare. The district is an isolated one with a number of small farmers who subscribed £1,800 capital. At present there are 25 members. The tackle is hired to members and non-members alike; the society has to meet considerable competition and cannot offer any specially advantageous terms. Receipts as a rule do not more than pay for wages, repairs and other expenses. During 1928 a small profit was made as the engine was employed for stone breaking in the spring.

Gorran Co-operative Threshing Association.

This society was formed under similar circumstances. It has 31 members and a share capital of £1,005. It is in an even more isolated district than Tregony; there is less competition and it is doing a more flourishing business.

West Cornwall Bulb Co-operative Society.

The society was formed in 1926 with the main object of sterilizing diseased bulbs. The society, however, is also prepared to engage in the supply of requirements, the sale of produce and the manufacture of baskets and packs. There are 49 members and a share capital of £311. Premises suitable for sterilizing have been acquired at Gulval near Penzance. The work done in 1929 was valued at £216. A profit was made both in this and the preceding year.

	[1] Societies.	Members.	Non-member Customers.	Capital.			
				Share Capital.	Reserves.	Loans.	Bank.
Requirements.				£	£	£	£
"County" Societies	3	6,146	4,000	173,483	22,000	65,600	150,958
	21	16,178	7,180	383,646	58,908	30,264	242,628
"Half-County" Societies . . .	19	7,075	3,608	138,902	37,016	39,280	57,300
"Rural" Local Societies. . .	46	6,122	2,800	56,862	19,135	11,354	29,599
"Urban" Local Societies . .	22	3,126	5,000	31,495	27,989	6,352	2,113
	111	38,647	22,588	784,388	165,048	152,850	482,598
Marketing.							
Dairies . . .	35	5,056	300	149,185	37,354	24,400	44,729
Eggs	21	9,958	525	20,542	3,808	3,534	14,952
Meat	10	1,435	1,388	20,572	11,334	2,677	6,011
Bacon	3	3,834	2,500	68,888	10,000	18,180	4,600
Wool	6	3,028	1,500	13,904	—	—	—
Fruit	21	3,167	1,090	32,371	6,730	5,190	5,933
Sundry services .	23	2,401	50	27,877	3,752	2,368	1,000
Marketing, totals .	119	28,879	7,353	333,339	72,978	56,349	77,225
Requirements, totals	111	38,647	22,588	784,388	165,048	152,850	482,598
	230	67,526	29,941	1,117,727	238,026	209,199	559,823

[1] In order to avoid duplication, societies have been placed according to the in the text it has sometimes been necessary to disregard this classification.

[2] This figure includes purchases of grain from members for milling and re-sale

Turnover.							
Requirements.	Marketing.					Sundry Services.	Totals.
	Dairy Produce.	Eggs.	Livestock, Meat and Bacon.	Wool.	Fruit and Vegetables.		
£	£	£	£	£	£	£	£
1,552,117	32,533	84,740	220,000	—	—	—	1,889,390
2,871,833	55,454	13,112	68,900	32,482	31,629	—	3,073,410
1,052,919	—	2,513	18,036	27,799	9,000	—	1,110,267
480,296	3,019	14,113	—	—	3,500	—	500,928
315,751	—	—	—	—	—	—	315,751
6,272,916	91,006	114,478	306,936	60,281	44,129	—	6,889,746
80,407	1,046,646	4,000	4,500	—	—	—	1,135,553
3,000	—	327,830	—	—	—	—	330,830
40,000	—	33,700	388,956	—	1,632	—	464,288
—	—	—	405,749	—	—	—	405,749
—	—	—	—	210,521	—	—	210,521
11,800	—	52,829	—	—	276,589	—	341,218
—	—	—	—	—	—	22,325	22,325
135,207	1,046,646	418,359	799,205	210,521	278,221	22,325	2,910,484
6,272,916	91,006	114,478	306,936	60,281	44,129	—	6,889,746
6,408,123½	1,137,652	532,837	1,106,141	270,802	322,350	22,325	9,800,230

class in which the bulk of their turnover is done. In dealing with average figures locally or marketing elsewhere.

V

THE SUPPLY OF REQUIREMENTS.

SOCIETIES for the supply of requirements represent the first spontaneous growth of farmers' co-operation in England; they have also made the greatest progress and are to-day by far the strongest single branch of agricultural co-operative activity. They have some claim, therefore, to be regarded as typical of the English, as creameries are of the Irish, or credit societies of the central European movements. It is a fact, perhaps of some significance, that a form of consumers' co-operation, whether of industrial workers or of farmers, is the peculiar contribution of this country to the general development of co-operative theory and practice.

The early history of requirements societies and the rapid increase in their numbers under the encouragement of the A.O.S. has been already described and need not be recapitulated. In 1924, when the A.O.S. went out of existence, the farmers' societies had just suffered a combination of misfortunes. During the War they had partaken of the general prosperity of agriculture, their turnover had been swelled by inflation and their risk minimized by control. After the War there was a short period of very rapid expansion, in which new societies were formed, existing societies amalgamated into large scale undertakings, and members and turnover increased on all sides. New societies were in many cases able to secure fairly ample capital from the savings of war-time prosperity, but few of the older societies succeeded in obtaining any of this fund and their increase in turnover was not accompanied by any proportionate increase in members' capital. They had, therefore, a disproportionate recourse to banks. In 1921, prices began to fall, a process which continued with increasing rapidity throughout 1922 and to some extent 1923. The societies suffered in several ways. Most of the larger organizations had bought forward or held extensive stocks which they

had to sell off below their purchase value ; farmers themselves were affected and either restricted their purchases or demanded excessively long credits, sometimes going for this purpose to a private merchant. Finally, the Agricultural Wholesale Society, never too stable, went into liquidation, and many societies found themselves with heavy liabilities. By the end of 1923, some seventy societies, most of them small and weak, but a few large and of some importance, had been removed from the register. The cash turnover of the others had fallen, sometimes by a third, a half, or even two-thirds. Deflation accounted for a shrinkage which has been estimated at about 20 per cent., the fall in tonnage turnover, impossible to give in figures, was naturally less than that in cash. Membership and capital were generally hardly affected and in fact often continued to increase for a year or two after the beginning of the slump. But by its close, nearly all societies had incurred more or less serious losses, and a few had been reduced to writing down their share capital to 12*s.* or 8*s.* in the £.

As has been mentioned before, a small group of societies were rescued from this position by the help, accompanied by a measure of control, of the C.W.S. The great majority struggled back to solvency and prosperity by their own efforts. From 1923, matters began to improve, but in 1926 the dispute in the coal industry brought a further, though in most cases a temporary, setback. In 1927 and 1928 conditions were favourable. Nearly all the larger societies were by then once more on the up-grade. Some, particularly those which had been founded after the War, had greatly increased their turnover, surpassing even the peak years ; the rest were secure and making progress. The number of large societies, taken as societies with a turnover of over £100,000, had substantially increased, though the largest recorded turnover was only just over £700,000, a lower figure than during the war. On the other hand, though the flood of liquidations seemed to have subsided, there existed a number of small societies which, though solvent, were not progressing. This contrast calls for more enquiry and will be discussed later. In 1929, the prices for farm requirements, especially feeding stuffs, once more fell, so that though tonnage sales seem to have increased in the measure which might have been anticipated, there has in several cases been much less than the equivalent rise in cash

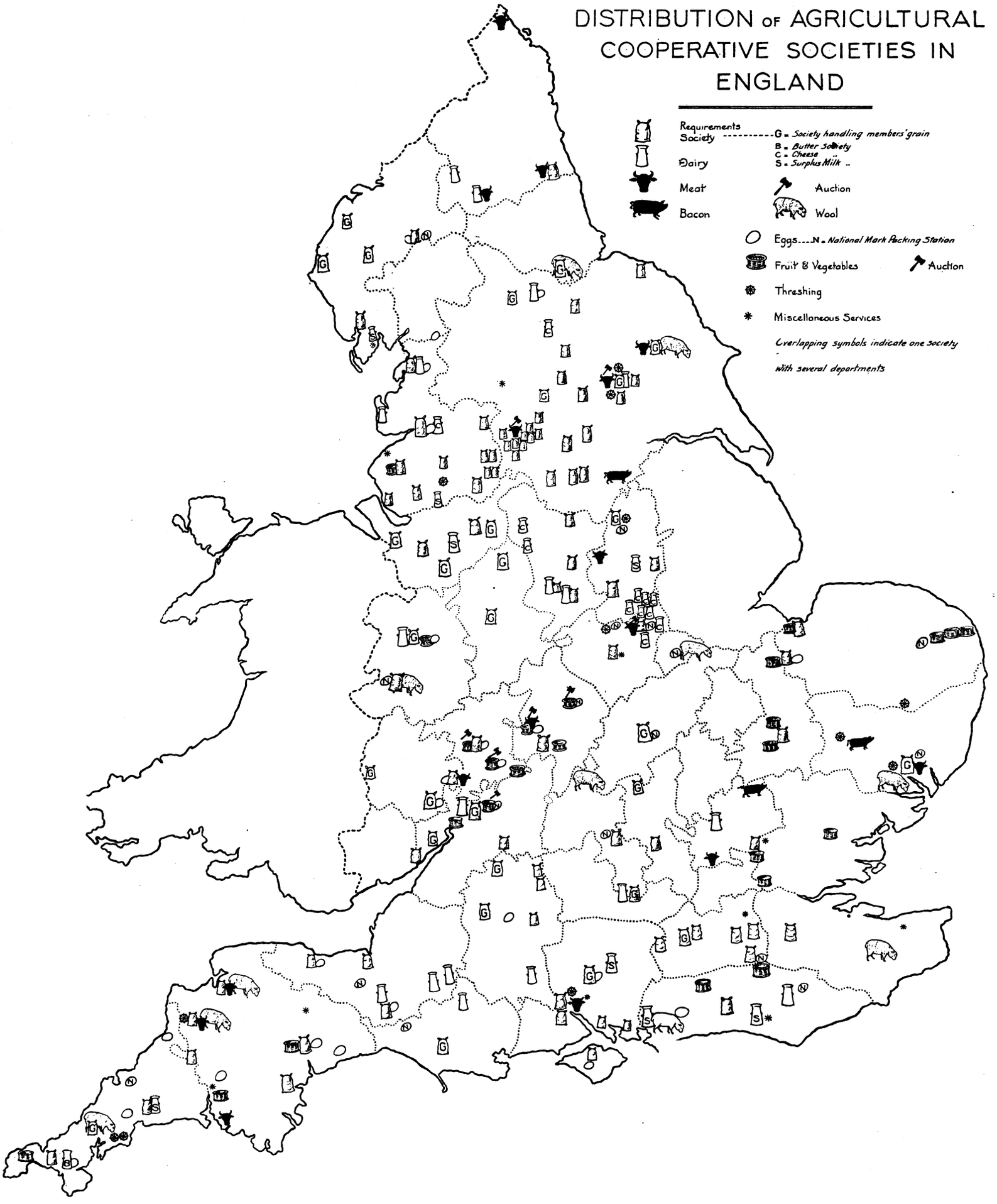
values. In spite of this adverse circumstance, most of the societies have done well and report profits and in some cases special achievements, such as the restoration of shares written down in the slump.

Having traced their history, it is now possible to consider the societies as they exist to-day. Omitting a few marketing societies which order a certain quantity of requirements on behalf of their members, together with all those catering only for allotment holders, there are in England 111 farmers' requirements societies. These vary considerably, but in size and character rather than in method. Three distinct stages have been marked in the progress of many, though not all, societies.

THE "TRUCKLOAD" SOCIETY

The simplest form, with which many groups of farmers in this and other countries begin, is the "truckload" society, the society in which the secretary, either a part-time or purely voluntary official, estimates the requirements of the members and orders a sufficient quantity of any commodity with instructions that it shall be delivered on rail to the individuals purchasing. All money passes through the society. By such action, certain advantages of bulk purchase are secured. In the case of the smallest societies, trade is usually more or less on an agency basis and the society may fix selling prices at a rate just sufficient to cover its limited expenses. In any case, it incurs no risks. In some of the larger societies, however, it is customary to buy forward, leaving the vendor to store goods until they are required. This is already a step in the direction of hiring storage accommodation by the society itself. In the case of forward buying, the society may find itself with surplus goods on its hands and must then find trade or other purchasers. At one time it was the practice of a number of societies to fix their selling price at no more than the purchasing price plus estimated expenses—the so-called "cost-plus" price. It is doubtful if any but a very few societies operating spasmodically still adhere to this system. Nearly all have adopted the policy of selling at market price and distributing any surplus in the form of bonus. Management costs in the truckload type of society should be and generally are very low. The two largest and most highly developed truckload societies of to-day, each

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with a salaried staff, record running costs amounting to 2½ per cent. of turnover, and in many of the small societies, in which it is usual to have a part-time manager, paid on commission, running costs may be smaller still. In some cases the system is equally economical of capital, as much as £70 of trade being done for every £ of capital and members not being called on to supply more than £1 or £1 10*s.* of capital per head. This, however, is by no means a constant characteristic. Cash payment is in theory the rule, but in fact there is little difference between the truckload and other types of society in this respect. The areas covered and the density of membership also vary, as with other types.

The number of truckload societies has been diminishing of recent years. In 1923 there were thirteen, in 1929 only seven. Some may have adapted themselves to a different system, but it must be inferred that several of the smaller ones have dropped out of action altogether. Of those that remain, two, the Oxfordshire Farmers and the Midland Farmers, are medium to large size societies, each with a turnover of £60,000–£70,000 and serving a considerable area. They have deliberately adhered to the truckload method from a belief that it best suits the needs of their members and have developed it into as complete a service as circumstances permit, including the making of certain sales of grain on behalf of members. One other deals exclusively with market gardeners. It is perhaps not unfair to say that the four remaining societies represent cases of arrested development. One is fairly flourishing on a limited scale; the other three appear stagnant and two are greatly over-capitalized for their present limited turnover. One characteristic is common to all except the market gardeners' society. They are essentially societies of large farmers, of men who, as the current title indicates, can take a truckload of requirements at a time. This does not mean that the small man is necessarily neglected—the Oxfordshire Farmers has taken some pains in arranging deliveries of small lots at the same time as the orders of large producers and has in addition some affiliated small-holders' societies—but it characterizes the group as a whole. For this reason purchases per member are fairly high wherever the society is active enough to secure any reasonable proportion of its members' trade.

STORAGE AND SPECIAL SERVICES

The second stage in co-operative development is the acquisition of a store either by hire or purchase. This immediately abolishes any element of buying on commission and establishes the society in the position of an agricultural merchant. This development was prompted especially by the needs of the small farmer, but even large farmers not infrequently found the economies of the truckload system neutralized by demurrage charges for goods left uncollected at the railway station during busy seasons. Many societies start at the storage stage, sometimes by the acquisition of a private merchant's business, and omit the truckload phase altogether. At one time a considerable number seem to have paused here, contenting themselves with purchasing goods wholesale and storing them until such time as their members choose to order and collect them. Few, however, outside certain special areas, still maintain this practice. Nearly all have moved on to the third stage of development, in which the society itself arranges transport either by its own or hired lorries. This does not mean that a few farmers living near the society's depot may not prefer to do their own hauling, or that large farmers living at a distance may not receive truckloads on rail, in some cases direct from manufacturers or importers, without any physical handling on the part of the society. The position is that almost all English societies, with the exception of the seven truckload survivors already mentioned, are prepared to undertake every link in the chain of acts which bring feeding stuffs, fertilizers and seeds from the producer or the importer to the consuming farmer. Many have undertaken further services, the first and most common being the running of grinding mills; others have extended their trade to other lines than those mentioned above and include coal, oil, implements, hardware, binder-twine, dip and occasionally machinery. Many have elaborated their services by establishing depots, regularly attending markets (a custom also followed by the large truckload societies) and appointing canvassers. Nearly all except the smallest have full-time salaried managers and frequently large staffs in addition.

LOCAL PURCHASE OF REQUIREMENTS

Further, the majority of societies, and all those of any size, have entered on the corresponding purchase side of an agricultural merchant's business. In the greatest number of cases this is confined to the purchase of grain, fodder and potatoes, often for resale to other members or to other agricultural co-operative societies, but also for sale to the industrial co-operative movement and to the trade. This business has attained considerable proportions and is discussed in a separate chapter. It is the natural development from the sale of requirements and is frequently part of a system of *contra* accounts which is itself often connected with the credit policy of the society. Other developments are less obvious but equally deeply rooted in the commercial practice of rural England. In many districts it is the habit of agricultural merchants to handle wool and sometimes cheese, and the co-operative, if it is to supplant its rivals, is constrained to do the same.

A still further step, and one dictated less by traditional necessity than by a desire to be generally useful, occurs when the requirements society undertakes the marketing of perishables. Eggs are not infrequently marketed by them on a large scale, some being National Mark packing stations; milk is handled, though generally on commission; regular stock auctions are held or slaughter-houses conducted under the society's management; fruit and vegetables are sold by auction or under a system of grading. This tendency, tentative at first, was stimulated by the war and now seems firmly established as a characteristic of the English movement, though it has by no means spread to all societies. A large proportion of societies are agents for insurance companies of a co-operative character. One or two have at different times opened retail shops but have rarely made a success of the undertaking. A butcher's shop in connection with a slaughter-house, one or two dairies and a successful ironmongery store, appear to be the only survivors. One society has a flour mill, but no bakeries appear to exist. The supply of domestic goods never appears to have been taken up in England as it has been in Wales and the Highlands of Scotland, and there is only one society, in a remote and hilly district, which is known to supply its members with groceries and clothing.

It will be seen from the foregoing that, with the exception of the truckload societies, the English requirements societies are with all their variety too homogeneous to be treated in groups according to function. On the other hand, to attempt to present any statistical average between societies with an annual turnover of £500 or even £5,000 and £500,000 would be obviously misleading. To treat societies in groups according to size—size being determined by a rough balance of the three factors of membership, turnover and area served—seems best to fulfil the practical requirements of a survey.

THE "COUNTY" SOCIETIES

The geographical distribution of societies is a matter of the first importance in considering the co-operative development of the country as a whole. A glance at the map (see p. 168) will show that agricultural requirements societies exist in nearly every county. The exceptions are Cambridge and Essex, which are served by the Eastern Counties Farmers, the suburban counties of Middlesex and Hertford, further Bedford and Huntingdon and, a more serious omission, the contiguous counties of Lincoln and Rutland. Even these districts, as has been shown, are served to some extent by their neighbours. Excluding these comparative "deserts" (to borrow a useful term from the industrial movement) the country may be considered as already adequately covered by between forty and fifty large societies, which for convenience may be called "county" societies, many of them bearing the name of the county or counties which they serve and extending their activities over all the territory so indicated. This is not to say that they exercise anything approaching a monopoly in their district, that all farmers are their members or that they handle even the greater part of the local trade in requirements. It does mean, however, that there are few farmers, even in remote districts, who cannot, if they choose, become members of a relatively large and well-established co-operative undertaking for this purpose and be sure of receiving satisfactory service; and that consequently there is no necessity for the formation of fresh societies except possibly in one or two of the larger "deserts" just described.

The group may be further subdivided into those which cover a county or more and those which, though of more than local

scope, serve half or one-third of a county, the extent of their territory being sometimes determined by geophysical conditions. In the first place there are three large societies; two, the Southern Counties and the Eastern Counties Farmers, extending over large areas, the third—Preston Farmers—working a comparatively small area (less than a county) with unusual intensiveness. The following figures are averages [1] for the three societies:

Members.	Non-member [2] Customers.	Share Capital.	Reserves.	Loan Capital.	Turnover.[2] Sales.	Purchases.	Total.
2,046	1,333	£57,027	£7,333	£70,317	£512,593	£112,424	£625,017

The figures given for reserves must be accepted with caution, as most large societies have through depreciation and otherwise considerable concealed reserves. Loan capital is composed partly of permanent loans, generally from members, and partly of bank overdraft which, in the case of two societies out of the three, forms much the most important element. All three societies market members' grain, fodder, and to some extent perishables. Certain further averages of some interest may be given:

Turnover per Member.	Turnover [3] per Customer.	Turnover per £ Share Capital.	Turnover per £ Total Capital.	Share Capital per Member.	Total Capital per Member.
£305	£184	£10·8	£4·5	£28	£67

Finally, it may be recorded that running costs, exclusive of capital charges, amounted to 6 per cent. of the turnover in every case, that the average credit allowed to members was very slightly over 7 weeks, as calculated from the debts outstanding at the end of the year, and that all three societies made a profit. One paid interest on share capital at 5 per cent.; one at 5½ per cent. with an additional 3*d.* in the £ bonus to members on purchases from the society; the third paid 6 per cent. interest and 1*d.* in the £ bonus.

THE SMALLER "COUNTY" SOCIETIES

The remainder of the "county" societies number 21, and yield the following averages:

Members.	Non-member [2] Customers.	Share Capital.	Reserves.	Loan Capital.	Turnover [2] Sales.	Purchases.	Total.
770	497	£18,268	£2,805	£12,994	£128,380	£17,264	£145,648

[1] Total figures for the various groups are given in the statistical summary, pages 164 and 165. [2] Estimated.

[3] This refers principally to perishables. The figures for grain, etc., are rarely obtainable.

The most notable difference between these figures and those of the three large societies is that loan capital, instead of being greater than share capital, is markedly less, and that purchases from members are proportionately as well as actually rather less important than in the three large societies.[1] The proportion of members to non-member customers is about the same. On the whole, bank overdrafts greatly predominate over loans in the composition of loan capital, but a few societies depend to some extent on loans, while one or two rely entirely on their share capital and reserves. The next set of figures indicates certain other tendencies:

Turnover per Member.	Turnover[2] per Customer.	Turnover per £ Share Capital	Turnover per £ Total Capital.	Share Capital per Member.	Total Capital per Member.
£189	£114	£7·7	£4·9	£23	£34

The turnover per member, it will be observed, is less by a third; turnover per customer shows a similar decrease. The turnover per £ of share capital is less, but the turnover per £ of total capital is actually slightly larger. The shareholding per member has fallen very slightly but the total capitalization per member is almost halved. The implication is that the large societies, with their more elaborate services, require larger working capital per member, and the supply of share capital being inelastic, turn to the bank for it. The average running costs of the second group of societies are slightly smaller than the first—about 5·7 per cent., and range from 2½ per cent. (in the case of a truckload society) to 10 per cent. Credit allowed to purchasers averages two months. Of the 21 societies, 2 made a loss, 3 appear to have made a trifling profit which was absorbed in paying off accumulated losses. The remaining 16 made a profit which allowed them to pay interest on shares ranging from 2½ per cent. to 10 per cent. and averaging just under 5½ per cent.—in most cases actually 5 per cent. or 6 per cent. Nine societies also paid bonus on purchases ranging from 2*d.* to 9*d.* in the £. In one case this bonus was allotted in the form of bonus shares.

"HALF-COUNTY" SOCIETIES

The next group, comprising 21 societies of what may be

[1] The drop would be more marked but for one society whose large grain purchases have been included in the total.
[2] Estimated.

described as the "half-county" type, gives the following averages:

Members.	Non-member [1] Customers.	Share Capital.	Reserves.	Loan Capital.	Turnover. Sales.	Purchases.	Total.
425	252	£8,687	£2,154	£5,391	£54,613	£17,554	£72,167

The high figure for purchases in the group is mainly due to two societies which are predominantly marketing organizations with a fairly large requirements business attached. Otherwise the figures show a normal continuation of the trend already observed. Loans as distinct from overdraft represent a more substantial sum than in the case of the large societies. Reserve is also proportionately larger. The proportion of non-members to members would be somewhat higher were it not for one or two societies which deal exclusively with members. Further averages of the "half-county" type are:

Turnover per Member.	Turnover per Customer.	Turnover per £ Share Capital.	Turnover per £ Total Capital.	Share Capital per Member.	Total Capital per Member.
£169	£106	£8·3	£4·7	£20	£38

It is noticeable that as the societies grow smaller the turnover per member and per customer also falls. This may sometimes be due to deficient service or salesmanship on the part of the smaller societies, but it is in part at least attributable to the fact that many of these societies cater for small farmers. Running costs for this group average rather under 6½ per cent. of turnover; the credit given varies between 4 and 16 weeks, but the average slightly exceeds 2 months; all but one society made a profit and 16 paid interest on shares at 5 per cent. or occasionally more; 9 societies paid a bonus varying between 1*d.* and 2*s.* 6*d.* in the £, the latter in a marketing society, the usual figure being about 4*d.*

TWO TYPES OF LOCAL SOCIETIES

It has been stated that the "county" and "half-county" societies between them cover the country with reasonable completeness. There remains, however, a numerous group of societies which are purely local in their scope, maintaining no branches and serving only a few miles' radius round their headquarters. In some cases the existence of these societies is justified by exceptional geographical circumstances, more

[1] Estimated.

usually hilly or mountainous country and poor transport facilities; in others a small and comparatively recent society has begun operations in a " desert " and shows signs of increasing to economic proportions. It must be admitted, however, that a considerable number of these small societies are merely survivals from the period of prodigal sowing by the A.O.S., that they have made little progress or have even declined in the last few years, that they are too small to effect any striking benefits for their members and that their amalgamation with some of the larger and stronger societies in the neighbourhood, or in exceptional circumstances with one another, would be a general gain in economy and efficiency. Very few of the societies in this group undertake marketing, though a few purchase grain in small quantities. The group is perhaps most intelligible when further subdivided into the more typical rural local society which is to be found all over England, and what may be called the " urban " local society which is only found in the industrial districts of Yorkshire and Lancashire, especially about the Pennine Hills, and is described at some length in the Yorkshire section.

Averages for the rural local societies, numbering 47, are as follows:

Members.	Non-member[1] Customers.	Share Capital.	Reserves.	Loan Capital.	Turnover.[2] Sales.	Purchases.	Total.
132	60	£1,322	£534	£879	£1,633	£10,557	£12,290

Turnover per Member.	Turnover[1] per Customer.	Turnover per £ Share Capital.	Turnover per £ Total Capital.	Share Capital per Member.	Total Capital per Member.
£90	£60	£9·2	£4·5½	£10	£20

These tables show the turnover per member and customer still further diminished, though the turnover per £ capital has not altered, owing to the presence of many small societies operating on a semi-voluntary basis and offering very limited services. The capitalization is low for the same reason. Reserves are in proportion fairly substantial. Loan capital is about two-thirds bank overdraft. There are, however, a number of very small societies which have neither loan capital nor reserve, and whose position naturally affects the average.

[1] Estimated.

[2] The figure is somewhat deceptive as only nine societies actually engage in marketing and the average is raised by the presence of a marketing society which also acts as a local requirements society.

Running costs average just under 6 per cent. of turnover, ranging from 1½ per cent. to 14 per cent. Credit is rather over 8 weeks, but this covers differences ranging from cash payments to as much as 6 months outstanding debts. Five societies made a loss, though two of them continued to pay interest on shares; 5 or 6 made a small profit, which was absorbed by accumulated losses; one did not trade during the year; 25 paid interest on shares, nearly all at 5 per cent. but one or two at 6 per cent. or 4½ per cent.; 13 paid bonus on business done, generally at 2*d.* or 3*d.* in the £, one at 6*d.*

The last group is that of the "urban" local societies already described. They number 22 and although they vary considerably in size they present in other ways a type of peculiar uniformity. Their averages are:

Members.	Non-member[1] Customers.	Share Capital.	Reserves.	Loan Capital.	Turnover.
142	100	£1,431	£1,275	£384	£14,352

It will be noticed that the average society is slightly larger than the average rural local society and that it undertakes no marketing. The loan capital is trifling in comparison with the share capital and three-quarters of it is in members' loans. The reserves are for the first time of striking proportions and are more indicative of the society's actual reserves than in the case of the larger societies where so much is often concealed in depreciated properties. Other averages are:

Turnover per Member.	Turnover[1] per Customer.	Turnover per £ Share Capital.	Turnover per £ Total Capital.	Share Capital per Member.	Total Capital per Member.
£101	£60	£10	£4·6	£10	£21

The turnover per £ of capital is high in this group of societies, a circumstance perhaps partly accounted for by the fact that very long credit is unusual, the average being about 6 weeks. This again is made possible by the fact that most purchasers buy in small quantities and that members are usually engaged in dairying and retailing their own milk and are thus securing fairly quick returns. Running costs, on the other hand, are high—in one case as much as 25 per cent.—while delivery is not always undertaken; the average is considerably over

[1] Estimated. One or two societies have no non-member customers. One, omitted from the above average, has more than thirty times the number of members.

10 per cent., the highest figure recorded for any group. Three societies made a loss and 17 a profit; 14 paid interest on shares, usually at 5 per cent., but occasionally at 2 per cent., 3 per cent., 6 per cent. or 7 per cent. Only 2 appear to have paid bonus on members' purchases in 1929, at 1*d.* and 4*d.* in the £ respectively. In 1928, however, 4 more societies made a similar payment.

THE GENERAL SITUATION

Figures have been given to show the average conditions of English requirements societies of various types; they provide also data from which certain general statements may be deduced.

The first reflection arises from the allied questions of area and membership. There are to-day upwards of 40,000 members of requirements societies or little more than 10 per cent. of the number of persons recorded by the last census as belonging to the farming profession. On the other hand, it has been shown that the existing societies cover practically the whole country with available facilities. To achieve numerical as well as geographical completeness is obviously one of the first tasks of the movement. The density of membership varies from county to county and society to society; it even varies within the area of a single society, farmers living in the near neighbourhood of the society's headquarters being co-operators almost to a man, while the more remote parishes only produce an occasional member. Sometimes density, actual or relative, depends on the type of farming, sometimes on the efficiency of the society, sometimes on geographical circumstance and the absence or presence of keen competition. The extent to which members purchase from their society varies in much the same way and from the same causes. In addition to the 40,000 members there are at least 25,000 non-members, who purchase more or less regularly from co-operative societies. The first and most obvious step is to convert these non-member customers into members. Some societies have been withheld from this step by the fact that their shares had been written down or their financial position otherwise weakened by the recent bad years. Very few need now hesitate on this account to invite fresh members to join them. Others, however, which have prospered, have been unwilling to allow

new members who have had no part in building up the society to share in its benefits. The attitude is not common and is short-sighted, for it means that a society adopting it will inevitably become a limited, unprogressive corporation which will never develop beyond a certain point and will ultimately go under to more elastic undertakings. The most that can be said for it is that it may justify the imposition on the new member of an entrance fee or the obligation to take up a larger number of shares than those originally stipulated. Even this would appear of doubtful wisdom and does not seem to have been adopted by any of the societies which have made most rapid progress.

Further, it may be assumed that in some societies an idea prevails that a flourishing business may be built up on non-members' trade by which the members will profit. Quite apart from the co-operative ethics of this position, it is open to serious economic criticism. Few societies are over-capitalized; nearly all are dependent on bank or other loan capital, and though bank overdrafts for strictly seasonal wants may be cheaper than share capital, there is a sufficient demand for permanent capital to make a large increase in shareholding desirable. This is admitted by the societies themselves, since it is their declared policy to secure the raising of the limit of share-holding now fixed at £200. This demand would become much more cogent if all customers were first persuaded to become shareholders. A different but cognate question is that of non-customer members, generally retired farmers, farmers' widows, etc., but occasionally simply investors. These are more common in marketing than requirements societies, but their presence in any considerable number is a weakness. They draw dividends but do not bring trade and the efforts which several societies have made to reduce their number and substitute purchasing members are on the right lines.

Absorption of non-member customers and increase of purchasing loyalty are thus the immediate tasks of the requirements societies in their advance towards complete national service. The formation of fresh societies, except possibly in the two instances mentioned, is certainly not a desirable step. Fresh depots may be necessary and possibly in some cases local committees to keep alive the interest of members in

remote areas; but fresh societies would only increase the present not inconsiderable problem of overlapping. To a certain extent demarcation agreements already exist between societies with adjoining territories, but these are very hard to enforce unless the parties are of approximately equal strength. It is not only difficult but undesirable to say that a strong and progressive society must respect the territory now or at one time occupied by a weak and declining one. In some cases, also, a theory of federalism has failed to work, leaving a large society, generally the result of amalgamations, covering a county or several counties and extending right across the territories of various small societies who, theoretically, should, but actually do not, purchase through it. In these and in other instances there is a strong case for amalgamations. The only possible general objection is that local interest may be lost by a more centralized general organization. This seems doubtful. English agricultural co-operation has never produced in any large measure the homely and fraternal sentiment which it sometimes inspires in other countries, and a strong and successful organization, even if a little remote from some of the members, is more likely to inspire loyalty than a small and struggling affair whose weaknesses the members know only too well. The real difficulty, apart from the possibly admirable but misplaced reluctance of the small societies to own themselves beaten, is that some of them are not worth taking over on any terms that would repay their members. This is not so in every case, however, and there are many instances in which "rationalization" on these lines could be carried out. This is not to deny that there are small societies which exactly fit their circumstances and where no question of overlapping arises; but they are in a minority. The desirability of amalgamations is indicated by the figures already given, large societies, generally speaking, being more economical and more efficient than the small; their turnover per member is higher, their running costs lower, their services more elaborate. Their price levels are more difficult to determine, but the evidence, as well as the theoretical probability, is that they cut prices more successfully than the smaller organizations. Many small societies buy on a scale scarcely larger than that of a single large farmer, they secure little advantage in wholesale rates, they may be compelled to pay cash,

thus bearing all the burden of their members' credit, and their bargaining power is weak. Moreover, the tendency towards large-scale operations is no new one. The size of societies has increased steadily; before 1914 it was possible to speak of "a number of small societies with annual turnover of less than £100". To-day there is scarcely one. Even since 1923 the number of societies in all the classes with relatively large sales has increased, while the number of those with small sales has diminished.

COMPETITION WITH CONSUMERS

A further aspect of overlapping, and a very complex one, is the occasional occurrence of competition with the industrial societies. This cannot be solved by any demarcation of areas, still less by amalgamation, but only by a demarcation of functions. Actually, as has been shown, the number of farmers' societies in England which deal in general domestic goods, is negligible. The only domestic commodity handled on any appreciable scale by agricultural societies, is coal. It is a complaint of long standing on the part of the consumers' societies that while they sell at retail, the farmers' societies sell at wholesale rates. But this is to a considerable extent justified not only as conforming to the general selling policy of a farmers' society, but in consideration of the fact that the farmer actually buys coal in wholesale quantities and at least in part as an element in manufacture. The coal question, however, is more or less limited to those urban areas in the north where farmers' and consumers' societies exist in close proximity and compete for the same limited potential membership. This is the limit of what may be called the aggressions of the farmers' societies. The consumers' societies, on their side, sell poultry food in considerable quantities, which is natural, as many of their members keep poultry without being in any sense farmers; but they also sell feeding stuffs, especially where they own flour mills and have large quantities of millers' offals to dispose of. Moreover, if farmers become members they receive the high dividend of the consumers' society on their agricultural purchases, a dividend with which few farmers' societies can compete. This problem, though one of real difficulty, is not widespread, being, once more, almost confined to the industrial regions mentioned.

FINANCIAL POLICY

Problems of capitalization have already been touched on in the summaries for different groups and in connection with membership. In most societies a minimum shareholding is fixed for all members, and the law of Industrial and Provident societies restricts the maximum to £200. A very few societies have introduced a minimum based on acreage, but the idea of relating shareholding and individual turnover seems never to have been adopted. It has been shown that the turnover per £ of total capital varies very little for the different groups of societies. It would appear from this that the increased services, the credit required for forward buying, the sums invested in plant and buildings, roughly counterweigh economies due to large scale operations; but the essential of increased capital per member in the larger societies is that it does go to providing proportionately improved services as well as increased turnover. In this connection it is worth noting that while some of the small societies have considerable funds invested in government and other securities, the large and active societies have invested them entirely in their own business, either in the form of plant and buildings or as working capital. The relation of capital requirements to non-members' trade has been discussed, and the relation of capital to credit has been touched upon. Farmers have long been accustomed to receive extensive credit, and very few co-operative societies have succeeded in breaking this habit, founded as it is upon the character of the farmer's business. Except in some of the "urban" societies, the average credit given is at least two months; in several cases it is three months or even longer in the small societies. The society thus has permanently outstanding a sixth or even a quarter of its cash turnover. For this purpose it usually has recourse to a bank and naturally pays for the privilege. In calculating running costs for the different classes of society, this charge was omitted. If a total figure could be given it would be apparent that members collectively pay a considerable sum, partly perhaps for the convenience of deferring payment till they have secured some return on their outlay, partly for the mere luxury of procrastination. In some cases societies have initiated systems of special bonuses or discounts on payments made within a

limited time, but the system is by no means universal and is in most cases too recently introduced to yield any specific results. It deserves, however, a wider trial and may be compared with the system in certain foreign countries where a definite interest is charged on all accounts remaining unpaid after a certain period.

The capital resources of societies are not entirely comprised by the items already mentioned. Many societies have large reserves of uncalled capital, which strengthens their position if it does not facilitate their current operations. Reserves have already been mentioned with a caution which may now be explained. Most, though not all societies, record on their balance sheets certain sums placed to general reserve, bad debts and sometimes other special reserves. In many cases these figures are far from recording the whole position. It is the custom of all Industrial and Provident societies to depreciate land, plant and buildings as well as loose property very heavily; thus there are not infrequently reserves which it is impossible to estimate. This is especially the case with large societies. The smaller organizations, having less property to depreciate, are more inclined to place a larger proportion of reserve funds in public securities.

TRADE METHODS AND MANAGEMENT

The trading methods of societies have already been broadly indicated. They approximate in detail probably more and more to those of private merchants. The " cost-plus " system has given way almost everywhere to sales at market prices. The only exceptions are some small societies running on semi-voluntary or commission lines, together with large societies whose position enables them to undertake systematic price cutting and in fact to make the market price of their district. A certain measure of inevitable speculation has become involved in the forward buying of societies. Canvassing for members' purchases, at first looked on askance, is recognized in most cases as a genuine service, no more " un-co-operative " than the visit of the industrial society's " orders man " to the housewife's door. A system of membership contracts, rare anywhere in requirements societies, has never been attempted in England. Delivery by societies to their members is becoming

universal, except in a few districts, and is recognized as not only more attractive to members, but more economical. The only difference of opinion remains as to whether societies should own their own vehicles or contract with transport firms. This depends again on whether the society can keep two or more lorries fully employed or whether the frequency of empty return journeys makes it desirable to place transport in the hands of specialized firms who will make their own arrangements for back loads. Occasionally societies have done this themselves, thus virtually adding a carriers' business to their other functions, but this is obviously the resource of the relatively small society only in special circumstances.

The problems of management call for some comment. Two complaints are traditionally associated with agricultural co-operative societies: first, that they have difficulty in securing suitable managers; and, secondly, that they do not offer adequate salaries. These two circumstances are perhaps not so exclusively complementary as they might appear. The classes from which managers may be drawn are five:

(1) Farmers. Many small societies are managed by farmers who give up a part of their time to the business. This is obviously only a temporary expedient unless the business is to remain stationary on a scale adapted to part-time and largely amateur management. In some cases, of course, a man may start life as a farmer and later find his vocation in the whole-time management of a co-operative society.

(2) Auctioneers, lawyers, teachers or similar rural professional men. These are more frequently found as managers of marketing societies, particularly those of a seasonal character, than of requirements societies. In the case of the former, somewhat different considerations apply, but for the latter, the objections raised in (1) are almost equally applicable.

(3) Private provender merchants or their employees. A very large number of requirements societies have taken their managers from this class, sometimes with entire success. The fact remains, however, that a man trained in private business may fail to appreciate the peculiar conditions of co-operative organization or to take advantage of the opportunities they offer. In addition, it may be assumed that it is not always the most successful and efficient merchants who suffer themselves to be absorbed by a co-operative undertaking.

(4) Managers trained in the industrial co-operative movement. This has been and continues to be a considerable source of supply often with very satisfactory results. The training is usually adequate both on the general business and the specialized co-operative sides; the difficulty is that the point of view is sometimes urban and a process of adaptation to rural habits becomes necessary.

(5) Managers trained in other agricultural societies. The movement has now been in active existence for some thirty years and has had time to build up a professional body of its own. Many of the larger and more fully staffed societies have become a training ground for managers, who pass from them to smaller and newer societies. This is probably generally speaking the best class from which managers can be drawn.

The charge of offering insufficient salaries is to some extent passing with the small society whose peculiar vice it was. A tendency to fear the large society as being beyond the powers of the available managerial talent, now appears to be unfounded. The large society can afford a well qualified manager at proportionately less outlay (as shown by comparative running costs) than the small society pays for amateurish or inefficient services. An item in the societies' relation to their staff is the frequent provision of a bonus to employees paid out of profits and usually amounting to 5 per cent. of the total. Some societies, most of them small, have suffered from dishonest management; but this on the whole is rare and the committee usually have it in their hands to impose adequate safeguards. In all the larger societies, managers are required to take much responsibility and to exercise a considerable degree of leadership. Committees are by no means negligible, though proportionately their direct responsibilities are greater in the small society. Very few societies pay directors' fees, justifiable only in the case of very large societies where a real sacrifice of time may be demanded as well as out-of-pocket expenses.

FUNCTIONS: GRAIN MARKETING

The normal functions of requirements societies are described in detail elsewhere; it will be seen that they have succeeded in making themselves fairly complete providers to the farmer

in every department, except machinery.[1] The combination of produce marketing with the sale of requirements presents, however, a problem of increasing importance which requires further examination. Whether it be the disposal of members' grain, which must be considered in this chapter as it has no special organization of its own, or the marketing of perishables, dealt with later under commodity headings, the practice inevitably increases the difficulties of management and calls for a higher degree of organization among members. It is said to permit of a lower margin of gross profit by the provision of *contra* payments, but either it increases the element of risk in the society's business as a whole, or reduces it by a process of rather dubious desirability. The system of *contra* accounts in itself is a legitimate safeguard against the non-payment of debts; the only questionable practice is when the accounts of a requirements business are merged with those of a marketing department or a milk agency, and the profits of one used to make good the deficit of the other. A closer view of the requirement society's grain business, however, will show that where grain is in question, there is less in this criticism than at first appears.

The absence of any co-operative society in England formed expressly for the purpose of marketing grain is misleading if it suggests that no method has been found by the producers for the disposal of their corn. A study of the purchases of general requirements societies shows that they provide a popular local method of handling wheat and other grain. The business, however, comes under two distinct headings: (*a*) grain bought from members as part of the society's general requirements—that is for sale to members, and (*b*) grain received from members for sale elsewhere. A large item in members' requirements is feeding stuffs, and it is natural that as much as possible should be bought locally and therefore from members. A number of societies buy beyond their own requirements and thus function as marketing organizations; but even in these cases it has been a spontaneous development

[1] The difficulties are twofold. In the first place, the society must be prepared to open a repair shop and to stock spare parts; and in the second it must face the unaccommodating attitude of the Implement Dealers' Association. In these circumstances very few co-operative societies have succeeded in securing the agency for agricultural machinery in their neighbourhoods.

undertaken by the management rather than a definite policy adopted by the society.[1]

About 60 requirements societies in England buy the whole or a proportion of their corn locally; this is not co-operative marketing; no marketing operation is involved if the process is confined to (*a*) and so does not go beyond the farmer's individual deal with a local purchaser, his own society and therefore not only convenient but most trustworthy. Any benefits accruing to the society from the economies of local purchase in this as in other deals, normally go to the members in proportion to their purchases either in price reduction or bonus. The question of bonus to the vendor rarely if ever arises; it could not equitably be based upon the general profits of the society; the only way so to determine it would be to keep a separate reckoning of purchases and sales, deduct milling and other costs, and distribute the remaining item of profit to the producers in proportion to deliveries. But even this, so long as prices paid for deliveries varied, would not bring the transactions up to the equitable level of co-operative

[1] Although the best examples are to be found down the corn-growing belt on the East Coast, it is a common practice throughout the country, the extent of the trade varying mainly with the amount of corn grown in the district and whether the society owns a mill. In rural Yorkshire there are several small societies which have even become more important as grain marketing centres than for the supply of general requirements. The grain department of the Yorkshire Farmers accounts for £120,000, or 43 per cent. of the total turnover, which includes a large quantity of clipped oats sent out to all parts of the country. In the east of the county the Brandsby Agricultural Trading Society is also a heavy buyer. The most important example, however, is the Eastern Counties Farmers, situated in the centre of arable farming, which specializes in seeds, the bulk of supplies being purchased locally. Other societies in corn-growing areas which buy appreciable quantities of customers' corn, are the Staffordshire Farmers, which retails grain to small poultry keepers and sells to the local consumers' society for the same purpose; the Northamptonshire Farmers; the Berks, Bucks and Oxon Farmers; and the Southern Counties Farmers, with a turnover of half a million, of which about 15 per cent. is in corn, the bulk of it being sold to the C.W.S. The Nottingham and Shropshire societies handle fair quantities of corn, and those in Cheshire buy considerably beyond their own requirements for sale to the Manchester and District Farmers, Preston Farmers and Lunesdale Farmers, which depend mainly on outside supplies. In Derby, the Biddulph and District, although not a large society, is a heavy buyer; and 10 per cent. of the turnover of the South-West Lancashire Farmers is in corn bought locally. Several other societies in the West buy corn from members, including the Warwickshire Farmers, the Worcestershire Farmers, the West Midland Farmers' Association, and the South Hereford Agricultural Society, the most interesting being the Lydney and District Farmers, which can be said to market all the corn grown in the district it serves, and the Sherston Co-operative Milling, now a general requirements society, but still carrying out its original function of milling members' corn.

marketing; a contracted price or an equalization bonus would be needed to do this. For the present the vendor does not feel the need of such elaborate protection; his economic position is safeguarded by the homogeneous character of his society's membership, all being like himself producers. When the process is carried through into (*b*), however, the society is exercising an entirely different function, and it is undesirable that the profit or loss so incurred should be confused with its other business. It is no longer buying the requirements of its members, but is marketing grain either at merchant's risks or co-operatively, either for profit-making or for service. This is a matter that calls for considerable disentanglement to-day, and the call will be emphasized by any attempt to develop co-operative grain marketing on a national scale.

THE NEED OF A WHOLESALE

The problem of federation for trading purposes has been touched on in the historical introduction in which the attempts at local federation, and the careers of the various central agencies and finally of the A.W.S., have been described. Federation offers certain obvious and well-recognized advantages and it has been carried out in almost every country where co-operation has reached an advanced stage of development. At the same time, with the record of failure already given, it seems unlikely that any special agricultural wholesale will again be attempted in this country, at least under anything like present conditions. There remains the Co-operative Wholesale Society, the creation of the industrial consumers' movement. At the present time 54 farmers' societies in England are members of the C.W.S. by virtue of shares taken up in proportion to their membership.[1] In addition, 29 other societies trade with the C.W.S. without being members. The C.W.S. has further about 40 agricultural members in Wales. It may be estimated that at least a quarter of the total purchases of English agricultural co-operative societies are derived from the C.W.S. Its claim to act as wholesale for the farmers' societies is thus a strong one. It is the largest milling firm in the country and turns out annually an enormous quantity of millers' offals, which are sold through one channel or another for use as feeding stuffs;

[1] The number of shares varies with the date of the society's adhesion. The present rule stipulates for £1 share for every two members.

it is a coal merchant; it manufactures oil cake on a considerable scale, also binder-twine, and in recent years it has developed a special agricultural department selling seeds and fertilizers in addition to the above articles. It purchases considerable quantities of grain, as well as other commodities, from farmers and their societies. It is firmly established and adequately capitalized. The society buying from it enjoys a full bonus on purchase if a member, and a half bonus if a non-member. The main objection to regarding the C.W.S. as the farmers' trading centre is that agricultural societies, including those of Wales and the Dominions, only amount to at most 10 per cent. of the total membership of the society and account for very much less than 10 per cent.—probably not much over 2 per cent.—of its total sales. They are not, therefore, in a position to influence the policy of the society as they could that of an organization of their own. At the same time, two facts must be borne in mind. In the first place, the requirements societies are societies of farmers in their capacity of consumers, not producers; in this light the agricultural societies' interests do not clash with those of their fellow-members, the industrial consumers' societies; the only exception to this condition is that where an article of agricultural consumption is a by-product of one of domestic consumption—as is the case with millers' offals and bread—the price of the latter may to some extent determine that of the former. In the second place the purchases of agricultural societies are concentrated in one department where, even if their votes at general meetings may not have much effect, their right to purchase or to go elsewhere if dissatisfied cannot be without influence.

This is the only argument for buying less exclusively from the C.W.S. than would be necessary in the case of a wholesale organization that the farmers' societies themselves were endeavouring to establish. With this minor qualification, it would seem evident that the best course before agricultural societies is to utilize as fully as possible the services of the C.W.S. and by taking up shares and exercising the rights of membership to indicate how it might be adapted to meet still more fully the farmers' needs. The special assistance, financial and advisory, which the C.W.S. has given to one or two societies, endangered by the A.W.S. collapse, has already been mentioned in the historical chapter and has been described in the sections

devoted to those societies. In addition to trading with it, several societies submit their auditing to the C.W.S. staff of accountants as is done by the industrial societies. Several invest their reserve funds with it. Many act as agents for the Co-operative Insurance Society.

VI

MILK AND DAIRY PRODUCE

DAIRY produce is, after live-stock, the most important agricultural product of this country, and it was the first to be marketed co-operatively. Few of the earliest organizations survive in any recognizable form, and since their appearance sixty years ago, the industry itself has undergone remarkable changes. In 1870 the producer-retailer was unchallenged in the neighbourhood of the towns, while dairy farmers in remoter districts depended on butter or cheese for a livelihood. Even at that time the pressure of imported cheese was beginning to be felt and supplied the motive for the earliest co-operative cheesemaking societies. This competition has since been intensified and, further, an increasing proportion of English cheese and butter is made under factory conditions. On the other hand, throughout the last twenty years, but especially since the War, the liquid milk market has become more and more dominant, while in most of the large towns the producer-retailer has been supplanted by the wholesale firm. Not more than 12 per cent. of the total milk output of this country [1] is manufactured, and the price of butter and cheese is fixed by that of imported supplies at a level which is relatively unremunerative. The price of liquid milk, on the other hand, is high, partly at least because the British farmer is dealing with a closed market and because a fairly elaborate system of collective bargaining, to be discussed later, has for some time been in operation.

The consequence of this situation is that all milk in excess of liquid requirements is looked upon as "surplus". This surplus is naturally largest in summer, though in recent years a winter surplus has also made its appearance. It is not a profit-making article, but whoever holds it can, within limits, control the price of liquid milk. It is round the possession and disposal of surplus that much of the present struggle in the milk trade turns. At the same time there is a general

[1] Estimated at a value of £57,500,000 in 1924.

impression that the output of liquid milk is increasing more rapidly than the demand and that the margin of surplus is consequently widening.

In these circumstances it is not surprising to find that co-operative effort has not yet fully adjusted itself to the continuously changing conditions of the industry and that many tendencies are discernible which are of an experimental character and date from different periods of dairying development. Cheese and butter factories are in most instances of fairly early date, the oldest surviving having been formed in 1903, but cheese societies have continued to be formed from time to time almost up to the present year. Wholesale milk selling organizations followed, all in the decade between 1912 and 1922, and finally a small group of organizations for handling surplus milk only were set up in 1925.

The distinctions of function indicated provide the best method of grouping societies for detailed examination. There are, however, several border-line cases which make a perfect classification unattainable. In 1929 there were 36 dairies,[1] with 6,099 members, and 3 general societies dealing in dairy produce, representing a total turnover of £1,144,064. Of this, 80 per cent. is accounted for by 12 dairies and 2 general societies carrying on the business of milk wholesalers. Three were formed in 1912 and one in 1914, but the rest date from the later years of the War or those immediately following it and may be taken on the whole to be the farmers' reply to the formation of the United Dairies and the increased centralization of wholesale milk marketing. In some cases the system of government licensing of wholesalers during Food Control may have had an influence on their formation. Most of these societies collect milk from their members, pasteurize, cool and dispatch to large retailers in the cities, in many cases to the industrial co-operative societies. Any surplus milk they make into cheese or occasionally into butter. This is not as a rule particularly profitable, but it is usually possible to avoid loss and to prevent the surplus from spoiling the liquid market. Two societies in the group and one of the general societies also retail a small proportion of their supplies. One society acts simply as an agent, arranging sales and receiving and distri-

[1] In 1913 the number was 35, including Wales, but only a small proportion of the present societies were then in existence.

buting payments but not undertaking the physical handling of milk or the conversion of surplus. The second general society follows a similar plan but undertakes the assembling and dispatch of milk on rail to the buyer, who is in this case not a retailer but the United Dairies. One society sells Grade A.T.T. milk raw and is thus only concerned with collection and dispatch; it has no factory but occasionally arranges for the conversion of surplus into cheese. Only one of these societies takes milk from non-members as a regular practice, though one or two may occasionally buy small quantities of accommodation milk from outsiders. Two are known to have at least twice as many members as suppliers; for the others no figures are available, but it is believed that in several cases the number of suppliers considerably exceeds that of members. One society has a permanent contract to take all the milk of its members, who are prohibited from selling outside. Two have an annual "all milk" contract; four have an annual contract for a stipulated amount with permitted variations on the N.F.U. model. The remainder are understood to have a general agreement to take all members' milk and to receive reciprocal loyalty except where non-supplying members are numerous. The area from which supplies are drawn is usually fairly large, sometimes equal to that of a "half-county" requirements society. A few averages [1] will give some idea of a typical society.

Membership.	Share Capital.	Reserves.	Loan Capital.	Turnover.[2]
335	£9,854	£2,291	£4,734	£71,942

All societies but one have reserves, but only in three cases are they relatively large. In one they exceed the share capital. Loan capital consists to the extent of nearly two-thirds of bank overdraft, but its use is confined to a limited number of societies, five societies operating entirely without borrowed capital. The highest turnover in the group is £130,329, and the lowest £27,029. Other averages are:

Turnover per Member.	Share Capital per Member.	Total Capital per Member.	Turnover per £ Share Capital.	Turnover per £ Total Capital.
£214	£29	£50	£7·3	£4·2

[1] The two general societies, with a combined turnover in milk of £55,000, have been excluded from these estimates.

[2] A few societies also do a certain business in agricultural requirements, but this has also been omitted from the above average.

The turnover per member is somewhat deceptive, as it covers the difference between a turnover of £2,284 per supplier in one case and £82 per member in another; probably a figure of about £275 would more nearly represent the average, but there is necessarily wide divergence between the milk output of the specialized dairy farmer in the south of England, with his tuberculin-tested herd, and the Northumberland dalesman who keeps a cow or two as a supplement to some other occupation. The capitalization per member is fairly high as compared with other types of societies of similar size, but capital is relatively low in proportion to turnover. Of these societies, nine, nearly all in the south and west,[1] sell all or the main part of their output on the London market. Two with headquarters in Lancashire sell within that county, a Derbyshire society sells to Derby, one in Shropshire to the Midland markets and one in Northumberland to the Tyneside industrial area. Over two-thirds of the output goes to the London market, the Midland and Northern markets being very slightly touched and that of Yorkshire entirely neglected. Running costs average 7·8 per cent., but this covers variations between 2 per cent. and 18 per cent. and 19 per cent., these high figures being accounted for by societies which undertake respectively considerable processing and a certain amount of retailing. The more usual figure is about 6 per cent. or slightly under. In most cases the society undertakes collection, but in some, members deliver their own milk to the depot. Two societies made a loss, but one of them continues to pay interest at 6 per cent. on shares. The remainder made a profit and most paid interest on shares, all at 5 per cent., while one paid an additional bonus on milk deliveries and another created bonus shares. Of the remaining two, one used profit to pay off accumulated loss, and the other paid a bonus to consumers, who include a number of retail customers. Several societies in this group have made progress in recent years, but others show a certain fall in turnover.

Only three societies are engaged in retailing milk as their main occupation, all operating in limited areas, and all marked by strong peculiarities which make collective description difficult. Total figures are in this case less misleading than averages.

[1] Three in Somerset and one each in Dorset, Berkshire, Sussex, Gloucester, Derby, and York.

No. of Societies.	No. of Members.	No. of Suppliers.	Share Capital.	Reserves.	Loan [1] Capital.	Turnover.
3	207	25	£4,145	£5,330	£2,000	£28,698

The bulk of the turnover is done by one society, that at Harpenden, which specializes in the retailing of high quality milk in a residential and semi-suburban area, and which is progressing fairly rapidly. One society was recently formed to retail milk to Catterick Military Camp and the third is a small society of long standing which supplies a colliery village in the north. The high proportion of reserves may be noted. The following are averages which are on the whole characteristic:

Turnover per Member.	Turnover per Supplier.	Share Capital per Member.	Total Capital per Member.	Share Capital per Supplier.	Total Capital per Supplier.	Turnover per £ Share Capital.	Turnover per £ Total Capital.
£138	£1,147	£20	£45	£165	£379	£6 9s.	£3

The most striking feature of these figures is the large amount of capital required to retail the milk of one producer, a figure which would appear even higher in the case of the first society. It must be borne in mind, however, that the turnover per member often represents the producer's entire livelihood. This is a common characteristic of all retail societies, as is the large number of non-supplying shareholders. Running costs are also necessarily high, representing in the case of the two older societies 20 per cent. and 23 per cent. respectively. Both these societies undertake the collection of milk. One society made a loss in the past year, one a considerable profit; the last formed had not a complete year's working to record. All three societies made or were prepared to make cream and occasional butter as an outlet for surplus. One society has an annual contract for all milk which members do not retail themselves, with an elaborate system of payment by grades. The others appear to rely on a general agreement to take all their suppliers' milk.

A third group of societies consists of those whose main concern is the manufacture of cheese. Excepting two small societies in Derbyshire and one in Yorkshire, the latter specializing in Wensleydale cheese, all these societies are situated on the Leicester–Nottingham border and are engaged in the manufacture of Stilton cheese, a luxury product in its finest state, which, however, is not always attained. The Stilton

[1] Members' loans to one society. No bank capital.

societies, which have already been discussed at some length in the Leicestershire section, number eight, making a total of eleven cheese societies. All sell fairly large quantities of milk liquid to wholesalers or retailers, especially in winter, but their preoccupation with cheese—usually sold to factors but sometimes to large retailers, including the industrial societies—as well as other characteristics, are sufficient to mark them off from the liquid milk societies already discussed. They have been founded over a long period, the first in 1903 and the last in 1928. All operate in restricted areas, generally limiting themselves to a single village. The following average figures give a sufficiently accurate picture of a society in the group :

Membership.	Share Capital.	Reserves.	Loan Capital.	Turnover.
44	£969	£398	£804	£9,829

Only two societies have members' loan capital, .but five obtain bank overdraft in order to enable them to hold stocks of cheese and probably others would be found to be doing so if accounts were closed at a different period. Two societies are financed entirely by share capital and reserves. The turnover varies considerably, not always in proportion to membership, the maximum being £23,474 and the minimum £5,117. Many, but not all, show a declining turnover during recent years. Most of the societies have a permanent or annual contract for the whole of their members' milk, and loyalty is general. In most cases all the members are suppliers, but there are a few exceptions. No milk is bought from non-members. Other averages are :

Turnover per Member.	Share Capital per Member.	Total Capital per Member.	Turnover per £1 Share Capital.	Turnover per £ Total Capital
£225	£22	£48	£10	£4·5

The turnover per member, it will be noted, is lower than in the case of other dairy societies, indicating first that the societies have to do principally with small farmers, and secondly, that few of them are solely dependent on dairying. The share capital is exceeded by other forms of capital, but shares and reserves together considerably exceed loans. The turnover per £ of share capital is considerable. Running costs average 8·7 per cent. and range from 2 to 15 per cent., the

former being in a society where no cheese ripening is attempted. In most cases members deliver their own milk to the depots. Four societies made a loss, although one of them continued to pay bonus. Three paid interest on shares at 5 per cent., 6 per cent. and 10 per cent. respectively; one also paid a bonus of 8*d.* in the £.

In addition to these societies, one large general society undertakes the sale of members farm-made Lancashire cheese to the value of about £32,000, sales being made to large retailers, in many cases industrial co-operative societies. Only one butter-making society exists in England. It is situated in Cornwall and does a turnover of about £32,000, being thus on a considerably larger scale than the cheese societies, though smaller than the average wholesale dairy.

The remaining group of nine dairy societies makes no attempt to handle the whole of members' milk, but confines itself to finding a profitable, or at least a less unprofitable outlet for surplus, and thus maintaining an adequate price for liquid milk. Included in this group is one society which actually fulfils this function, but rather by an extinction of its other functions than from deliberate choice. The most successful of these societies is that at Barrow (described in the Lancashire section) which works in connection with a local bargaining organization, coextensive with its territory, over which both have complete control of the milk produced and which happens to be geographically almost a closed area. It operates on a small scale all the year round, accepts any milk members choose to send, arranges liquid sales, makes cheese, butter, and feeds pigs. Profits are small and in some years there have been fairly heavy losses, but the experiment has been justified by a sustained price for liquid milk. Most of the remaining societies were set up about 1925 in the South of England, in the area supplying London, as a move in the N.F.U. price-fixing campaign of that year. Either the need for them has not been as great as was supposed, or, as it seems at least equally likely, they have not been operated with much energy. None of them have operated for more than a few weeks in any year manufacturing cheese out of summer surplus. One of them did not open at all in 1929. All these societies are, in fact, with the exception of Barrow, which did more than half the small total turnover of £23,345, more admirable

in their intention than in their achievement. A few average figures will make their position clearer:

Members per Society.	Share Capital.	Turnover.
134	£1,879	£2,592

With the omission of Barrow the average turnover would be halved and would in fact be reduced below the level of share capital. One society is known to take a certain amount of non-members' milk at less favourable rates than those to members, but this is probably not a widespread practice. Barrow has a comparatively small bank overdraft, and one other small organization has loan stock to the value of £50. None of the societies have reserves. Five made a small profit in 1929, but not all seem to have paid interest on capital and none distributed bonus. Running costs are rarely obtainable. At one small society they were as high as 18 per cent.; Barrow was only half that amount, but the figure is still somewhat high. The share capital per member is about £14, the turnover per member barely £20, even with Barrow included.

One or two observations may be made on the general progress and position of dairy societies. The number of dairy societies has decreased by over 20 per cent. in the last five years, in spite of the formation of several new organizations. It is difficult to say to what exactly this decrease and other failures which preceded it, is due. Probably the changing conditions of the industry and the gap between the liquid price (which the farmer could obtain for himself) and the manufacturing price (on which most co-operative societies were largely dependent) has been the main cause. The turnover, however, has only fallen about 5 per cent., which is on the whole a healthy sign, especially as over one-third of the decrease is due to a single requirements society which once handled milk, but does so no longer. It must also be remembered that the new societies, being only for "surplus" purposes, contribute very little to the 1929 turnover. This means that the societies as a whole, although reduced in numbers, are larger and stronger than they were in 1924. Both total turnover and turnover per member has risen. Societies are still relatively small as compared with those dealing in requirements, but this is due largely to the question of transport and the physical character of milk. Within their area societies commonly receive a

greater measure of support than requirements societies, a membership of 90 per cent. or even 100 per cent. of the farmers within a limited area being not unknown. Members' loyalty too, is as a rule, satisfactory. Excluding the "surplus" societies, whose position is different, slightly over half have permanent or annual contracts with their members for either the whole of their milk or a stated amount, which usually means at least all that they wish to dispose of wholesale. Legal enforcement of contracts is rare, but few societies complain of disloyalty. Loyalty is also fairly general in those societies which have no contract, except in one or two where there are large numbers of non-supplying shareholders. These may be investors—farmers' relatives, landlords and others, but they may also be members whose disloyalty is so chronic that it has ceased to be considered. This can be a serious position, especially where such persons are amongst the larger farmers, those who feel they can make a better bargain than the co-operative society, although they probably owe more than they admit to the society's efforts in keeping up the small man's price. Non-members' trade, except in accommodation milk, is limited to one or two societies. As with other types of society, the conversion of non-members into members is desirable.

In several of the most successful societies, share-holding is fixed in relation to the number of cows kept by the member, though the practice, which is a sound one, is not universal. Share capital and reserves both in the aggregate and in nearly every individual case, greatly exceed other capital. The latter is divided almost equally between members' loans and bank capital.

The increasing size of societies is simplifying the problems of management except in the case of "surplus" societies operating spasmodically. The manager of a large society can be sufficiently qualified and sufficiently paid and he has the authority to supply any deficiencies in the commercial experience of his committee. In this connection a few societies have adopted the expedient of introducing retail dairymen on their committee. There may be cases in which this is useful, but a clash of interests seems at least as probable an outcome as a reinforcement of knowledge.

It has been shown that English co-operative dairies are

experimental in character and that their influence on the milk market as a whole is comparatively feeble. They are, however, individually well established and have shown considerable power of adaption. It is also a fact that though many societies have closed down, there is a steady trickle of new registrations. On the other hand, the milk market is becoming more and more a field for corporate action on the part alike of consumers, retailers, manufacturers and producers. As before explained, the situation is dominated by liquid milk sold to the great centres of population.

Since 1922 serious efforts have been made to regulate milk prices by a system of collective bargaining; a Permanent Joint Milk Committee was set up in that year, composed of the N.F.U. on behalf of the producers, and the National Dairymen's Federation for the distributive trade, to fix the price to be paid to the producer for liquid milk for one year. At the same time, in order to make collective bargaining effective, the N.F.U. issued to all County Branches a Memorandum calling upon milk producers " to provide a uniform system of working in the branches throughout England and Wales for the promotion and the defence of the interests of dairy farmers." The scheme involved the preparation in each county of a register of milk producers of both members and non-members of the Union, showing the number of cows kept by each producer, approximate weekly output, winter and summer, the buyer or buyers supplied in each case, alternative means available of utilizing milk produced, and other particulars which might be required for purposes of organization. The Memorandum also stressed the importance of every County Branch being prepared for action in the event of a breakdown in the negotiations of the Permanent Joint Milk Committee. Each year since the beginning of collective bargaining, the deliberations of the P.J.M.C. have proved more difficult. In 1928 a deadlock in the negotiations was reached; it appeared for several weeks that there would be a breakdown which would put the emergency arrangements to the test. The N.F.U., however, won the day ultimately, through a sympathetic press and public opinion.

In spite of such annual successes, however, undercutting has continued, and there is no doubt that the majority of farmers have accepted prices for part of their milk, at least,

below those fixed by the Committee. During the negotiations for the 1928–29 contracts, the Milk and Dairy Produce Committee of the N.F.U. brought forward a considered scheme to prevent undercutting in the distributive trade; Sir William Price also submitted proposals to the Permanent Joint Milk Committee. After the most painstaking deliberations, a National scheme was finally agreed, in which the advantages offered were: (1) to the producers: a guaranteed market for milk under the terms and conditions laid down in the scheme; and (2) to distributors: freedom from undercutting.

Under this scheme the farmer would be free to make his contract with his buyer as at present, and would be paid at a flat rate for all milk supplied under the contract. Farmers unable to find a buyer at scheme terms would be advised by the Permanent Joint Milk Committee of a distributor or creamery that would take their milk at scheme prices. Contracts as under the old scheme were to provide for the sale and purchase of the whole dairy or supplies on a minimum and maximum basis, with a 20 per cent. margin on either side of the estimate. It was further proposed to provide compensation for manufacturers' loss on conversion of surplus milk during the summer months, by establishing a Permanent Joint Milk Fund, both farmers and distributors to contribute ½*d.* per gallon to this fund for every gallon of milk sold and bought during October, November, December and January. A portion of this fund was to be used in publicity to increase the sale of milk. Producer distributors, in return for the benefits of stabilized conditions, would contribute in the same amounts, 1*d.* per gallon produced and sold by them. All contracts under the new scheme would be registered, and all creameries operating the scheme would have to be approved and registered by the Committee. The farmers' prices under the new scheme were to be 1*s.* per gallon in April–August, 1*s.* 4*d.* in February–March and September–October, and 1*s.* 5*d.* in November–January; the retail prices were to be 6*d.* per quart in April–August and 7*d.* in September–March.

According to the Joint Committee, the only alternative to such collaboration between producers and distributors would be "a return to individual bargaining, which would mean ruin to both and could not fail to result in cut-throat competition and ruthless undercutting".

The consumers' co-operative movement, up to this time not represented on the P.J.M.C., had meanwhile been seriously considering the problems of their own milk distribution, about 12 per cent. of the total distribution of England and Wales. A scheme to give the C.W.S. the control of the whole co-operative milk supply was naturally viewed with reluctance by the larger societies which had built up a successful milk-retailing business on their own initiative. There was a big step forward, however, at the Torquay Congress in 1929, when a resolution was passed to form a National Co-operative Milk Committee with representatives of the C.W.S., the Co-operative Union, the Joint Committee of the London Co-operative Societies, and the National Co-operative Milk Retailers' Federation. This Committee was established, and it was inevitable that it should take some action when it was seen that the P.J.M.C. scheme included the fixing of retail prices without any representation of the consumer on the Committee. The Co-operative Committee's refusal to accept it was endorsed by a conference of all those concerned with the milk trade in the co-operative movement. The conference further authorized the Committee to conduct negotiations on milk prices with the producers on behalf of the Co-operative Movement and to prepare an alternative National Scheme on co-operative lines. The National Co-operative Milk Committee approached the N.F.U., who agreed to co-operative representation on the Permanent Joint Milk Committee, and withdrew the fixing of retail prices and the subscription to a National fund.

Under the agreement on milk prices eventually reached for the year ending October, 1930, milk is sold and bought in three classes for the current contracting period; the first class allows a 10 per cent. variation each way, the second 20 per cent., and the third 50 per cent. The only difference in monthly prices for first class, compared with the previous N.F.U. proposal, is 1*d.* more to the farmer in February. There is a reduction of 1*d.* in the second class in November; and in the third class there are further reductions of 4*d.* in March, 1*d.* in January and ½*d.* in May–June.

The National Co-operative Milk Committee had been instructed to deal with the N.F.U. but had not been authorized to become members of the Permanent Joint Milk Committee; this was a subject of some dissension. A more serious diffi-

culty, raised during a meeting called to endorse the agreement, was that some societies had been able to make contracts on more favourable terms than those agreed by the Permanent Joint Milk Committee. The Co-operative Committee, however, maintained that, in view of the urgency of having some agreement for 1929–30 contract period, it was impossible to bring into force a more elaborate scheme of area settlements for that period. This was supported eventually by a large majority.

The main outcome of these proceedings, from the co-operative point of view, was that the Movement has established itself as a factor in the general effort for national agreement on milk prices. Immediately after the 1929–30 contract prices had been settled, the Co-operative Committee considered the larger issue of attempting to formulate a national co-operative milk organization. In connection with this, the Co-operative Milk Retailers' Federation intimated that they could not agree to a transfer of their functions to the Co-operative Union, as had been suggested. It was decided, however, to proceed with the formation of a National Milk organization based on sectional representation and that sectional or area committees should be composed of members elected from all societies in the area engaged in the milk trade, together with representatives of the C.W.S.; at this point the National Co-operative Milk Retailers' Federation withdrew from the discussion. After further negotiation a National Committee was set up, representative of the Co-operative Union Milk Retailers' Federation, the London Joint Committee, and the C.W.S., to examine the extent to which the movement was at present organized to deal effectively with the milk industry and to report on the steps necessary to perfect this organization and service on a sectional as well as a national basis. After a number of meetings a scheme was finally accepted by all parties which has since been ratified by Congress, namely, that a National Co-operative Milk Trade Association should be set up to represent all registered societies in England and Wales engaged in the milk trade and members of the Co-operative Union. The Association for purposes of organization is to be divided into sections which shall conform to the present sectional areas of the Co-operative Union and will be governed by a national executive committee, elected annually, composed

of one representative appointed by each sectional committee, two representatives appointed by the Co-operative Union and two by the C.W.S., and to be a committee of the Co-operative Union. The functions of the Association will be confined to the milk trade of the co-operative movement and will be mainly of an advisory and consultative character. It will recommend its decisions to societies for adoption, but will have no power to bind societies.

The Co-operative Milk Committee is further preparing a national scheme for the purchase and sale of milk on co-operative lines which is being submitted to farmers and distributors; this is to be more comprehensive than the scope of the P.J.M.C. allowed and includes the question of surplus milk. It is understood that the N.F.U. has already approved the general principles.

The tendency is thus towards the national stabilization of the price of liquid milk, and it is undoubtedly the farmers' main task at the moment to strengthen his bargaining organization by every means in his power. One of these, with which the present study is not concerned, is to make it all-inclusive and to eliminate altogether the "blackleg" farmer; another, to stabilize the relation between liquid and manufacturing milk by abolishing the two prices and returning to a single price based on the known relation between the two outlets. The third is to control supplies, and it is here that co-operative as distinct from collective action becomes important and the existing co-operative societies take their place in the scheme. Controlling surplus means also bearing risk, and it is unnecessary as well as practically impossible that the farmer should undertake the whole of this task. The proprietary creameries already undertake to dispose of large quantities of surplus and enjoy the power which this confers. The consumers' co-operative movement has also shown itself very ready to assume a part of the responsibility, and this division of power between two groups of divergent aims should to some extent safeguard the farmers' interest. This, however, is not enough to put him in a safe position. This fact was realized a few years ago when the "surplus" societies already mentioned were formed. With their present system of working, however, they are extraordinarily extravagant of capital and their utility seems to have been principally that of a rather costly

menace. As such they may have been worth while, but it would seem possible to devise something of a more economic character. The wholesale dairy societies are examples, and there seems no reason why their number should not with due caution be increased and their scope extended. It is a subsidiary point, but one of some importance, that the industrial co-operative societies should recognize that such societies are economically run and genuinely co-operative and that consequently they are as suitable wholesale suppliers of milk to retail societies as the C.W.S. In the past many retail societies have dealt direct with the farmers' dairies in this manner, but in recent years, possibly in the pursuit of co-operative rationalization, there has been a tendency to buy increasingly through the C.W.S. and to leave the farmers' co-operative dairies to seek an outlet in private trade. Where geographical and other conditions are suitable there is no reason for such a rupture of trade, which, moreover, gives ill proof of the professed desire of the consumers' movement to trade directly with co-operative organizations of producers.

An important example of bargaining passing from the collective to the co-operative basis and including control of surplus is afforded by the West of Scotland Milk Agency, commonly known as the Glasgow Milk Pool. Early in 1927 the Scottish Agricultural Organization Society set up a Joint Committee of the National Farmers' Union of Scotland and the Farmers' Co-operative Creameries, which were already federated, for price fixing purposes. It was agreed to establish a milk-selling agency, not to handle milk but to negotiate an annual price and to register contracts on that basis. By the end of the year, 14 creameries and 1,200 individual producers guaranteeing a supply of over 40,000 gallons per day had come into the scheme, and shortly afterwards some 80 per cent. of the milk producers within the area were included on the basis of a three years' contract to supply and a £1 share each in the undertaking. The Agency charges a commission of 1*d.* per gallon to cover the cost of its services and to build up its funds. The essence of the scheme is that any surplus of liquid requirements is transmitted to the affiliated creameries to be manufactured, and is thus kept off the liquid market. The Agency sells to a large extent direct to the industrial co-operative movement. It is the largest farmers' co-operative dairy

organization in Great Britain and its methods have been carefully devised.

Admitting the utility of wholesale dairies on the Scottish or English plan, there still remains the problem of an outlet for manufactured milk. No farmers' society in this country has so far attempted condensed or dried milk or casein. Butter and cheese are therefore the commodities to be considered. In a few districts remote from centres of consumption the manufacture of butter and cheese are of real importance, but they are home rather than factory products. Cornwall, Devon, Cumberland and the Isle of Wight are butter-making districts, but except in Cornwall no attempt has been made to organize their output co-operatively. Somerset in the south, and Cheshire, Shropshire and Lancashire in the north are the main cheese-producing counties. One society has successfully organized the sale of farm-made cheese in Lancashire, but the more important counties remain untouched. To some extent this is because the market for good quality farm-house cheese is not unsatisfactory. There are, however, suggestions that it could be improved, and from the point of view of the general welfare of milk producers anything that would increase the value of any form of manufactured milk would be valuable. There seems no reason why the Lancashire experiment should be unique. There is a movement in Cheshire and elsewhere to organize home cheese-makers professionally for improvement of the product and for advertisement. The next step is the collective sale of farm cheese, an enterprise which has been successfully carried out in other countries. As has been shown, the co-operative organizations which not only sell but manufacture cheese are of two kinds—specialized cheese manufacturing societies exist, not in the main centres of cheese production, but almost exclusively to deal with the local and semi-luxury varieties of Stilton and Wensleydale. There is only one Wensleydale society, but the Stilton societies number eight, and their weakness is their disunion on the market. The experiment in planting a cheese industry in Cornwall during the War was on the other hand a complete failure; there was a dearth of suitable organizers and technicians, the quality of the product was poor, and found no market after war scarcity ended. Farmers found it more profitable to divert their milk to stock-raising and the societies collapsed one after another.

There remain the much larger number of societies up and down the country who make cheese not from conviction but from necessity. It is not as a rule a very marketable product. It is affected by technical conditions such as the transport to the dairy, the unavoidable mixing of milk from different farms, and the fact that surplus arrives irregularly in large quantities, must be manufactured in haste, and frequently sold before it is ripe, owing to exigencies of space or of finance. Further, the manager is primarily a liquid milk expert rather than a cheese expert, and he is selling a small irregular quantity of a product of perhaps not more than fair quality in competition with many others, including co-operative dairies like his own. To some extent the same conditions apply to butter. Some form of federation immediately suggests itself as a remedy, but mere large-scale handling is only a partial solution. A co-operative cheese agency for farm cheese might have difficulty in handling factory products unless quality and quantity could both be assured. Here again, any narrowing of the gap between liquid and factory prices will help as it will tend to a more regular production of cheese as a constant if subsidiary outlet for milk rather than the resource of desperation.

VII

LIVE-STOCK AND MEAT MARKETING

THE production of live-stock for meat is the most important single element in English farming, although dairy produce is now approaching it in value. The import of meat has greatly increased in the last fifty years, but 50 per cent. of beef consumed in this country is still home produced (including Scottish supplies), together with 40 per cent. of pig meat. There appears to be a gradual increase in the production of cattle, but the competition of dairying has somewhat lessened the supplies of fat stock. The marketing of live-stock is of an extremely complicated character, owing in part to the fact that cattle and to a considerable extent also pigs and sheep, are sold twice, first as stores, when they pass from the breeder to the feeder for finishing, and secondly as fat stock, when they pass from the feeder to the wholesaler or retail butcher or to the dealer who buys on their behalf. In the course of both transactions animals may be sold and resold by dealers before coming into the hands of any owner who will carry them further in the direction of the finished product. Store animals very rarely go direct from farm to farm; some merely pass through a market, but most are bought on the market by dealers who transport them from breeding to feeding districts where they are resold at another market. There is thus at least one intermediary and two markets between farmer and farmer. Fat stock is likewise mainly sold at markets though some is picked up on farms by country butchers, dealers or the agents of wholesale butchers and bacon factories. A few private treaty markets exist, but these are used for the most part by dealers; in the majority of markets large and small sales are conducted by auction. Cattle are usually weighed; sheep and pigs are not. Cornwall has its own system of sale by unit of live weight. Very little is done anywhere in the way of grading. An increasing proportion of slaughtering is carried out by wholesale firms using public or in some cases large-scale private slaughter-houses in the towns. A

certain amount of small scale slaughtering by retailers still exists and there are also country firms which slaughter in the producing areas and forward carcasses to wholesalers in the towns. There are also a number of bacon factories.

This system has its obvious disadvantages from the farmers' point of view. It is complicated, speculative and much in the hands of middlemen. From the early period of agricultural co-operation in this country, attempts were made by farmers' requirements societies to organize the live-stock trade to their members' advantage. A live-stock auction was started in 1904 in Gloucestershire, but is no longer in existence. The Eastern Counties Farmers' Co-operative Association took up the sale of pigs, mainly by private treaty, about the same time. One or two other societies took similar action. At the same time a number of farmers' auction marts were formed under the Companies Acts. The war and control checked these developments, but a few more co-operative auction marts have since been formed. Co-operative slaughter-houses were scarcely attempted before the War, but during the period of control the Government established " authorized slaughter-houses " to which farmers were encouraged to send their stock rather than to markets. In many cases these slaughter-houses were placed under the control of existing or specially formed farmers' co-operative societies. On the cessation of control the societies were given the option of permanently taking over these slaughter-houses, and a fair number did so. Three societies were also formed on the same lines immediately after the cessation of control. Further, a central selling agency on Smithfield was formed by a group of salesmen acting in conjunction with a special meat section of the Agricultural Wholesale Society. The arrangement, however, did not last. Violent fluctuations in supplies and price were disastrous to the loyalty both of the members to their societies and the societies to the agency. A number of societies closed down. In addition to organizations handling all types of stock, several farmers' bacon factories were formed, especially in the years after the war.

The surviving societies which deal in live-stock and meat number nineteen, including six whose main business is in some other branch of co-operative activity. Their total turnover is £1,106,141, only slightly less than the much more numerous

dairies, a figure accounted for by the presence of several societies with a large turnover. Societies operating slaughter-houses still constitute the most numerous group, though not the one with the largest turnover. Only five societies remain of the original farmers' slaughter-houses formed during the war, and of these only three are occupied entirely in the meat business, two others being attached to requirements societies. Four out of the five are in the south-west of England, and one in the extreme north. In addition there is one recently formed farmers' slaughter-house and retail butchery and one slaughter-house owned by a general society doing a large trade in pigs. The slaughter-house is only used for a small proportion of this business. The following averages give some idea of the four independent societies :

Members.	Non-member Suppliers.	Share Capital.	Reserves.	Loan Capital.	Turnover.
98	124	£2,407	£804	£750	£34,246

Non-members considerably exceed members, in spite of the fact that one society (the retailer) derives supplies from members only. Only two societies have loan capital, one consisting of members' loans and the other of bank overdraft. The average turnover is reduced by the before mentioned retail society, which has only been formed a year or so. The turnover of the three general societies engaged in the slaughter-house business is below the average. Other averages :

Turnover per Member.	Turnover per Supplier.	Share Capital per Member.	Total Capital per Member.	Turnover per £ Share Capital.	Turnover per £ Total Capital.
£373	£153	£24	£40	£14	£8·6

Considering the nature of the business the turnover per supplier is somewhat small, but it may be noted that some of the societies are in districts of relatively small farms. The capitalization per member is fairly high owing to the large amount of non-members' trade carried, but the capital required for each £ of turnover is not high, partly because many societies rent public or other slaughter-houses. No members' contracts are in force and the irregularity and sometimes the inferior quality of members' supplies constitutes the societies' greatest problem. In order to maintain regularity of supplies, satisfy customers and keep the slaughter-houses working to capacity, most societies are obliged to buy largely from non-members and even from the market. The method of purchase varies,

some buying on commission, others on the basis of dead weight and some at current market rates. Several societies combine all three methods, employing them for differing types of suppliers or states of the trade. One society deals almost entirely in sheep, but as a rule the business includes all kinds of stock. A certain proportion of carcasses, or occasionally all, are disposed of locally to retail butchers. This occurs in the case of the two societies situated in consuming areas. Other societies dispatch practically all their output, except possibly a small portion retailed by themselves, on rail to wholesalers in London. Societies dispose of their fells and similar products to manufacturing firms, including the Co-operative Wholesale Society. Several have arranged a scheme of insurance against the condemnation of carcasses by the public health authorities. Running costs vary, apparently with the size of the undertaking, from about 3 per cent. to 16 per cent. in the case of the small retail society. Two societies made a loss in 1929, but one continued to pay interest on share capital. Two others made a profit and paid interest at 5 per cent., one adding a bonus on purchases. The slaughter-houses attached to requirement societies do not prepare a detachable financial statement, but they appear to be prospering. In addition to these societies one other exists which was formed to carry on local slaughtering when an outbreak of foot and mouth disease caused a suspension of the usual movements of stock to market. Since the removal of the ban the society has been dormant.

Co-operative auction marts mainly or exclusively occupied with the sale of live-stock number four and are concentrated in Yorkshire and the northern Midlands. They have a total turnover of £251,572. In addition, one dairy society in the north holds occasional stock auctions, and it is possible that a few others may do the same. The regular auction marts are, all but one, of recent formation. All types of stock are sold; two also sell eggs and one of these fruit. The following averages are of some interest although they cover wide divergencies in scale:

Membership.	Non-member Supplies.	Share Capital.	Reserves.	Loan Capital.	Turnover.
248	225	£2,703	£1,953	£1,422	£62,893

The membership varies between 90 and 450 and the turnover between £5,300 and £162,568. The latter society also does a

considerable business in requirements, not included in the above figures. The societies also in some cases carry out farm and estate sales. The estimate of non-member suppliers is inevitably somewhat speculative and may be higher than is given.

Turnover per Member.	Turnover per Supplier.	Share Capital per Member.	Total Capital per Member.	Turnover per £ Share Capital.	Turnover per £ Total Capital.
£252	£133	£10	£24	£24	£10

The most striking feature of these figures is the low capitalization.[1] This is made possible by the system of prompt payment by buyers and by the fact that societies do not as a rule have to build a market but can make use of existing premises. Auctioneers are sometimes retained as the employees of the society and sometimes work on contract. Auctions are held sometimes daily, sometimes on selected days of the week. The methods followed are those of the usual auction mart. Commission appears to be usually at the rate of about 5 per cent., covering market tolls, the work of drovers, etc. A fixed rate of 1*s.* per beast or some other sum proportionate to the value of the animal according as sheep, cattle, pigs, etc., are being handled, is sometimes substituted for a percentage rate. No contracts are in force and members do not invariably patronize their own auction, as is indicated by the figures for turnover. Three societies made a loss in 1929, but one continued to pay interest and bonus to members. One, the largest, made a profit and paid not only 6 per cent. on shares but a bonus of 2*s.* 6*d.* in the £ on members' sales through the auction as well as their other business with the society.

A brief mention may perhaps be made of farmers' auction marts, which although not co-operative in form do not differ in intention from co-operative organizations. One of the most recent and successful is the Midland Marts, formed in 1928 in Banbury. Its promoters would willingly have constituted it a co-operative society but considerable capital was required for the erection of premises and it was found impossible to get shares sufficiently widely taken up to raise this sum under the £200 limit. The result was a joint-stock company, the great majority of whose 233 members are farmers and landowners. The market had considerable difficulties to face

[1] It would be more impressive still if the £75,000 worth of trade done by these societies in other lines had been included.

associated with the fall in prices during recent years, but it is now on a sound financial footing, sells stock on behalf of some 1,400 clients to a total value of £512,869 (1929), earns a reasonable profit, and provides a notable example of farmers' business organization.

With the exception of one small society of cottagers engaged in a joint pig-fattening venture, this concludes the societies engaged primarily in dealing with live-stock and meat. There remain several requirements societies handling live-stock on a considerable and in one case on a large scale. Their sales amount to over £250,000, actually a larger total than that handled by any other group of co-operative live-stock societies. The largest of these societies—the Eastern Counties Farmers' Co-operative Association—deals entirely in pigs to the value of about £180,000, in addition to those handled at the society's slaughter-house. Pigs are collected from members, graded and transferred to Wiltshire and Midland curers for whom the society acts as agent. Suppliers are paid weekly at current market rates, the society's commission for expenses being deducted, together with 1*d.* in the £ for insurance purposes. Other societies handle members fat stock of all kinds and sell by private treaty, frequently to the industrial co-operative movement.

Co-operative bacon factories are a venture somewhat apart from other co-operative undertakings, as they involve a more elaborate process of manufacture than that carried on by other marketing societies. Their history has been on the whole discouraging. Two factories were formed in the Eastern Counties shortly before the War and have continued ever since to operate with fair if not brilliant success. One small factory was taken over and run for a time by a requirements society, but the experiment was discontinued. In the years between 1920 and 1925 six other societies were formed in rapid succession, three in the south and three in the north. One of the northern societies never functioned at all; of the remainder, four operated for a few years and then went into liquidation. One only, the last to be formed, continues to operate, though struggling with great difficulties. Averages for the three existing societies are as follows:

Members.	Share Capital.	Reserves.	Loan Capital.	Turnover.
1,278	£33,262	£3,333	£7,593	£135,239

The figure for turnover is somewhat misleading, as more than half the total £405,749 worth of trade was done by one society. Only this society again has a reserve fund. Loan capital consists almost entirely of members' loans, bank capital being only employed in one instance. No figures for non-member suppliers are available, but they are believed to be numerous.

Turnover per Member.	Share Capital per Member.	Total Capital per Member.	Turnover per £ Share Capital.	Turnover per £ Total Capital.
£105	£17	£25	£6	£4

It will be noticed that the turnover per member is remarkably low, and though the share capital per member is not high, the total capital is very low compared with other types of societies. On the other hand, the turnover per £ of capital is small. These figures indicate some of the difficulties which have prevented any real development of co-operative bacon-curing in this country and have caused the failure of a large proportion of societies. Most societies find a difficulty in securing adequate capitalization both for the necessarily costly buildings and to finance purchases from members. In one case, subscription of share capital qualifies the member for bonus on a proportionate number of pigs; in another, shares carry an obligation to supply a quota of pigs. Neither of the two older societies, however, have any form of contract to supply and several of the failures were also without this safeguard. All the factories suffer from a perpetual shortage of pigs, both an actual shortage and a shortage of the right type which friendly advice to members seems powerless to cure. This condition is not peculiar to co-operative factories but is common to all the English curing trade, which is rarely working to capacity, and is principally due to the competition to sell as pork, which is in part seasonal. The method of societies is to circulate weekly price lists of the desired weights. Carriage inward is paid, pigs are graded by dead weight and market prices are paid, sometimes with a premium for quality. A deduction for insurance is usually made. No detailed or universal system of grading exists and no society has persuaded its members to accept payment of a proportion of the value of supplies and to wait for the rest until sales have been effected. The factories are all engaged in the manufacture of Wiltshire-side bacon, but occasional small quantities of pork are sold and edible offals are manufactured into sausages and other cooked

meats. One society has a range of shops in which these by-products are sold. Inedible offals are sold to the trade. Marketing presents considerable problems as agents and wholesalers through whom the bulk of the trade passes are closely organized for the protection of their mutual interests. The societies usually sell to an agent and often find it impossible to penetrate through this interlocking of interests to sell to the industrial co-operative movement. An English Farmers' Bacon Agency was at one time formed by the majority of co-operative factories, the intention being to sell all produce through this channel. Some of the older factories, however, did not see their way to come in and the project was ultimately dropped.

Reviewing the three forms which co-operative live-stock societies have taken, it would appear that though none has attained very widespread success, the auction marts have been on the whole the most prosperous, and have fallen in best with modern marketing methods. There is probably scope for their extension to other districts provided they do not merely lead to a multiplication of the small auction marts which are already too numerous in this country, and that they make for real economies through increased efficiency and larger scale of operations. On the other hand, though they may, through a bonus system, retain for the farmer a certain share in what are normally auctioneers' profits, they do little to reduce the number of middlemen in the live-stock trade, or to eliminate its speculative elements.

Bacon factories, as have been shown, are faced with the triple difficulties of capitalization, supplies and marketing, and their record up to the present gives little encouragement for immediate development in that direction. Co-operative slaughter-houses, though they will probably continue to be of considerable local service, especially in "exporting" areas where country slaughtering is customary, seem unlikely to extend greatly or to undertake the large-scale and highly capitalized slaughter-house business which is becoming the rule in the important centres of consumption. The possibility of large producers' slaughter-houses in the country has occasionally been discussed, but the fate of the bacon factories is something of a warning and the co-operative organization of the trade seems more likely to be undertaken by the industrial

societies with their ample capital and ready, easily calculated, demand, than by the farmers. The industrial movement has, in fact, the reorganization of its meat supply as one of the next objects for its attention and there is a general understanding that some form of direct contact with the farmer should be sought, a decision which is all the more important because of the large proportion of English meat handled by the societies. This brings into prominence the remaining and simplest way in which a farmers' co-operative society for the sale of live-stock can operate, the method already adopted by several large requirements societies for marketing their members' stock.

The most promising method of handling the fat stock trade would seem to be the formation of farmers' co-operative agencies which members supply under contract and which, after grading, transfer stock on a commission basis to the industrial co-operative movement, to wholesale slaughterers and to bacon factories. This type of organization requires comparatively little capital and involves slight risk. It is economical and represents a real short-circuiting of superfluous middleman operations. It is in accordance with the tendencies of the time, which are toward the concentration of slaughtering in the hands of large firms. If such organizations could be extended and set up in other than the somewhat limited areas in which they at present operate, it might eventually be possible to extend their activities to the perhaps even more complex problem of the movement of stores from breeder to feeder, which being a trade in which only farmers are concerned on both sides would seem peculiarly appropriate to co-operative action.

VIII

WOOL MARKETING

GREAT BRITAIN stands seventh amongst the wool-growing countries of the world, and produces a clip which in 1924 was valued at £6,000,000. The country is both an importer and exporter of wool, the latter to an increasing degree, and the British clip, representing even at lower prices a considerable sum in the farmer's pocket, is thus a factor in the world market, by which, in turn, its value is largely determined.

British sheep farming is characterized by its multitude of breeds and resulting varieties in the wool itself, the uses to which it can be put, its consequent destinations and the methods of marketing. The coarser types are largely exported for carpet making and similar purposes, while the fine varieties find a more or less specialized market in the British woollen trade. In Scotland, where the types of wool are limited, marketing has for some time been concentrated in the hands of a few large buyers, by whom it has always been efficiently carried out. In England, the marketing system, like the type of wool, is of much greater variety.

Sales by private treaty are made either to country buyers or so-called "Bradford" buyers or their agents, and may take place at the farm or at the buyers' premises. Various merchants engaged in other business deal to a small extent in wool on these lines. The advantage of the system from the farmers' point of view, is that he has low costs of carriage and little responsibility and also that as sales may take place at any time, a judicious seller may choose a favourable moment for his bargain. The disadvantages are that he is rarely well informed as to prices, and consequently ill-equipped as a bargainer, that though buyers are numerous enough for their overhead charges to represent a wasteful expenditure, they are still less numerous than selling farmers and can take

advantage of competition between them, while in any case the process of individual bargaining consumes much valuable time and skill.

Sales by auction may take place at country auctions or central wool sales at London, Bradford, Glasgow, etc. Country auctions may be preferable to sales by private treaty in so far as they involve competition amongst buyers and speed up the process of bargaining, but the fact that they are only held once a year admits no selection of time unless another auction is held sufficiently near at hand to give the farmer a choice. Further, it is not in every case that auctioneers have sufficiently expert knowledge of wool to give adequate service to the farmer. Central wool sales offer the combined advantages of competitive buyers, choice of time and expert handling. Their disadvantages are their expense, both as regards transport, storage, and the services of auctioneers and others, and, more problematically, the formation of rings and the gambling element, which rarely turns to the advantage of the seller of a commodity capable of accurate grading and description.

A characteristic of the wool trade, as carried on by any of these methods, is the large number of middlemen who in some cases bring the wool nearer to the manufactured state by breaking up fleeces and similar operations, but whose main function is one of holding and risk-bearing.

EARLY MARKETING EXPERIMENTS

For some time it had been the practice for groups of farmers here and there to combine to employ the same broker to sell their clip; shortly before the War a few farmers' trading societies, whose principal business was in agricultural requirements, also undertook wool marketing, usually as commission buyers for private wool merchants. Other societies, acting independently, undertook grading and either stored the wool for sale by private treaty or had it sold by auction at local or central markets, sometimes arranging a special auction for the purpose. A society even operated for a short time for this purpose alone. A proposal to market centrally the wool from a number of societies was not carried out owing to a temporary fall in the market, and the War and the resulting control checked developments in this direction. There are still

(1930) several trading societies which handle wool as part of their general business, in the same way as they market members' grain or hay. In some cases they do so less from any ambition to enter the wool trade than from the need to compete with private agricultural merchants who mingle transactions in wool with those in feeding stuffs and manures, a method of business which farmers become accustomed to and from which they refuse to depart. Three of the West of England societies described, handle in this way about 40,000 fleeces, a large proportion going direct to the C.W.S.

After the War a much more specialized and important experiment was set on foot. It is described in detail in the survey of societies.[1] The Kent Wool Growers (see p. 127) was formed at Ashford in time to handle the 1920 clip. In 1923 two other organizations, the Ryelands Wool Growers and the Southdown Wool Society (see p. 133), were formed on the same lines as the Kent Wool Growers, and in 1925 the two amalgamated under the name of the Southern Wool Growers, with headquarters at Chichester but covering much of Southern England. The Eastern Wool Growers (see p. 115) serving East Anglia from Ipswich, followed in 1926, and in 1928 a fourth society, the Midland Wool Growers (see p. 124) was formed with headquarters in Banbury, and an area of operations extending over that and neighbouring counties. Early in 1929 the Central Wool Growers (see p. 80) was established with headquarters in Stamford, serving Lincoln, Rutland, Leicester and parts of Northampton and Nottingham. In January, 1930, The Northern Wool Growers (see p. 51) was established at Malton in Yorkshire. Nothing more need be said here as to the actual methods and progress of these societies. In 1929 a Committee was also appointed at Gloucester to go into co-operative wool marketing proposals.

Early in March of that year the National Farmers' Union called a conference to discuss the marketing of wool, to which a representative of the co-operative and marketing branch of the Ministry of Agriculture, representatives of existing wool societies, and those about to form societies, were invited. The decisions of the conference were reported to the Council of

[1] For further details of the Kent and Southern Wool Growers, see publications of the Ministry of Agriculture, *Co-operative Marketing of Agricultural Produce in England and Wales*, Economic Series, No. 1, *Report on Wool Marketing, England and Wales*, Economic Series, No. 7.

the N.F.U., which set up a standing sub-committee to deal with the subject. A request, by resolution of the conference, for a Central Advisory body on which the existing societies should be represented, was refused. The sub-committee turned its attention initially to questions of demarcation, to preventing the formation of too many societies and to negotiations with London brokers for a reduction of the 25 per cent. sample to 10 per cent.

THE SCOTTISH EXAMPLE

In the meantime, a development of a somewhat different character had taken place in Scotland, and is exercising a strong influence on wool growers, especially in the North of England. In 1926 the Scottish Woolgrowers Limited was founded, with 348 members, mostly large growers, a capital of £2,808, subsequently nearly doubled, and offices and warehouses in Glasgow. The initial steps had been taken by the Scottish Agricultural Organization Society in conjunction with the National Farmers' Union of Scotland, who formed a joint committee and issued a circular to leading wool growers. Capital was raised entirely from farmers, the minimum subscription being five £1 shares payable in full on application, small-holders, however, being admitted on payment of one £1 share. Small-holders' societies are also admitted to membership. The society from the first received fleeces both from members and non-members. An additional share in the profits, not exceeding three times more than that paid to a non-contracting member, is accorded to any suppliers willing to guarantee a part or the whole of their produce for a period of three years. Advance payments to members do not play any considerable part. The original premises had room for not more than 25,000 fleeces, and larger warehouses have since been acquired. Many suppliers are not at first willing to allow the grading and pooling of their wool. Consequently, the society graded and sold many clips separately, although a certain proportion was bulked, as in Kent. The more uniform character of the wool makes grading less necessary than in the South. The Society proposed 7½ per cent. of the Scottish wool clip as a minimum economic unit and during 1927, the first year of full working, 300,000 fleeces from all parts of Scotland were handled, most of these being either

black-faced or cheviots. By 1929 membership stood at 418 and the value of the wool sold had increased by nearly 59 per cent. During 1929–30 there were further increases. The first year's operations showed a net return of 8½ per cent. on capital, which rose to 18½ per cent. in the second year, 5 per cent. interest being paid on capital and the rest to reserve or in bonus. It will be noticed that these methods differ in several respects from those followed in England. The main divergence, however, is in the method of selling. The wool is never auctioned, but it is sold by private treaty direct to the manufacturers, or occasionally to firms preparing the wool. The sales are very frequently to foreign countries and established connections. Some buyers inspect the wool in bulk at the warehouse, but much in small type samples. Selling charges are 2½ per cent. with a minimum of ¼*d.* per pound insurance and porterage, 2*s.* 6*d.* per bag or 4*s.* per sheet. The society also does a rapidly increasing trade in wool growers' requirements, principally sheep-dip, on which it is possible to effect considerable economies. The Scottish society, besides selling a proportion of Ulster Wool, has exercised an influence south of the Border and has drawn supplies from farmers in Cumberland and Northumberland, where a similar type of wool is produced. In many cases, business is done with individual farmers, but in one instance, that of the Tees-side Farmers, described on p. 35, a farmers' co-operative society has constituted itself virtually the agent of the Scottish Wool Growers.

ADVANTAGES OF THE SYSTEM

As the foregoing shows, co-operative wool marketing has made considerable progress, especially within the last year or two, not far short of one million fleeces being handled co-operatively. Nearly half were sold on the London Wool Market, and 40 per cent. of these were exported.

The progress of co-operative wool marketing has been based on certain obvious advantages in the method. Growers, by combining, present themselves as a few sellers confronting many buyers; they are better equipped to take market opportunities and stronger to resist panics; they can afford expert assistance not only in grading (which raises the value of all wool) but in the technique of selling; they can act upon the advice received both in influencing the production and prepar-

ation of fleeces by the individual member and in regulating the supply passing on to the market. An organization controlled by the growers themselves will not grade down for safety, but will assign a fair value to all wool submitted ; all members receive full value for their clip, and the small grower is in as favourable a position as the large. A wool-selling organization does not demand heavy capital outlay, and is therefore within the means of farmers without recourse to loans or subsidy. Where it can undertake middlemen's functions there are middlemen's profits to be cut into, and in any case overhead charges are less for a group than an individual, and less again for a large group than a small. Group selling helps to stabilize auctions by offering large and well graded lots ; it is reasonably claimed that it improves the general level of local prices for the farmer. Finally, an increasing proportion of the trade in English wool has become an export trade, and it is only by bulk selling that the English farmer can deal direct with continental buyers who do not frequent country auctions. In this connection, the record of the London Wool Sales is instructive. In 1924 most of the trade was with home buyers, though a small proportion of wool went to Germany and the U.S.A. In 1924 more than half went abroad. In 1928, though general figures are lacking, it is known that half the produce of the Kent Wool Growers was exported.

Some of these considerations apply equally to other commodities, but it is probably those which are peculiar to wool which have brought about the remarkable progress of the wool societies. First, it is a product which must undergo elaborate and highly capitalized manufacture before reaching the ultimate consumer, and must therefore, wherever it is sold, pass through something like the bottle neck of export trade. Secondly, its value is increased in an exceptional degree by the expert but comparatively cheap operation of grading. Thirdly, in the post-war period, at least until quite recently, wool has been one of the few agricultural products which has continued to find a good market. The farmer has had a motive for concentrating on the technique of its disposal and at the same time a chance of carrying on the experiment at a profit. In the last two years the world market for wool has been much less favourable and the societies have had their efficiency fairly severely tested.

SOME PROBLEMS TO BE FACED

In the course of ten years' experience in co-operative wool marketing, a number of more or less acute problems have arisen. After the initial necessity of securing the loyal support of suppliers, one of the greatest difficulties affecting a society working from a fixed centre is that growers are scattered and wool extraordinarily diverse. This leads at once to a major problem: Shall the society aim at intense activity in a small area or work with a less concentrated membership over a larger district? This is closely linked with the question whether a society should base its work on a locality or a breed. Undoubtedly, both bring their own economies; the small area reduces transport costs, but concentration on a particular breed, where it is possible, reduces grading costs, selling costs and, in the case of samples to a central auction, transport costs, and results in a more saleable article. These advantages would appear preponderant.

But in many districts limitation to one breed is impossible and a slightly different problem arises: is it most advantageous to run a small or a large society where the character of the wool is the same in either case? To a certain extent there is a maximum and minimum economic turnover. Overhead charges decrease proportionately with an increase in the number of fleeces, but one grader cannot deal with more than a certain number annually (about 150,000), and a small number over the limit may necessitate the employment of a second, whose salary will increase overhead charges. Somewhat similar considerations apply to the acquisition of larger premises. These objections, however, would seem to be more theoretical than actual, as buildings can usually be enlarged gradually and graders acquired for short periods, while, as increase is usually continuous, it may be anticipated that additional expenditure will usually be followed by additional trade. Very few societies see themselves within sight of the limits of their expansion. The other arguments in favour of small societies are less transport costs and greater knowledge and control on the part of the management. Against this must be set the increased bargaining power of the dealer on a large scale, and the fact that though the overhead charges of a society of a certain size might possibly be higher than those

of one somewhat smaller, they would certainly not be as high as the charges of two societies handling the same quantity of wool.

Generally speaking, it may be suggested that where a distinctive breed, or possibly two or three breeds so similar that they compete with each other on the same market, are situated in a continuous area, one society and only one should undertake to handle them. In the case of mixed breeds over a wide area the district covered by one society should be the largest consistent with transport and managerial efficiency. The possibility of the same or at least competing breeds being concentrated in widely separated areas is a difficult one so long as no central organization exists. The attempt to combine both in the same society would probably fail, but if two societies are formed, it is possible to imagine the unedifying spectacle of competition between co-operative societies.

Two technical points have been the subject of controversy, and may be mentioned here, though they are somewhat outside the scope of a co-operative study. They are: to how fine a point should grading be carried? and should wool be offered for sale washed or greasy? With regard to the last, the general opinion of the societies seems to be that washing is unprofitable, though voices from Bradford have been raised on the other side. Wool in both states is still handled by all farmers' societies.

THE INFLUENCE OF A SOCIETY

Two advantages of group marketing on the co-operative plan have corresponding defects or limitations. Ultimately it is to the benefit of both that small and large producers should receive an equally good price for the same article, but at first it is probably the small man who will gain most, and the larger producer who is not particularly far-sighted may feel he is being asked to carry his weaker neighbour's burdens. Here the principal argument, apart from any appeal to public spirit, is that once a society has fairly started, it will have a turnover compared with which that of the largest private grower will seem small. Another point concerns the control which a society can exercise over its members' production. With regard to quality, as dependent on methods of dipping, shearing, packing, etc., a society has probably more influence over

its members than a private buyer, but it has still less than might be wished. On the other hand, its influence on quantity is nil. A merchant may refuse to buy a farmer's wool if he considers it unprofitable to do so. A growers' society can never refuse to accept a member's clip, however difficult the marketing conditions may be, for its existence is justified by the services it performs, not by the profits it makes.

This leads to the consideration of some of the commercial problems of a growers' organization. No co-operative society appears so far to have experienced any unfair discrimination on the part of the merchants to whom it sells its wool. But private buyers competing locally for farmers' custom may not infrequently raise their prices in an attempt to win away members from their society and to prevent the adhesion of fresh members. Further, even if co-operative prices are slightly higher at first, it has been found by experience that the general prices of a district often rise in sympathy, and the gain to the farmer, though real, is not apparent. Further, as has been indicated before, a growers' society is at a disadvantage when prices are low. A private buyer may buy cheap and sell cheap, and yet make a profit out of the margin. But with the co-operative society, it is the growers that come first and, to them, a society flourishing on low prices is of little benefit. It must further be realized that by undertaking the business of a merchant, a growers' society bears the risks of the market. In exceptional seasons, such as that of 1928, farmers may sell well in the early summer, but prices may slump by the autumn. If they have sold to private merchants it is the merchants whose pockets will suffer; if through a co-operative society, they must bear possible losses themselves. To this it can be answered that fairly wide experience has shown that the risk is worth taking. It may be mentioned while treating this part of the subject, that no co-operative society has so far followed the example of those merchants who extend their business and, it is claimed, minimize their risks, by dealing in more advanced products, such as matchings and tops.

QUESTIONS OF INTERNAL POLICY

Some points in the relations between a society and its suppliers merit consideration. First, is it advisable that a society

should deal with members only, or also with non-members? The most generally accepted view would seem to be that a society should base its business on members' trade, but that it should be willing to accept non-members' wool on the understanding that if they become regular suppliers they would also become members. The desirability of pooling all wool received seems unquestionable, but till members are accustomed to the method and convinced of its value, it may sometimes be necessary to oblige them by grading a large clip individually. Contracts by which members pledge themselves for a period of years to deliver all or a fixed proportion of their clip to the society are undoubtedly an advantage in that they not only assure members, and give them a more permanent interest in the society, but they give the management a basis on which to calculate probable future business. There may, however, be cases where a business can be so firmly built up on goodwill, that no additional bond for members' loyalty is needed. It is perhaps a paradox, but it may truly be said that the binding clause and legal sanction involved in contracts are valuable in proportion to the infrequency with which they are invoked. A binding contract may make a member take a serious interest in his society and prevent him from sending his wool elsewhere out of mere caprice or for temporary advantage. But if a society is inefficient and its transactions unprofitable, no legal hold upon its members will secure their permanent support or the prosperity of the organization.

A further point of policy is the custom, fairly general amongst wool societies, of advancing to their suppliers up to about 70 per cent. of the estimated value of their wool. This system had its advantages for the farmer, but it must be recognized that funds for the purpose have to be obtained by bank overdraft, so that the farmer is in effect paying interest on the money received. In some cases members have foregone the advance and waited for their money, and this undoubtedly means a larger cash return. Where large bank overdrafts are required, the personal guarantee of members is usually necessary in the early stages. Methods have been discussed whereby this responsibility could be spread over the members collectively, or, as an alternative, whether advances could not be obtained from the outset on warehouse receipts, instead of the necessity of waiting till a large quantity of wool had accu-

mulated. No definite change in plan, however, has yet been recorded.

DIVERGENCES IN SALES POLICY

It has been shown that one of the most important divergences in the practice of co-operative wool marketing, lies in the methods of sale. Sales by auction on a central market and sales by private treaty from the society's premises both have their advocates. In favour of selling at the London or other central wool sales, it has been pointed out that graded wool there attracts bigger buyers and secures better prices than might otherwise be attainable; that it reaches a world market and, especially, that it interests foreign buyers who cannot be expected to attend country markets. Against this it is urged that the method at best is only applicable to certain societies which, like Kent, are close to London and have low transport costs and an exceptionally saleable product; more distant societies may easily find advantage in price swallowed up by carriage; further, that the importance of the London sales is diminishing, owing to the practice of the American, Japanese and other firms sending buyers direct to Sydney; finally, that a commodity such as wool, which can be graded to a point at which samples are reliable indication of quality, and held for considerable periods, is capable of more profitable disposal by methods less costly and less speculative than public auction.

The arguments of the supporters of private sales on the Scottish plan are probably right, with one important qualification. A society selling by private treaty must not only have very large quantities of wool to dispose of, but that wool must be relatively uniform. These conditions have been present in Scotland and have made possible the developments which have taken place. They are not yet present anywhere in England and, till they are, sales by auction at the important centres are the only possible outlet, since no country society offering only relatively small lots of each grade can expect to attract buyers to its own premises. It might ultimately build up a business on type samples, and Scottish methods must remain a matter for ultimate consideration everywhere. Owing to the position of wool as a world crop, it is doubtful if the extension of co-operation in British wool marketing, even

to the point of monopoly, would give control of price. Any economies which can be effected in handling or selling are thus of first-class importance, since it is through rationalization of this sort that the main benefits of co-operation will be realized.

This consideration leads finally to the question of a unified scheme capable of providing for all the British wool coming on to the market. A scheme of this nature has been formulated and is having wide and favourable consideration. Briefly the proposals are that the existing collecting stations—with the exception of Ashford and Banbury, which for the present are holding aloof—should be federated with new centres about to be formed, the whole being linked up on a scale that will cover the larger part of Great Britain. The general outline of the enterprise has been drafted and if it comes to fruition centres will be provided for Scotland, the Midlands, the Eastern Counties, the Southern Counties, Yorkshire—all as at present —and for Wales, Northern Ireland, and probably for the South-Western counties. The promoters' first aim is to facilitate and cheapen transport by collecting wool at selected points, where it would be graded and repacked ready for dispatch direct to the factories in Yorkshire and elsewhere.

IX

EGG MARKETING

THE poultry industry has made great strides during the past decade. The application of science has revolutionized breeding, rearing and feeding; the Ministry of Agriculture's National Mark scheme has given a great impetus to the movement for raising the standard and quality of eggs through better marketing methods. The fact that poultry keeping can be a paying proposition in the midst of general agricultural depression has been attracting in large numbers a type of person who is more prepared to adopt new methods than the general farmer. Many intensive, up-to-date poultry holdings are being established throughout the country. The increased demand for poultry feeds and utensils has brought into being several specialized co-operative supply societies mainly in districts where there is a settlement of small-holders. The advantage of bulk purchase of feeding stuffs, compared with buying small quantities at retail prices has been appreciated, and these societies have generally made progress, although there is some difficulty with local agents over the supply of appliances. Many of the larger general requirements societies also have been increasing their trade in poultry supplies in districts where farmers have been turning to poultry keeping among other substitutes for arable farming. These societies, however, do not attract the small, specialized poultry keeper, owing to the particular organization necessary to handle his supplies; there are one or two examples of poultry supply societies serving the same area as a general society without any overlapping.

The co-operative marketing of eggs has developed in several distinct ways. In the south of England there is a group of half a dozen societies which were formed before the War and depend mainly on London commission agents for an outlet for their supplies of eggs, poultry and rabbits. They deal extensively with non-members and work in competition with numerous higglers, who perform a similar service. Two other

pre-war societies have been more progressive and built up connections with retailers and restaurants though differing widely in methods of organization. The oldest society, which has the largest turnover in the country, grew up somewhat haphazardly before motor transport became popular, and has a number of depots scattered over a wide area, with consequent high running costs; the other society, by concentrating on a small area, has been able to reduce these costs to a minimum. Neither of them accepts non-member supplies. A more recent development is the sale of eggs by auction, and there are five co-operative markets disposing of eggs in this way, three principally fruit and vegetable auctions, one a cattle auction, and the fifth recently formed for the sale of eggs only. As in the case of the large number of privately owned egg auctions, this method of sale has the advantage of enabling producers to establish a reputation with buyers and so avoid the services of the higgler and small trader.

Besides these specialized egg marketing organizations, a number of the general requirements societies and one or two dairies have undertaken the disposal of members' eggs, which are collected economically when delivering supplies or picking up milk. The only criticism of this method is that the profit or loss on this trade is included in the general account, while only a proportion of the members make use of the service. Detailed figures in respect of these societies therefore cannot be included in the averages given later for the specialized egg societies, but it is worth mentioning that this group includes the second largest egg marketing organization in the country, and, taken generally, the average turnover would probably be as large as for the specialized societies.

The only other societies to be considered are those formed recently under the stimulus of the National Mark scheme. They are scattered over the country, most of them breaking new ground, and have not been in existence long enough to allow much comment. One general problem, however, appears to be the high cost of grading and candling on a small turnover. Some system of standardization was long overdue; its absence had been largely responsible for the ever increasing imports of foreign eggs. The growth of the retail combines and consumers' co-operative stores had made a demand for large consignments of a standard size and quality which could only

be obtained in this country with great difficulty and at an uneconomic price. The scheme, however, has attracted little attention in these quarters; the main difficulty is that the combines and consumers' co-operatives require a cheaper egg than the top grades under the scheme and at the same time a larger egg than is offered in the lower grades. Support is also uneven in the heaviest egg producing areas, notably Lancashire, where the grades are not adapted to the local demand of an industrial area and the overhead charges involved in the scheme are found to be too high. There is consequently a growing number of packing stations where the principles of the scheme are appreciated but the method of grading and packing is less elaborate; one or two of the older societies which had already evolved their own methods and built up good connections with retailers and restaurants have not adopted the scheme as they would be unable to justify the capital outlay or the increased overhead charges. The tendency has been to raise the price of English eggs so far as the top grades are concerned; this has the limitations of a luxury trade, whereas the real objective must be to bring the English egg into general competition with the better-class imported egg. The Foreign Marks Act makes compulsory the stamping of all imported eggs with the country of origin, but confidence in the better-class foreign egg has been firmly established, and the real competition is in the question of price. There is also at present a wide variation in the prices received by producers in different districts, although their eggs may ultimately be sold on the same wholesale market; this again indicates the need of a standard scheme which will be universally accepted for grading, packing and marketing. When the present scheme has been put to the test of time, the experience gained under it should be sufficient to produce a scheme certain of commanding such a large measure of acceptance that it would be no imposition to make it obligatory.

Another problem that is general to all egg marketing societies is the question of a contract with members. The tendency of the egg producer is to make private connections during the autumn when prices are high and use the society to the utmost during the spring glut, thus putting the society at a disadvantage with the private trader who is under no similar obligation to his suppliers. Several societies do not handle

non-members' supplies, which is a first step to regulate this, as it puts a strong management in a position to refuse supplies during the spring from members who have not supported the society in the autumn, while the society dealing with non-members may be dependent on them for at least part of their supplies during the winter, but has no control over them. One society has tried a form of contract whereby its members undertake to supply the whole of their eggs to the society unless they give a month's notice to the contrary; if the contract is broken, the party is expelled from the society, whereas if the required notice is given, his membership is only suspended, and he may rejoin if and when he is prepared to sign a fresh contract. As the co-operative marketing of eggs develops and the societies grow in strength, contracts with members are likely to become more general in the interest of economic and efficient sales organization.

The 21 egg marketing societies (excluding the group of requirements societies and dairies handling eggs and three of the five egg auctions referred to) show the following averages:

Members.	Share Capital.	Reserves.	Loan Capital.	Turnover.
465	£1,230	£173	£863	£16,570
Turnover per Member.	**Turnover per £ Share Capital.**	**Turnover per £ Total Capital.**	**Share Capital per Member.**	**Total Capital per Member.**
£35·6	£13·4	£8·9	£2·3	£4·5

Running costs vary considerably, depending mainly upon whether the society is or is not an accredited packer and whether it collects the eggs or relies on members to deliver them. The average is 8·5 per cent. of turnover value, which may be taken for most of the larger societies as about *2d.* per dozen. Of the 21 societies represented in the tables, 14 had a surplus at the end of the year, 7 paid interest at 5 per cent. on share capital, 4 distributing a bonus on members' sales. The figures include the sale of members' poultry, not in most cases a large item; several societies avoid it entirely owing to the difficulty of maintaining any standard in supplies. One society has a fattening yard, taking birds over from members in a rough state and preparing them for market, which is probably the only satisfactory method of handling this trade at present.

A central market for English eggs has been another leading

motive in organization, and in this matter also the Ministry has recently taken a gallant initiative. Various efforts of the past may be briefly outlined. From 1909 to 1913 an organization known as the British Poultry Federation had an arrangement with the Agricultural Organization Society to be solely responsible for organizing outlets for co-operative egg and poultry societies, but it was not registered until 1911, and owing to the railway strike of the following year, which involved it in heavy losses, it was wound up and the British Table Poultry Society took over the assets, trading successfully until the conditions of the War caused supplies to fall off. The A.W.S. eventually ran it as a department for three years, when the British Egg Producers was formed to undertake the function of a central selling agency for all societies as well as for individual producers. Depots were to be opened in large towns and 5 per cent. commission deducted for working expenses, surplus to be returned to members. Pound shares were issued, co-operative societies being required to take up ten and individual producers one, and a deduction of ½*d.* per dozen was to be made for financing the society, the amount so deducted to be credited to members' share accounts. The society did not receive sufficient support and commenced trading with a membership of only 348 and share capital of £1,566. In the first year, on a turnover of £14,267, there was a loss of £268. The better organized societies failed to give their support and a further loss was shown in the following year. Another venture appeared in 1924 called Co-operative Poultry Products, with a membership of 800, to undertake the fattening and marketing of surplus poultry, also the marketing of members' eggs, but did not survive long.

The National Mark Egg Central, Ltd., was formed in March, 1930, on the recommendation of a committee of authorized packers under the National Mark Scheme. The society has arranged for supplies to be marketed through accredited trade agents in London, Manchester, Newcastle and Cardiff. Membership is compulsory for all authorized packers under the National Mark, but there is no obligation to trade through the central society. Members take up one share of a pound as a contribution to the initial costs of the association and pay an annual subscription of £2. At the end of May, 118 shares had been taken up and the number of authorized packers was

143. There is no loan capital, but the Ministry has agreed to make a grant not exceeding £800 toward any deficit that may be incurred on the first year's working. One-half per cent. of the proceeds of sales is deducted by the agents and paid to the association and the commission charged by the agents cannot exceed 3 per cent. For administrative purposes the directors have divided the country into four areas, each having an advisory committee appointed by the packers. It was hoped at one time to give the Egg Central a monopoly of all National Mark eggs, but many of the societies had already built up connections with retailers and were naturally unwilling to submit to this. At present it is handling about 15 per cent. of the output of accredited packers. As the organization has been only three months in operation, it is a little early to comment on its progress or on its prospects.

X

HOP MARKETING

THE experience of recent years in the collective sale of hops is having a profound effect upon the English attitude toward co-operative marketing. The history of the venture is therefore given here in full, and some conclusions to be drawn from it.

The English Hop Growers, Ltd. was a society promoted in 1925 " to organize the marketing of home grown hops in Great Britain by their sale through a single agency." Hops had been controlled by the Government from 1917 to 1924 and growers were consequently faced, in the spring of 1925, with a sudden reversion to the pre-1917 freedom of trade, the general release of bonded imports and the complete lack of security that the 1925 English crop would in any way be fully taken up, particularly as there was still a considerable balance of the 1924 crop still in warehouse. The 1924 surplus hops, however, were a liability of the control and consequently never became a handicap to the new voluntary society except in so far as their existence on the market tended to depress prices. A form of voluntary control to take over the work of the Control Board had been unsuccessfully urged in 1924, but with the control definitely at an end, growers were more anxious to organize themselves in their own interests. The National Farmers' Union was approached and, with its assistance, a scheme was drawn up to float a national selling organization to handle the 1925 crop, the first post-control crop.

The new society owed its inception to a great extent to the previous Hop Control Board and, in fact, to a considerable extent followed its principles as well as taking over some of the staff and records of the control. The essential principle of the control had been to utilize all the existing channels of the trade, both for the sake of national economy and to cause as little hardship as possible to those engaged upon the marketing of the crop. The English Hop Growers, Ltd. also followed this precept.

The success of a national selling agency must depend very considerably on the extent to which the agency is really inclusive, a fact of which those responsible for the setting up of the English Hop Growers, Ltd. were well aware; consequently it was decided at the outset that the company would not be proceeded with until at least 90 per cent. of the English hop acreage was represented in the company. The requisite contracts were obtained in a comparatively short time and the company was floated on August 1st, 1925.

Shares were taken up by members at the rate of 2*s.* per acre of hops grown (fully paid up). The grower agreed to deliver to the society all hops grown by him, for sale through the society, for the years 1925, 1926, 1927, 1928 and 1929. It is important to note that the contract covered a sufficiently long period (5 years) to make it impossible for members to hold over supplies. As soon as the hops were delivered they were to become the property of the society for the purposes of obtaining advances and to sell to the best advantage. The grower, moreover, agreed not to produce hops on a greater acreage, without the society's permission, than he cropped in 1924 plus young hops planted in 1925, for the duration of the contract. This clause, although not securing control of the hop acreage, at any rate prevented an increase.

In the event of any member failing to supply his hops to the society he became, under the contract, liable to the extent of £100 damages per acre for every acre of hops not sold under the contract. The society won a case on appeal to the amount of £6,300 on this clause in April, 1928.

The management of the society was in the hands of a Board of directors, members having each one vote. Directors were elected regionally in the following proportion: Hants and Surrey, 1; Hereford, 2; Worcester, 1; Sussex, 1; Kent (E.), 2; Kent (Mid.), 3; Kent (Weald), 3.

As hops were delivered they were graded and valued by valuers appointed by the directors. The factor (i.e., the growers' agent) could have any valuation reviewed on behalf of a grower within four days on giving notice of his desire to lodge an appeal, on a deposit of £10, returnable if the appeal was allowed.

The society undertook to take all the necessary steps to secure advances for part payment to growers as soon as possible.

The actual system of payment for hops was precisely similar to that adopted by the control subsequently to 1922. After each grower's produce had been valued separately, the sale of hops was undertaken as soon as the market allowed, but all the proceeds of sales paid into a central fund, not to any individual grower. The central fund was distributed amongst growers in the proportion of the valuation of hops received from each individual to the total valuation of the whole crop held by the society, less a percentage to cover overhead expenses.

It is almost impossible to appreciate the working of this society without some knowledge of the hop trade before the Control era and of the working of the Hop Control Board. Prior to the Control practically all hops were sold through factors who were the growers' selling agents and warehousemen, working on commission and warehouse rents for the growers. Restrictions in the brewing industry and the necessity for the utilization of the maximum quantity of land for food production brought about by war-time conditions, made it essential to limit the production of hops and to arrange at the same time an equitable distribution of such produce as did come on the market. To this end the control was established and a "hop-pool" set up. The succeeding voluntary society differed in the main from its predecessor in that it was not representative of all interests of the hop trade, but only of the actual growers. Like the Control Board, it still made use of the factors. Growers sent their hops into the agents' warehouses, but as soon as they were deposited there they became the property of the society, and the warehouse charges, instead of being a growers' individual liability, became the joint liability of all members. Money advances prior to 1917 had been customarily made by the factors against the security of hops in warehouse, but under the society, which could obtain large bank overdrafts on its claim against members' hops, such advances were made not by the factors but by the society itself, though the distribution, both of part payments or advances and final payments, was still made through the factors and not direct to individual growers.

The society was, in other words, a typical example of the pool organization which does not directly handle its commodity. It had no accommodation for the storage of hops, which is an

essential feature of the trade, but depended on those who had previously been responsible for this service. There are about two thousand hop growers, but there are less than two dozen factors and under two hundred hop merchants. What the society did was in effect to make but one central hop grower as far as sale was concerned and so increase and stabilize the price to members.

The turnover of the society, showing the sales of each crop up to September 1 of each year, was as follows:

	£	s.	d.	£	s.	d.
1925 crop (1926)	2,056,498	18	10			
(1927)	19,192	9	6			
(1928)	22,558	1	3			
				2,098,249	9	7
1926 crop (1927)	2,234,525	7	7			
(1928)	61,379	3	0			
				2,295,904	10	7
1927 crop (1928)	2,123,506	7	2			
				2,123,506	7	2
Total Sales to September, 1928				£6,517,660	7	4

Running costs as shown in the Crop Disposal Accounts may be summarized as follows:

		£	s.	d.	£	s.	d.
1925 crop.	Factors' Commission	2,181	14	9			
	Crop Expenses Administration, etc.	103,334	9	11			
					105,516	4	8
1926 crop.	Factors' Commission	91,003	10	4			
	Crop Expenses, etc.	64,933	8	11			
					155,936	19	3
1927 crop.	Factors' Commission	82,413	15	10			
	Crop Expenses, etc.	30,554	19	3			
					112,968	15	1
	Total Expenses				£374,421	19	0

Total running costs for the three years thus show a proportion of 5·75 per cent. of turnover.

After the first year of operation it was found that the production of home-produced hops was still in excess of consumption, in spite of the import duty which had been imposed in 1924, and members were earnestly requested to reduce their

acreage by 10 per cent. in order to maintain prices. The following year another reduction in acreage, making 20 per cent. in all, was sought from members and non-members alike. Both appeals met with considerable success, but over-production still continued and the society possessed no power of compulsory reduction.

The actual working of the society proved satisfactory; there can be little doubt that whilst it existed it did much in stabilizing prices, and its administration figures were always exceedingly low; but it did not survive even long enough to carry on its initial five-year contract. It only handled the crops of 1925, 1926, 1927 and 1928. It had started in 1925 with 93 per cent. of the total hop acreage (exclusive of hops grown by brewers) with but 2,300 acres not included; by 1929 it only controlled 80 per cent. of the acreage with about 5,000 acres not included. The stability which the society had given the industry attracted new growers who could benefit by remaining outside and so the membership shrank proportionately. The general price level was indubitably maintained by the society, but only percentage payments were made to members on that basis and non-members were able to sell 100 per cent. of their produce at practically the same rates as members received for but 80 per cent. or 90 per cent. of their crops. Considerable dissatisfaction was thus felt by those in the society that they were carrying with them the dead weight of those who thought to better themselves by remaining outside, and the society was wound up in August, 1929. Market quotations tell the rest of the story. In June the average quotation was £11 15*s.* per cwt. and in July the society sold off at a 50 per cent. reduction for liquidation. The new crop came on the market at £5 in September, £4 10*s.* in October, £3 10*s.* in November, and so to its present quotation of £2 5*s.*

It is scarcely possible to have devised a more carefully thought out scheme for the marketing of this rather peculiar commodity and moreover a scheme which had been well tried out under control conditions. The history of the society is a monument to the power of the minority to break any effort on the part of the majority to make an efficient selling organization.

XI

FRUIT AND VEGETABLE MARKETING

FRUIT growing is mainly confined to the south of a line drawn from the Wash to the Dee. The areas of specialized production in the Home Counties, including the large glass-house industry, depend on the London wholesale markets for an outlet, while the Eastern Counties send large quantities to the North and Midlands and the heavy producing areas in the west have a ready market in the neighbouring manufacturing towns, exporting surplus to all parts of the country. The particular problems of fruit and vegetable marketing are the perishable nature of the products and the short seasons when they are marketable. In some cases these have been extended by glass-house production, but for the soft fruits and many vegetables the whole crop must be disposed of in the course of a few weeks. The existing marketing machinery, which depends largely on local agents who collect from the holdings and send their miscellaneous lots, seldom graded, to the leading wholesale markets, is largely responsible for the general confusion and congestion which occurs every year. Producer organizations are already doing much in certain districts to provide the necessary facilities for eliminating the agents and giving quick access to markets. The most important development in this connection is the auction market, which is a particular feature of the West of England. The oldest one has established a reputation with buyers all over the country; two others are run together with an egg marketing society and a general requirements business respectively, while a fourth holds daily auctions in the centre of an industrial town, mainly attended by local retailers. Concentrating supplies to one centre has the advantage of attracting large buyers who attend personally or employ an agent to act for them, and, further, the producer is able to see his own produce sold and benefits directly if it is of superior quality. The question of a standard system of grading is difficult in this method of sale, as it would

be almost impossible to sort out individual lots as received and allocate them to their respective grades. A penalty for "topping," however, is enforced in one case, and considerable attention has been given to encouraging better grading by the members themselves. Two of these markets also run grading floors, selling the produce by private treaty, which accommodates the distant buyer and eliminates the use of an intermediary, as large consignments can be ordered by grade. In all these markets the judgment of when to deliver supplies is left to members, which tends to cause congestion during the height of the seasonal crops.

Another form of co-operative marketing is the local society, which arranges for bulk consignments to be sent to commission agents. The oldest society in the country can be included in this group, and has established its own selling floor on a leading wholesale market. It handles large quantities of potatoes and is kept going all the year round with members' produce, only handling a small proportion of foreign supplies. Three other societies which have also been established for many years specialize in one soft fruit crop, which is bulked for sale to jam manufacturers. Another recently formed is mainly supported by large growers who employ a manager to keep in constant touch with selected commission agents on all the leading wholesale markets. The fruit is graded and sold under a special label, each member being responsible for packing and dispatching his own consignments, under the supervision of an inspector, members infringing the standards being liable to expulsion. The only other society specializing in grading handles apples on a small scale, the grading and packing in this case being undertaken by the society. An important society in the west of England, which sells through a selected commission agent, has an interest in a local canning factory which has been carrying out some experiments in connection with English fruit and vegetables. It has first refusal on the factory's demands and it is hoped that this alternative outlet will relieve congestion during glut periods and level up prices. One other society is worth mentioning in this group, as, although only small, it provides an example of a primary society marketing through one of the co-operative auction marts referred to. During the War, as an emergency measure, the Food Production Department formed county co-operative

marketing societies to act as central bodies in each county for organizing the marketing of fruit and market garden produce. The societies were started under the auspices of the Horticultural Sub-Committees of the various county Agricultural Executive Committees. Growers themselves were encouraged to find as much capital as possible and the Food Production Department agreed to stand any loss on the first year's working up to £250. In a few cases the work of county marketing societies was undertaken by existing societies. The failure of the fruit crop in 1918 and the announcement that the Government guarantee would be limited to the first year were the main reasons for the failure of these societies, and by 1919 most of them had become extinct. Apart from this scheme a number of societies were formed in this period, and in 1918 there were 25 operating with a total turnover of £333,297, and a membership of 8,063. Some of these societies did useful supplementary work during the War in the conservation of surplus fruit and vegetables by means of canning, jam making, bottling, pulping and drying. The position of many of them after the War, however, was not satisfactory, and by 1923 there were only 18 in operation, with a turnover of approximately £300,000, of which one society was responsible for £90,000.

In addition to the specialized marketing organizations there are a few general requirements societies providing an outlet principally for potatoes, including seeds. The most important of these has recently started road deliveries from members' farms to retail co-operative societies, which promises to develop into a large business and is particularly interesting in view of the prolonged potato glut. Two producer-owned retail shops were started during the War, but the lack of continuity of supplies and their inferior quality have converted them into general greengroceries handling mainly imported produce. Four other societies must be included in this chapter, although they have no marketing function. Two of them are engaged in steaming diseased bulbs and one has been formed for promoting a particular brand of cider. The fourth is run in connection with one of the primary societies and manufactures all kinds of fruit baskets, boxes and chips. One or two of the larger marketing societies also undertake this business, partly to employ their staff during the slack season.

Averages for 23 societies marketing fruit and vegetables are as follows:

Members.	Share Capital.	Reserves.	Total Capital.	Sales per Member.
171	£2,011	£322	£600	£80

Sales per £ Share Capital.	Sales per £ Total Capital.	Share Capital per Member.
£6·8	£5·2	£11·7

Average running costs for the auction markets are about 6 per cent. The wide difference in the services undertaken by the other societies makes it impossible to give an average figure of any value. All but four of the societies had a surplus in hand at the end of the year, and three distributed a bonus besides paying interest on capital.

The particular need of the industry appears to be for better grading and more uniform packing. The Ministry of Agriculture has for some time been working out standards for use under a national mark, but the present individual handling by local agents restricts its application, and the scheme has so far made little progress. The co-operative societies are separately working towards better grading, and it would be of value if they could adopt a uniform system for the different crops and at the same time have some central body which could provide them with marketing information. The further development of preserving fruit and vegetables, at present restricted to the one example already referred to, will need careful consideration as a means towards controlling surplus, relieving the market during gluts and generally stabilizing prices.

XII

INSURANCE AND OTHER SERVICES

MUTUAL insurance is a form of co-operation which has been successfully developed on a large scale in most progressive agricultural communities. In its pure form it provides, as in the case of any other co-operative enterprise, that those who utilize it shall be protected against any exploitation of their needs or their contributions and that any benefits shall accrue to them in proportion with the personal use they make of the enterprise. Thus an insurance scheme of true co-operative character is not financed by the issue of any kind of transferable shares whose value varies with the success of the business, nor does it invite investment of capital for the benefit or convenience of the shareholder or investor, be he co-operator or capitalist, a person or an institution; its function is essentially and exclusively service, not profit-making or even dividend-earning.

The English farmer is served by three institutions which can be included in this category of service. They vary but little from conformity with this picture of the true type and the character of their variations is by no means obvious. The most distinctively agricultural of them hides its co-operative light under a bushel; it is registered under the Companies Acts with the title of The National Farmers' Union Mutual Insurance Society Limited. In practice it is not, however, in any sense a joint-stock company; it was financed by an issue of debenture bonds with a small proportion paid up; these have now all been redeemed and the society issues no shares of any kind. Members have entire control and all profits are reserved for them proportionately. It was established in 1910 by a local group of farmers, with its head office at Stratford-on-Avon, which it still maintains, and in its original constitution varied from the co-operative principle of unrestricted membership by reserving eligibility to members of the National Farmers' Unions of England and Scotland; this limitation was in practice abolished in 1925 by the formation

of a subsidiary society, The Farmers' Commercial Insurance Company Limited, which accepts business from the general public on the same terms as the parent society, having also identical directors, management and offices. The directors are elected by the members (policy-holders) by regional constituencies from nominations made by County Insurance Committees, the latter being members of the society nominated by the N.F.U. County Executives. During the past year the society took over the business of one of the few remaining "levy" societies, the Northern Farmers' Insurance Society, Limited; it also completed its first year's transaction of Life Assurance. An economical management and agency system, and the absence of heavy overhead or capital charges, enable the society to offer various forms of insurance at rates considerably less than those charged by the majority of insurance companies. Fire rates and Workmen's Compensation are 20 per cent. below those charged by the tariff companies, a saving to members last year of £26,289 and £16,727 respectively; motor-car rates are 15 per cent. below tariff. The combined total funds of the society amounted to £354,674 at the end of the financial year 1929. The net premium income, after deduction of members' discount and cost of reinsurance, was £294,697, an increase of nearly £50,000 on the preceding year. Out of the balance of £55,845 shown in the last accounts, £20,000 was transferred to General Reserve Account, £4,450 was written off freehold premises, furniture and fittings, and £31,396 was carried forward.

Of similar origin, though operating on a restricted scale, is the Agricultural and General Co-operative Insurance Society, registered as a co-operative society under the Industrial and Provident Societies Act. It is an earlier creation than the N.F.U. Mutual, having been established in 1908, and its head office is in London; but it was originally launched and is to-day virtually maintained by the Lancashire Branch of the N.F.U., which handles a third of the society's business. Among the various difficulties, apart from parental pride, which have stood in the way of amalgamation with the N.F.U. Mutual, the most serious one, namely, that the Agricultural and General accepted business other than that of N.F.U. members, is no longer a bar to what would appear to be a desirable step in rationalization; there is already a territorial working agree-

ment between the two bodies. It would, however, involve some loss of revenue to the Lancashire Branch unless the Mutual made it an exception to a rule it maintains against the employment of Branches as agents. The Agricultural and General has a share capital liability of £5,482, on which 5 per cent. interest is paid, and loans of £1,000. It has reserve funds amounting to £25,233 and the net premium income for 1929 was £15,239, over half being on fire policies. Its rates are based on those of the tariff companies but, out of a balance of £1,949 at the end of the year, a bonus of 15 per cent. on Fire and Householders' inclusive policies was paid and 5 per cent. on Life premiums was added to members' personal reserve account, leaving a balance of £401 after paying share interest. The membership and business of the society have not shown any tendency to increase for some time, as it cannot successfully compete with the N.F.U. Mutual except in its own Lancashire territory.

The Agricultural and General also feels the competition of the third insurance society to be mentioned, the Co-operative Insurance Society, the creation of the consumers' movement, which has a very extensive general insurance business mainly in industrial areas. It has strong agricultural support, however, working through the co-operative societies, many of which are also agents for the Agricultural and General, and in Fire insurance, for instance, offers about the same rates as those of the N.F.U. Mutual. Figures relating exclusively to the agricultural business of the Co-operative Insurance Society are not available; its total assets are £8,804,438, and its gross premium income in 1928 was £4,184,162.

Sundry other services are performed by co-operative societies beyond those which have been examined here and in the preceding chapters. They are, however, of a somewhat sporadic nature and on a small scale, and a brief mention of them will suffice.

Agricultural credit, which elsewhere is an outstanding co-operative service, is available for English farmers by other means which, to judge by the reception of recent measures promoted by the Ministry of Agriculture, would appear to be adequate. The three existing credit societies formed under the 1923 Credits Act, have been inactive for some time. The English branch banking system penetrates the countryside

more intimately than in other countries. County Councils supplement this normal source of credit; a small-holder can borrow up to £500 and not exceeding his capital from other sources. It has been noted in the appropriate chapter, that the requirements societies themselves, by means of bank overdrafts, are able to allow members considerable credit for their purchases, and that in many instances the C.W.S. gives special credit facilities to the societies which are thus passed on to members. Credit for advances on members' deliveries of produce is also generally a proper and economical function of marketing societies and does not call for separate credit organization.

Difficulties in the hiring of tackle, especially during the War, led in a number of cases to the formation of co-operative threshing societies. Membership is generally limited to a few large farmers but the threshing tackle is also hired out to non-members. Several are now inactive owing to the decline of arable farming and a few have accumulated considerable balances of unappropriated profit. Other services undertaken co-operatively on a small scale include a successful though unique example in Kent of lime-burning for the supply of members, basket-making, stock-breeding and smithing.

Finally, there is a separate agricultural movement which, although educational rather than economic in its main purpose, deserves really more than passing mention as a factor in the development of co-operative experience and character. Young Farmers' Clubs, on the American and Canadian model, introduced into this country on the initiative of Lord Northcliffe and subsequently for a time sponsored by the Ministry of Agriculture, are now being successfully promoted under the charge of the Rural Advisory Committee of the National Council of Social Service. In May, 1930, there were 126 active clubs whose young members buy stock (usually calves) co-operatively and allocate them by lot to the care of individual members; they account to the club in detail for their charge, the club retaining 10 per cent. of the profits on sale.

XIII

THE SMALL-HOLDER AND THE ALLOTMENT HOLDER

THERE has been a tendency, exemplified in the functions of the A.O.S., to ally small-holding to co-operation and allotment holding to small-holding as subjects forming part of a general scheme of rural development. This tendency has led to a certain confusion of thought which it is desirable to disentangle.

In the first place, the small-holder needs defining. It is usual to say that he is the owner of a holding up to 50 acres or of one which will support a family. This covers widely different types. It is usually applied to men, sometimes ex-rural labourers, sometimes townsmen, who have taken up land in recent years under one or other of the government schemes, including that for ex-service men, and who are grouped together wherever an estate was broken up to accommodate them. About half of these are under the authority of the county councils, but some are independent, others are controlled by landlords. But in many parts of the country, especially where it is hilly, and sometimes in the neighbourhood of large towns where land is dear, the average mixed farm does not exceed 50 acres and a large body of farmers, who may come of long-established farming stock, may be brought within the definition of small-holders. In other districts market gardeners, holding much less than the statutory 50 acres, support themselves and their families by cultivating the land. These men in turn may be long established, they may have purchased their land as a commercial venture out of their own capital, or they may be participators in a government scheme. All these people, whatever their origin, form part of the farming community.

The allotment holder, on the other hand, is on the whole an amateur and in most cases a townsman. Urban allotments consist as a rule of one-sixteenth to one-eighth of an acre, rural allotments may be from 1 to 5 acres, but the 5-acre limit

is rarely reached and it may be accepted that all allotment holders are engaged in some other occupation. Most of the garden type of allotments are under County Councils.

It was recognized at the time when small-holdings were first promoted that there were peculiarly strong arguments for their co-operative organization. The small-holder represented a small unit, the profitableness of which would be increased by the economies of collective action; he had, further, neither the traditional experience nor the traditional obstinacy of the established farmer. Accordingly, the Agricultural Organization Society was charged in 1907 with the duty of organizing his affairs. The organization of allotment holders fell to some extent into the same hands, with the result that the separation of the two for statistical purposes has become almost an impossibility.

There exist to-day over 700 societies with a membership of something like 150,000, which are registered either as small-holding and allotment societies or as requirements societies (allotment holders). In fact, the distinction is of very little value, as many of the small-holding and allotment societies trade on behalf of their members, and several of the allotment holders' requirement societies consist of farmers or small-holders and not of allotment holders. The small-holder may come within the scope of co-operative organization in several ways. The facilities offered him may be summarized as follows:

(1) About 50 societies mainly consisting of allotment holders also have a few small-holder members, generally men who own an allotment of more than average size and are attempting to live wholly or partly by it. These societies may or may not do a small trade in requirements on behalf of their members. Their main function is to arrange matters of tenure and to safeguard their members' interests in this and kindred questions.

(2) A limited number of societies exist which consist of small-holders only and whose sole concern is with tenure. These are often not connected with county council schemes. The county council small-holder is frequently unorganized.

(3) A few more societies consisting of small-holders only

undertake trade, generally in requirements to a fairly considerable figure, but sometimes in the marketing of members' produce, especially in the Fens (potatoes) and the fruit-growing districts of the West. Societies of this type have been included in the preceding survey and regarded as "rural local societies." Both this type of society and more especially (1) are occasionally affiliated to larger farmers' societies and purchase from them.

(4) Farmers' societies not described as "small-holders" but formed in districts where the average farm acreage is small. Several "half county" societies are of this type, which has never been distinguished and is not in fact distinguishable from the ordinary farmers' society.

(5) Societies formed by and for large farmers but which accept and frequently welcome small-holders as members.

Of these alternatives (1) is obviously not a development of much importance or promise, and (2), though excellent in itself, has little relation to the type of co-operation with which the present survey is concerned, except in so far as it may be a step in the direction of (3). (3) was undoubtedly the type of society envisaged by the A.O.S., a type in which equality between the members, all of the "colonist" type of small-holder, and group loyalty were to play an important part in creating a new kind of economic unit. The only criticism of this theory is that it has failed to work. A few small-holders' societies, it is true, exist in a state of fair prosperity and exhibit some of the characteristics of neighbourly loyalty which were anticipated, but they are very few and in the main the colonizing small-holder has proved less amenable to organization than the established farmer. There have, in addition, been one or two bad failures. It may be doubted, further, whether the policy of creating special isolated communities of small-holders within the rural body politic was really the most expedient.

The most satisfactory course for the future would appear to be that already spontaneously shaped by (5). By this the small-holder is assimilated to the general farming community to which he rightly belongs, and incipient class distinctions are broken down. A society of small-holders alone inevitably

lacks capital and the numerical strength to guarantee a large turnover. In consequence, it usually lacks managerial ability. By joining with larger farmers these deficiencies are supplied, and the resultant economies made available for the small man. Nor is the benefit entirely on the side of the small-holder. In most districts he is a popular member with the management, loyal, prompt in payment, and since his orders are relatively small, entailing no great financial risks. The exceptional case where such an arrangement is not applicable can only be where small-holders are too isolated geographically to be merged with a neighbouring farmers' society, or are producing a totally different crop to the larger farmer and require machinery to market it. In these cases something can be done by federation either of small societies to large or of several small societies with one another, but the organization must be more attractive and more efficient than it has usually been if the small-holders' loyalty is to be secured. Small-holding of the colony type is one of the branches of agriculture in which credit presents something of a problem. The county councils have made loans but have had some difficulty in securing repayment. Small-holders are in some districts frequently in debt to traders or to larger farmers. As short-term trading credit is what is required, the absorption of the small-holder in existing co-operative societies strong enough to allow fairly long credit would probably meet the case.

The allotment holder is undoubtedly engaged in a form of co-operation and a form of agriculture, and a note on his affairs is not out of place. There are 724 registered societies, not included in the foregoing survey, which serve almost exclusively allotment holders, though a very few may deal with small-holders' tenure and in rare instances an allotment society may include a stray small-holder or a few backyard poultry keepers. Only a small proportion of these societies are rural in character, nearly all are situated in mining areas, industrial districts or railway centres. Of these societies 66 report annual sales of over £100 in value (but in most cases not exceeding £200) and 9 sales exceeding £1,000. Of these last, however, 1 is a federation and 4 cater for poultry or pig keepers. As far as is known, none of these societies undertake any marketing, their trading functions being limited to the purchase of truckloads of seed potatoes and occasionally other

seeds or lime and fertilizers. Their main business and the sole function of the great majority of societies is not trading but matters of tenure, and in a number of cases horticultural shows and competitions. A few, especially in the North Midland, have in addition the character of land and building societies. Only one national organization of allotment holders' societies exists since the amalgamation of the small-holders' organization society this year with the National Union of Allotment Holders. The combined organization is called the National Allotments Society.

A few typical districts may be briefly described. There are about 2,000 allotment holders in and around York, leasing common land or land owned by the city council. They are organized in local societies, which in turn form the York and District Central Allotment Association. The Association meets regularly, is responsible for leases, and exercises legal, consultative and advisory functions. At one time it purchased seed potatoes and other requirements, but this has now been taken over by the local societies. In other districts the central association does a considerable business in requirements, amounting in one case to over £8,000, and bonus on purchase is paid in the regular co-operative way. In some districts all or part of the land is purchased, not rented. Groups independent of the local authorities are fairly common in Nottingham, and some are housing as well as allotment societies. In one case the society was formed just before the War by a number of men anxious to get gardens or building plots. Shares of £1 were issued, of which only 5s. has been paid up. There are now 183 members. A 25-acre farm, to which 12 acres were afterwards added, was bought on the outskirts of Nottingham. All this has now been sold in freehold plots of from 739 to 2,000 yards and fully paid for. There are now 150 gardens and 70 houses. The society manages roads, water supply and similar services collectively, and has a store for domestic and horticultural requirements. The type of house and the number to the acre is regulated. None of the members make a living by the land, but in similar societies one or two members are sometimes found who have taken up to 3 acres and are attempting to support themselves by gardening or dairying. In county council allotments no live-stock is as a rule permitted, but where, as frequently in mining areas,

prospective allotment holders have joined together to buy or rent their land from a private landlord, pig and poultry keeping is usual. The produce, however, is consumed at home and rarely, if ever, marketed. In these cases the society may purchase feeding stuffs as well as seeds. None of these societies appear to have any paid staff, few have an office or depot and their expenses are consequently negligible. Their trading operations are of the simplest truckload type and little managerial experience is necessary. On the other hand the success with which the more complicated schemes of land-owning and communal services have been carried through by amateur secretaries is remarkable.

One organization has been formed on federal lines to cover a wider field than a single city. The Yorkshire Horticultural Supplies was formed in 1921 with a membership of allotment societies registered and unregistered approved by the committee, also of individuals, members of such societies. Shares of 10s. are issued and bear interest at the somewhat high rate of 7½ per cent., voting is in accordance with shares. The present membership is 206, and the share capital £738. There is no loan capital. The society has an office and a salaried staff and its running costs amount to 8 per cent. of turnover, which in 1929 stood at £17,792. Practically no credit was given and a fair profit was made. The society has been instrumental in carrying out the supply of seeds to relief organizations which distributed them to unemployed allotment holders in the South Wales mining area.

XIV

CONCLUSIONS

THE English farmer has accepted without protest a reputation for helplessness in economic affairs; the Survey shows that the agricultural co-operative movement in this country is no matter for apology but, in some departments at least, a system fit to cope with any demands that the farming community may make upon it. This is especially true of the sale of requirements. There can scarcely be a farmer so isolated that he cannot purchase with perfect convenience from a co-operative society if he chooses to do so. It has been shown that there is no need for increasing the number of societies in this branch of trade, but rather for reducing it. Some of the smaller societies are justified in their existence by peculiar geographical circumstances, special efficiency or uncommon loyalty of their members, but a number are simply societies which, planted in hope, have for one reason or another failed to grow. The larger societies are steadily increasing in size, scope and usefulness. Most of them do more than sell feeding stuffs, fertilizers, seeds and other requirements to their farmer members; they are in effect agricultural merchants and there is a natural tendency for them to take on whatever belongs to an agricultural merchants' business in their particular neighbourhood. Some deal in live-stock, others in wool or milk; a more numerous group handles grain, sometimes on so large a scale that they become grain-marketing rather than requirements-supplying organizations. The grain-marketing departments are as a rule completely merged with those handling requirements and some more considered scheme is perhaps necessary if the co-operative marketing of this commodity is to be extended.

Marketing societies have been shown in the main to be of more recent and more sporadic growth. Milk, in one of its manufactured forms, was the first commodity to be marketed co-operatively in this country. There are societies making high-quality cheese as their main object, but the more important

are wholesaling liquid milk and only making butter and cheese in periods of glut. Some of these do little more than make a collective bargain on their members' behalf with some private wholesaler, a bargain which only concerns regular supply of liquid milk and leaves the individual to cope with the surplus. Another group concerns itself only with the spasmodic manufacture of surplus milk. The whole development has been opportunist and dictated by local circumstances, and though much useful work has been done, no national system of co-operative milk handling is yet in sight. One main fact, however, emerges. The English farmer has little difficulty in disposing of his milk, amongst others to the ever-growing dairy departments of industrial co-operative societies, but he needs his own organization to ensure that he receives a fair share of the price. One of the chief factors, apart from disunity, which withholds that price from him, is the presence of unmanageable surplus. Local circumstance may give scope to specialized handling of milk, but the present need of the country as a whole seems to be collective bargaining where the main output is concerned, coupled with an adequate co-operative organization for the handling of surplus.

Live-stock and meat marketing, of equal or greater importance to the farmer, has not up till now been carried even so far on co-operative lines. Co-operative bacon factories have been on the whole singularly unsuccessful. In every case the main causes of failure, whether partial or absolute, appear to have been the unstandardized type of pig resulting from the many breeds farmed by the English farmer and the lack of regular and continued support from him, though this does not altogether explain why initial successes did not attract support. A bacon factory represented, however, something more than an organization for marketing, it was an adventure into a highly specialized branch of manufacturing or processing that was already developed in Britain. Indeed, it is asserted that at the time when most of these co-operative bacon factories were started the capacity of the existing traders' factories was far in excess of the supply of pigs available, and in the resulting competition the new ventures fared badly. Slaughter-houses were perhaps unfortunate in their origin, as most of them sprang from war-time control and not all have been able to adapt themselves to peace conditions. Several, however,

still continue and do useful work of a local character, especially in the "exporting" areas. Farmers' auction marts have had in some cases a much more striking success and might with advantage be extended, provided they are on a scale to secure real economy and efficiency and do not merely add to the already too numerous small auctions. The development of most interest for the future is probably the formation of farmers' agencies, at present undertaken only by one or two requirements societies, for the sale of fat stock to the industrial co-operative movement as well as to private wholesalers and bacon factories. This system is worth extending, especially in order to meet the industrial co-operative movement with its large demand for English meat. Co-operative agencies for sale only, are obviously free from many of the risks and capital requirements involved in a manufacturing enterprise like a bacon factory.

Egg marketing has received a strong stimulus from the introduction of the National Mark. Before that the societies dealing in eggs alone were, with a few striking exceptions, neither large nor especially successful. Now a dozen more packing stations have been started on a large scale and business-like lines, some independently, others in connection with some existing farmers' society. Their success has varied with the district and the market to which they sell. Packing stations in purely rural areas, selling to the high-quality international market of London, have usually done well. A central marketing agency, greatly needed to co-ordinate sales under the National Mark, has not yet been in operation long enough to warrant any comment on its methods or prospects. In order that the system should be of real utility, however, it should be made compulsory at least in some modified form. On the other hand, the tendency of the existing co-operative societies to cater mainly for a luxury market limits their possibilities of expansion, and an attempt should be made to sell to a larger extent to the industrial co-operative movement and to markets of the type represented by chain stores.

Fruit marketing, as regards quantity handled, is still very little developed. Three methods have been tried, all with success, but none in more than one or two districts. They are (1) fruit auction marts; (2) sales of choice graded produce through private commission agents on central markets; and

(3) bulk sales to jam factories. Enough has been done to show that co-operative marketing is especially applicable to fruit, and this is probably one of the lines on which immediate advance would be possible. Increased marketing information and some uniform system of grading are amongst the greatest needs of the moment. Further, fruit, like milk, but in part for different reasons, has a surplus problem. Canneries are not an easy proposition but the whole question deserves rather more consideration than it has yet received. Green vegetables, especially of the finer sorts, raise somewhat similar difficulties and invite similar solutions. Potatoes are another matter, and their co-operative handling is one of the problems of the day.

Hops are the only commodity which has in England been the subject of national marketing, and the attempt and its failure have both been illuminating. The English Hop Growers, formed in 1925 on the basis of a voluntary marketing contract, is now in liquidation owing to the actions of a small minority of the growers who refused to join the society and by increasing their acreage and selling independently were able to defeat an enterprise in every other respect successful. The attempt is unlikely to be renewed unless some effective method of dealing with the minority becomes available.

The most striking recent development has been in the co-operative marketing of wool. This had for many years been carried on by requirements societies on a small scale ; in 1920 the first specialized wool marketing society was formed in Kent ; its success has been considerable and its example has been followed in five other districts, the movement spreading gradually from South to North, the latest organization being set up in Yorkshire. There is little scope for new societies ; a national scheme is being considered, based upon the existing ones. The heavy fall in wool prices, while it has put a strain on the new organizations, has served to emphasize the need of combined marketing.

A certain amount of co-operative insurance is carried on, but credit organization, so important elsewhere, is here practically non-existent. Other services, such as the joint use of machinery, have had a very limited development, it would seem because no great need for them has been felt. The smallholder, for whom co-operative methods have been especially

recommended, has formed one or two societies especially to serve his own needs, but in general he is being drawn into the larger farmers' societies, a development which is probably on every ground the most satisfactory that can be anticipated.

Co-operative methods are thus firmly established in several branches of farm business. In the supply of agricultural requirements there is little to do but extend the use and scope of existing machinery. In wool, and to some extent in eggs, a skeleton organization of national extent though not yet of national cohesion has been established. Hops provide no more than an instructive failure. Meat, fruit and, in spite of widespread and often successful enterprise, milk, are all in the stage of local experiment. Grain and potato marketing are everywhere involved in the sale of requirements, but the benefits of co-operative outlets have been felt and the need of their systematic extension recognized. The prospect is by no means discouraging. The movement as a whole is little more than thirty years old, and it has passed, while still insufficiently consolidated, through a series of crises, for most of which it was in no way responsible, which have included the boom years immediately after the War, the ensuing slump, the failure of the Agricultural Wholesale Society, leaving the movement without an independent commercial centre and involving the societies in heavy financial loss, the cessation of the Agricultural Organization Society, depriving them of leadership and unifying authority, the year of the coal crisis with its reduction in public consuming power, and the more recent fall in prices. A system which has survived in these circumstances may be looked on as having a permanent part in English agricultural business and one that in the future should be as important as that played by the movement in other countries where co-operation receives the natural recognition and encouragement which it has been so generally accorded. Any attempts to reorganize the economic side of agriculture which conditions may warrant, should not fail to take into account a movement which is the natural outcome of the changing circumstances of the industry, which has been moulded on the needs and aptitudes of the farming community and has reached its present not inconsiderable position through a painful process of trial and error.

APPENDIX

The agricultural societies are here listed in their functional groups. The abbreviated titles are those used in the Registrar's Report. F. = Farmers. T. = Trading. D. = Dairies. Po. = Poultry. "Society" and "Limited" are omitted. Affiliations are shown by the following signs:

W = Member of the Co-operative Wholesale Society.
U = On the Register of the National Farmers' Union.
M = A Registered Packing Station under the National Mark Egg Scheme.
C = Member of the Co-operative Union.

REQUIREMENTS SOCIETIES

"COUNTY" SOCIETIES.

Berks, Bucks and Oxon F. *W. U.*
Cheshire, Shropshire and N. Wales F. Supply Assn. *W. U.*
Cornwall F. *W. U.*
Dorset F. *W. U.*
Eastern Counties F. Co-op. Assn. *W. U.*
Lunesdale F. *W. U.*
Manchester and Dist. F. Co-op. Assn. *U.*
Midland F. Co-op. Assn. *U.*
Northamptonshire F. *W. U. M.*
Northern Agricultural Co-op. *W. U. C.*
N. Notts F. *U.*
Oxfordshire F. *U.*
Preston and Dist. F. T. *W. U.*
Shropshire F. *W. U.*
S. Herefordshire Agric. Co-op.
Southern Counties Agric. T. *W. U.*
Staffordshire F. *W. U.*
Tees-side F. *U. C.*
Warwickshire F. *W. U.*
W. Cumberland F. T. *U.*
W. Midland F. Assn. *W. U.*
Wiltshire Agric. Co-op. *W.*
Worcestershire F. *W. U.*
Yorkshire F. *U.*

"HALF COUNTY" SOCIETIES.

Biddulph and Dist. Agric. *W. U.*
Brandsby Agric. T. *W. U. C.*
Chepstow F.
Chester and Dist. F. T. *W. U.*
Cumberland and Westmorland F.
Derbyshire F. *U.*
East Devon Agric. Co-op. *U.*
Furness and S. Cumberland Supply Assn. *W. U. C.*
Isle of Wight F. T. *W. U.*
Ledbury Agric. Co-op. *U.*
Lydney and Dist. F. Co-op. *W. U.*
Macclesfield and Dist. F. T. *U.*
Melton Mowbray and Dist. F. Assn. *W. U. M.*
Mid Cheshire F. Co-op. *W. U.*
North Devon F. *W. U.*
Pewsey Vale Agric. Purchasing Assn. *U.*
South Devon F. *W. U.*
South Shropshire F. *W. U.*
S.W. Lancs. F. *U.*
West Devon and North Cornwall F. *W. U.*
West Surrey F. Assn. *U.*

"RURAL LOCAL" SOCIETIES.

Arderne Assn. *W. U.*
Askett Agric. Co-op. *W. U.*
Aspatria Agric. Co-op. *W. U.*
Brailsford and Dist. D. F. Assn. *W.*
Buckingham Agric. Trading Assn. *U.*
Cirencester F. Assn. *U.*
Coalville and Dist. F. Assn. *U.*
Crich and Dist. Agric. Co-op.
Darley F. *W. U.*
Dunster, Williton and Dist. Agric. Co-op. *W.*
Donyatt and Dist. Co-op.
Dunnington F. Supplies *U.*
East Surrey Farmers' Co-op. *U.*
Escrick and Dist. Agric. Co-op. *U.*
Farnham, Alton and Dist. F. and Hop Growers' Co-op. Assn. *W. U. C.*
Gwinear and Dist. Agric. Co-op. *W.*
Hartley Agric. Co-op. *U.*
Heathfield and Dist. Poultry Keepers' Assn. *W. U. M.*
Hurstpierpoint Co-op. *U.*
Keswick and Cockermouth F. Co-op. *U.*
Launceston, Lewannick and Dist. F. *W. U.*

Lostwithiel and Dist. F. *W. U.*
Marshland and Wingland Agric. T. Assn. *C.*
Milton and Dist. S. H. Co-op.
New Forest *W. U.*
Newark F. *U.*
Northallerton Agric. Co-op. T. *U.*
Nursery Trades Assn. *U.*
Purton and Dist. Agric. Co-op.
Ridgeway F. T.
Sherston Co-op. Milling *W. C.*
Surrey County Poultry Scty.
Swaledale F. Assn. *U.*
Titchfield Abbey Co-op. *U.*
Upwell Poultry Scty. *U.*
Wanborough Dist. Agric. Co-op. *W. U.*
Waterlooville and Dist. Poultry Scty.
Wealdon F. *U.*
Wellow and Dist. Agric. Co-op. *W. U.*
Wetherby F.
Wharfedale F. T. Assn.
Whitby and Dist. F. *U.*

"URBAN LOCAL" SOCIETIES.

Brighouse Fanciers and Utility T.
Burnley S. H. Assn. *U.*
Calder Vale Agric. T. *U.*
Eccleshill and Dist. Poultry Keepers' Assn.
Greetland and Dist. T.
Halifax and Calder Valley F. *U.*
Hartshead, Clifton and Dist. F. *U.*
Hebden Bridge and Dist. F. Assn. *U.*
Hemingfield and Dist. Poultry and Pig Keepers' T.
Horwich Utility Poultry Scty.
Liverpool and Dist. F. Co-op. Assn. *W. U.*
Oldham and Dist. F. Provender Supply.
Oldham Poultry League.
Penistone and Dist. F. T.
Ripponden & Dist. F. Assn. *W.*
Rochdale and Dist. F. *U.*
Rochdale and Dist. Poultry League *U.*
St. Helens F. *U.*
Sowerby Bridge and Dist. D. F. and Milk Dealers' Assn. *U.*
Wakefield and Dist. Scty. *U.*
Wortley and Tankersley F. Co-op. *U.*
Wyke and Dist. T. *U.*

DAIRY SOCIETIES

DAIRIES (WHOLESALE).

Allendale F. *U.*
Blackpool and Fylde F. Pure Milk Supply Assn.
Brailsford and Dist. D. F. Assn. *W.*
Derbyshire F. *U.*
Farmers' Clean Milk Depot.
Gloucester F. Milk Depot *U.*
Horeham Road Co-op. *U.*
Ilminster and Dist. F. Co-op.
Lunesdale F. *W. U.*
Midland D. F. *U.*
Sparkford Vale Co-op. D. *U.*
Sturminster Newton and Dist. F. *W. U.*
Wincanton D. F. *U.*
Yorkshire F. *U.*

CHEESE.

Ashby Folville Co-op. D.
Colston Bassett and Dist. D.
Earl Sterndale and Longnor D. Assn. *U.*
Harby F. D. *U.*
Kinoulton F.
Long Clawson D. *U.*
Manifold Valley D. Assn.
Masham F. D. Co-op. *U.*
Melton Mowbray D. F. *W. U. M.*
Scalford D. *U.*
Stathern and Dist. D. *W. U.*

CHEESE (SURPLUS MILK).

Barrow in Furness and Dist. D. F.
Chichester and Dist. Milk Producers *U.*
E. Sussex D. F. *U.*
Frodsham Area Surplus Milk.
Itchen Valley Co-op. *U.*
Lostwithiel and Dist. F. *W. U.*
Middlewich and Dist. F. D. *U.*
S. Wilts Milk *U.*
Southwell F. Cheese Factory *U.*

DAIRIES (RETAIL).

County Dairies *U.*
Haltwhistle Co-op. Creamery *U.*
Harpenden D. *U.*
Richmond and Dist. F. *U.*

BUTTER (RETAIL).

Cornwall County F. and D. Co-op. *U.*

CHEESE (RETAIL).
Preston and Dist. F. T. *W. U.*

LIVE-STOCK AND MEAT

SLAUGHTER-HOUSES.
Eastern Counties F. Co-op. Assn. *W. U.*
Hants Abattoirs.
North Devon F. *W. U.*
Plymouth and Dist. F. *U.*
Selston and Dist. F. Direct T.
Tweedside F. Co-op. *U.*
West Devon and North Cornwall F. *W. U.*

AUCTION MARTS.
Allendale F.
Halifax & Calder Valley F. *U.*
Henley-in-Arden U. M.
Melton Mowbray and Dist. F. Assn. *W. U. M.*
York and Dist. F. Auction.

PRIVATE SALES.
Eastern Counties F. Co-op. Assn. *W. U.*
Ledbury Agric. Co-op. *U.*
Northern Agric. Co-op. *W. U.*

BACON FACTORIES.
Herts. and Beds. Co-op. Bacon Factory.
St. Edmundsbury Co-op. Bacon Factory.
Yorkshire F. Bacon Factory.

PIG FATTENING.
Watford Pig Keepers.

WOOL MARKETING

Central Wool Growers' *U.*
Cornwall F. *W. U.*
Eastern Counties F. Co-op. Assn. *W. U.*
Kent Wool Growers' *U.*
Midland Wool Growers.
Northern Wool Growers.
North Devon F.
Southern Wool Growers.
Tweedside F. Co-op.
West Devon and North Cornwall F.

EGG MARKETING

Beaminster and Dist. Collecting Depot *M.*
Carterton Egg Club *M.*

Cornwall F. Egg Marketing *U. M.*
Cornwall F. *W. U.*
Cumberland and Westmorland F.
Cumberland Poultry F. *U. M.*
Devizes and Dist. Poultry *U.*
Donyatt and Dist. Co-op.
East Devon Agric. Produce *U.*
First Lincolnshire Egg Pool *M.*
Framlingham and Eastern Counties Co-op. Egg and Poultry *U.M.*
Gloucester Fruit and Vegetable Co-op. Marketing *U. M.*
Growers Sales *U.*
Heathfield and Dist. Poultry Keepers Assn. *W. U. M.*
Henley-in-Arden Auction Mart *U. M.*
Isle of Wight Egg and Poultry Supply Depot *M.*
Ledbury Agric. Co-op. *U.*
Loughborough and Dist. F. Assn. *U. M.*
Lunesdale F. *W. U.*
Melton Mowbray and Dist. F. Assn. *W. U. M.*
Norfolk Egg Producers *U. M.*
Northamptonshire F. *W. U. M.*
Nottinghamshire Egg Producers *U. M.*
Pershore Co-op. Fruit Market *U.*
Poultry F. of Devon *U.*
Preston and Dist. F. T. *W. U.*
St. Austell and Dist. Co-op. *U.*
St. Gennys and Dist. Produce.
Shropshire Egg Producers *U. M.*
Shropshire Produce Co-op.
South Herefordshire Agric. Co-op.
Southdown Egg Producers *U.*
Southern Counties Agric. T. *W. U.*
Stamford and Dist. Co-op. Egg Scty. *U. M.*
Stonegate and W. Sussex F. Co-op. *U. M.*
Taunton Vale Egg Producers *M.*
Tavistock F. Produce.
Underley Poultry Keepers.
Upwell Poultry *U.*
Wilts Graded Eggs.
Worcestershire F. *W. U.*

FRUIT AND VEGETABLES

Cambridge Producers.
Cottenham Growers' *U.*
Devon F. Cider Growers' Assn.
East Anglian F. *U.*

East Grinstead Dist. Producers.
Frampton and Dist. Growers' *U.*
Gloucestershire Fruit and Vegetable Co-op. Marketing *U. M.*
Growers Sales *U.*
Henley-in-Arden *U. M.*
Kirdford Growers' *U.*
Lea Valley Co-op. Nursery.
Littleton and Badsey Growers' *W. U. C.*
Marshland and Wingland Agric. T.
Norfolk Fruit Growers' *U.*
Norfolk F. and Garden Produce Assn.
Pershore Co-op. F. Marketing *U.*
Potter Heigham Fruit Growers' Co-op. Assn.
Shropshire Produce Co-op.
South-West Lancashire F. *U.*
Tamar Valley Fruit Growers' Assn. *U.*
Tiptree and Dist. Fruit Growers' Assn.
Upwell and Outwell Packing Station *U.*
Welford-on-Avon Growers' *U.*
West Cornwall Bulb Co-op. *U.*
Worcestershire F. *W. U.*

INSURANCE

Agricultural and General Co-op. Ins.
Co-op. Ins. Soc. *W. C.*
N.F.U. Mutual Ins. Soc.

SUNDRY SERVICES

Acomb and Dist. Agric. Implement.
Addington Agric. Credit.
E. Sussex Agric. Credit.
Elmswell and Dist. Co-op. Threshing.
Furness and Cartmel Dist. Agric. Credit.
Goodnestone Agric. Lime.
Gorran Co-op. Threshing.
Leicester and Rutland Cattle Improvement.
Leigh Agric.
Market Weston Threshing.
Normanton-on-Soar and Dist. Threshing.
Nursery and Market Garden Industries Development, Experiment and Research Station.
Rattlesdon and Dist. F. Co-op.
Romsey Dist. F. Implement.
Sheriff Hutton and Dist. Threshing.
Swannick and Dist. Basket Factory.

Tamar Valley and Dist. Basket and Box Making Factory *U. C.*
Tiverton F. and Shire Horse.
Tregony Threshing Machine.
West Devon Agric. Co-op. Threshing Assn.
West Lancashire F. Blacksmiths *U.*
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