

**Perceptions of Cooperatives
What They Mean to California's Cooperative
Leaders**

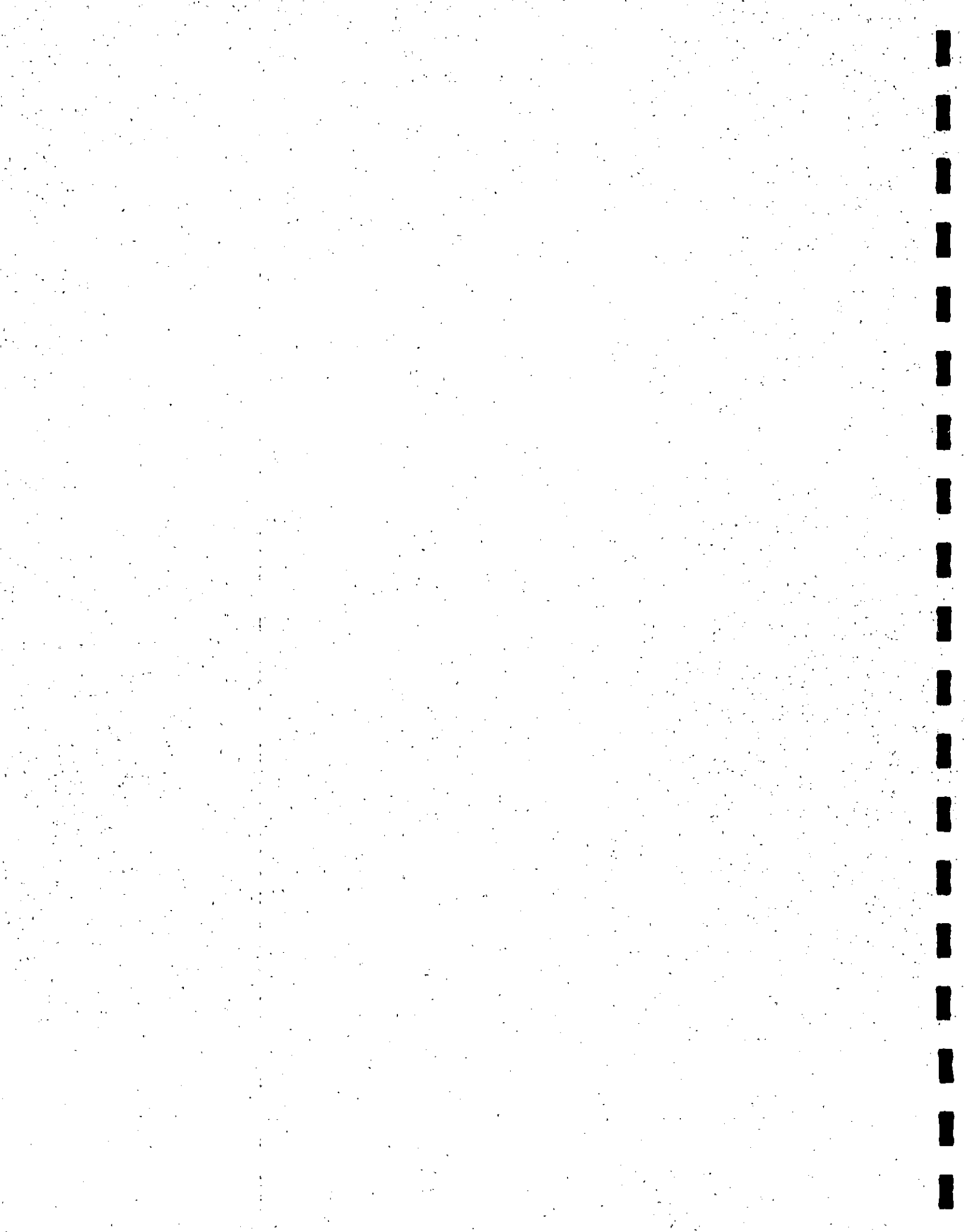
**Findings of a study
guided by**

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**With the resources of the
Center for Cooperatives
University of California**



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PREFACE

This document is the first product of the first "Cooperative Statesmen Program" of the Center for Cooperatives at the University of California.

The Cooperative Statesmen Program is a response to three concerns:

- First, the resources of the Center should be devoted to issues clearly relevant to California cooperatives and those they serve.
- Second, work of the Center is better and more "relevant" when cooperative leaders are directly involved (take ownership) in its development.
- Third, the subjects addressed should be of value to a relatively large number of cooperatives. The term "statesmen" suggests a willingness to look beyond one's private interests to those of a cooperative community.

To address these concerns, the Cooperative Statesmen Program enlists the support of three or four leaders from different kinds of cooperatives, asking them to define a program or research subject for the Center for Cooperatives and to evaluate plans to develop and present that program.

This year, four cooperative CEOs agreed to serve as founding cooperative statesmen. In alphabetical order, they are—

Russ Hanlin, President and CEO, Sunkist Growers
Harold Jackson, CEO, Sunsweet Growers, Inc.
Walt Payne, President and CEO, Blue Diamond Growers
Tom Smith, President and CEO, Calcot, Ltd.

The report that follows is the result of their efforts. It is my hope that this general approach to the development of programs by the Center, for the cooperative community proves useful and worth repeating. I wish to thank our first cooperative statesmen for their efforts to make it so.

Mahlon G. Lang
Director



INTRODUCTION

To prosper, every cooperative or investor-owned firm must pass market tests offered by consumers. Cooperatives are also tested by their members and, from time-to-time, by policy makers whose opinions can determine how and whether cooperatives continue to benefit from favorable policies.

Price, value and service are central for consumers. They have no economic reason to purchase a product simply because it comes from a cooperative. However, a gallop survey reported that if all things are equal, consumers prefer to patronize cooperatives.

To market through a cooperative for its own sake is not rational. The farm level marketing decision is logically driven by grower's beliefs about which marketing options best serve their long-term economic interests.

Yet the public, through tax treatment, anti-trust policy, incorporation statutes and information services, support cooperatives. While special tax treatment and the Capper-Volstead Act are vital to marketing cooperatives, there is no basis for this support if cooperatives do not enhance the food and fiber system by adding value for consumers, producers or both.

Since cooperatives and the statutes which support them are periodically challenged, it is important for cooperative leaders to

- know how cooperatives are seen by the consuming public, growers and policy makers,
- know whether those perceptions are justified and
- decide how and whether to change or enhance those perceptions.

During 1995, studies on perceptions of cooperatives were conducted *to assist cooperative directors in understanding, and even shaping the government, the public and member relations strategies of their cooperatives.* This report documents the findings of studies on how cooperatives are perceived by the consuming public, by growers and by policy makers. Key sections include—

Public Perceptions of Cooperatives
Shaping Public Perceptions of Cooperatives
Growers' Perceptions of Cooperatives
Policy Makers' Perceptions of Cooperatives



EXECUTIVE SUMMARY

Selected Findings and Possible Conclusions

The Consuming Public

Findings

- A relatively large number of persons is aware of cooperatives.
- There is a very low level of understanding about how cooperatives work and who they benefit.
- Despite a low level of understanding of what cooperatives are, a sizable share of the public has positive impressions.
- As knowledge of cooperatives increases, so do favorable impressions.

Conclusion

There is an open canvas to paint on. Since perceptions of cooperatives tend to be positive, characteristics associated with cooperatives could be drawn upon to develop a strong public image.

Shaping Public Perceptions

Findings

- In terms of food marketing, the only media criticism of cooperatives was in connection with marketing orders. All other articles treated cooperatives the same as other businesses.
- The greatest concerns of consumers in regard to food safety are microbial contamination and pesticide residues.
- Food scientists are more concerned about microbial contamination, whereas consumers are more worried about pesticide residues in their food.
- Cooperatives are not specifically linked to food safety in the form of microbial contamination or pesticide residues.

Conclusion

Cooperatives are often linked with marketing orders and marketing orders are often portrayed negatively in the press.

As vertically integrated firms, cooperatives have the ability to control production, processing and marketing. As such, they are in a better position than some firms to reward growers for addressing ongoing consumer concerns about food safety and the environment.

The Perceptions of Growers

Findings

- Cooperatives are generally perceived to be competitive and provide leadership.
- Cooperatives are perceived by members and non-members as a competitive yardstick for their industries.
- Growers differentiate less between cooperatives and investor-owned businesses than between "good" cooperatives and "bad" cooperatives.
- Growers define "good" cooperatives in terms of returns, competitiveness and efficiency. Some growers equate "good" with responsiveness to members.
- Growers are highly critical of directors who interfere with management's efforts to achieve good performance. They want directors who objectively represent members interests.

Conclusions

It is always important for management and directors to understand how members evaluate their performance.

Cooperatives may benefit from specific efforts which help their directors communicate to and secure ongoing feedback from the members they represent.

The Perceptions of Policy Makers

Findings

- Cooperatives are not fully utilizing the power of their membership to influence public policy makers.
- There is a need to provide more information to policy makers in terms of the economic and social impact on local communities and the state as a whole.
- As cooperatives take a stronger position on policy issues relating to the economic welfare of their member-owners, it is important that they make it clear that they truly represent the interest of the member-owner as opposed to that of just another agribusiness entity.

Conclusions

Cooperatives must focus more of their lobbying activity at the grass roots level. This means they need a plan that will allow them to move swiftly and concisely in letter writing and fax campaigns, personal telephone calls, and when necessary, to make trips to the capitol to meet with elected officials. To be most effective they should coordinate this activity with their trade associations.

There is a need for county-by-county analysis showing the economic impact of cooperatives. This kind of information could be used by cooperatives in working with elected and appointed officials.

Cooperatives need to embark on an education program which clearly distinguishes their purpose and structure from that of a proprietary company. Farmer members will have the greatest credibility in presenting this message to policy makers and the public.

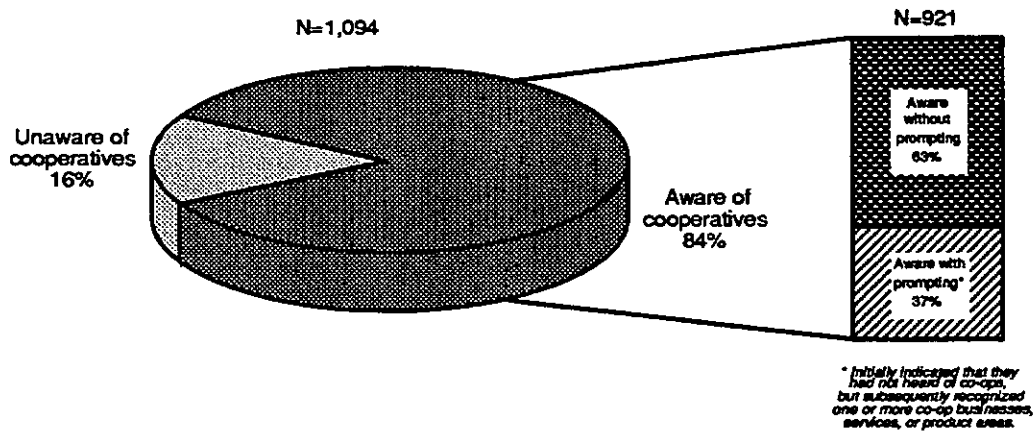
Perceptions of the Consuming Public

The Center for Cooperatives recently published the findings of computer assisted telephone interviews with more than 1000 Californians. The aim of the study, *How Californians See Cooperatives*, was to measure public awareness and perceptions of cooperatives. (Method and detail are reported in Appendix I). The main findings of the study are summarized below.

Awareness

As indicated in Figure 1, about 5 of 6 people are aware of the cooperative form of business. Yet, additional survey questions revealed they understand very little about cooperatives. Only 4 in 10 respondents could identify one or more characteristics of a cooperative. Those who did so, most often identified joint action for economic benefit. Further, most respondents (8 of 10) were aware of consumer cooperatives, while only half this number (4 of 10) were aware of agricultural cooperatives.

Figure 1

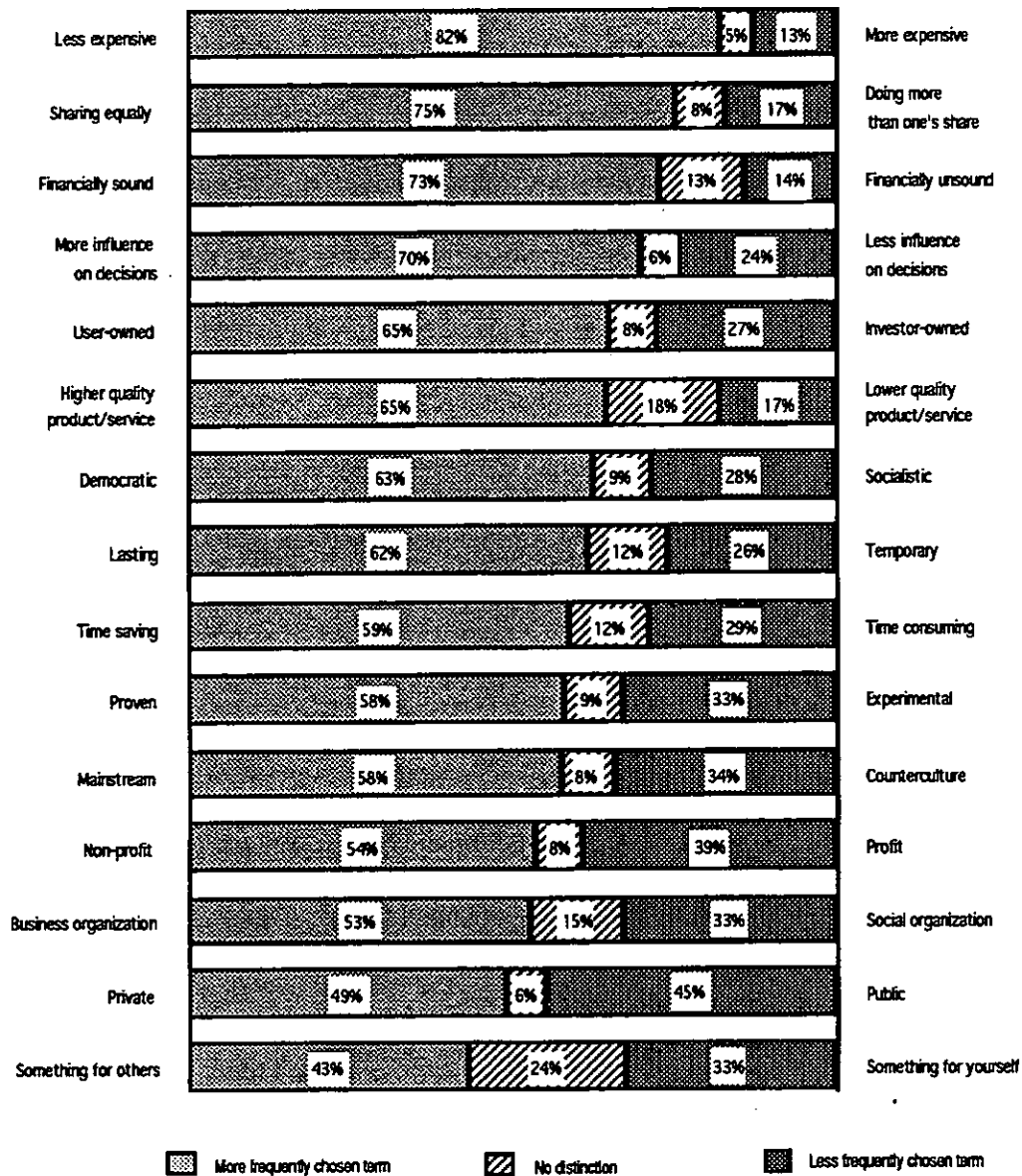


Perceptions

Although respondents did not know much about cooperatives, they still have favorable impressions of them. Respondents generally see cooperatives as beneficial to community life and associate positive terms with cooperatives.

General Characteristics—Figure 2 shows respondents' reactions to 15 sets of contrasting terms. Respondents were asked to indicate which term they associated with cooperatives. In several cases, respondents' associations were relatively consistent. For example, many associated cooperatives with terms like "less expensive, financially sound and high quality."

Figure 2



Impact on Community Life—Again, while respondents had limited knowledge of cooperatives, they still had impressions of how cooperatives affected the communities in which they operate. These impressions were gleaned from open-ended questions. As Figure 3 shows, 62 percent of all respondents identified some way in which cooperatives affected community life. Of these, 77 percent thought the affect was entirely positive. Of these, 77 percent thought the affect was entirely positive.

Figure 3

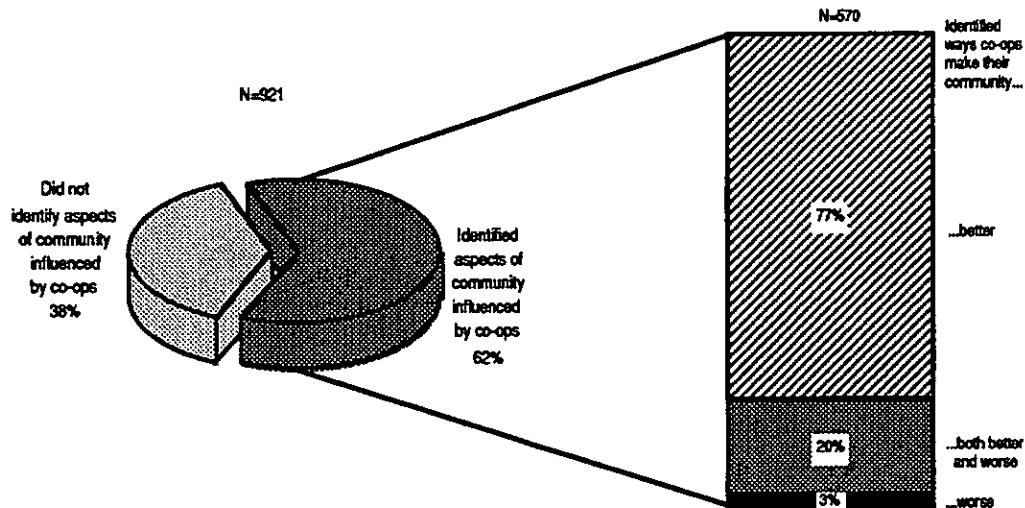


Figure 4 indicates that some of the impressions were relatively strong. The open-ended questions identified impressions of favorable community impact such as "building a sense of community" or "offering financial advantages" or very close approximations which were volunteered by 25 to 40 percent of respondents.

Figure 4: Ways that Co-ops Make the Community a Better or Worse Place to Live

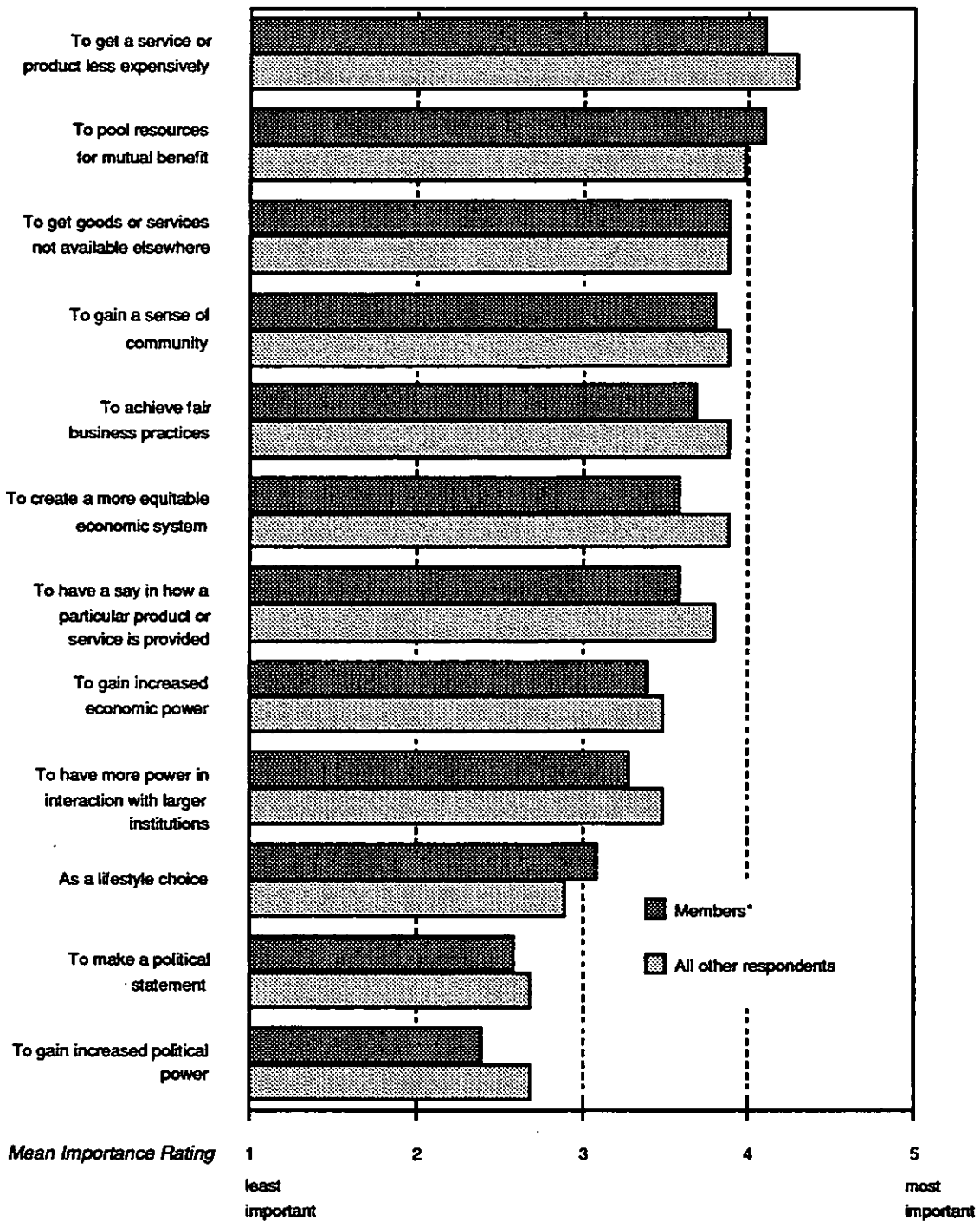
*Open-ended questions: Can you think of one or two ways that co-ops make your community a worse place to live?
Can you think of one or two ways that co-ops make your community a better place to live?*

	Percent	Number of respondents
Ways that co-ops make the community a better place to live		
Foster or build a sense of community	39.5	225
Offer financial advantages	25.4	145
Increase consumer choice of goods and services	17.7	101
Creating a more equitable system or workplace	14.4	82
Increase or offer employment opportunities	8.8	50
Provide high quality service or product	6.3	36
Local-based business	4.7	27
Work or personal betterment incentive	4.7	27
Other misc. positive effect	7.9	45
Ways that co-ops make the community a worse place to live		
Environmental impacts	3.7	21
Too exclusive	3.5	20
Member indiscretion or dishonesty	3.2	18
Attract undesirables	2.5	14
Hurt local economy	1.9	11
Poor business practices	1.6	9
Lower quality goods or services	1.6	9
Other misc. negative effect	4.6	26
Total	**¹	570

Reasons for Joining a Cooperative—When asked about the importance of each of twelve possible reasons for joining a cooperative, the respondents again expressed relatively strong impressions. These impressions were quite different than those anticipated. One expectation of some researchers was that, as a carry over from the counter-culture expressions of the 1960's, people may associate cooperatives with political or social movements by many people. In fact, as Figure 5 shows, joint action to achieve economic objectives are far more important than political or lifestyle objectives.

¹ ** Indicates that percentages do not sum to 100 because respondents were given the opportunity to provide more than one response.

Figure 5



* Includes all respondents correctly identifying themselves as previous or current members of any co-op.

Findings

- A relatively large number of persons is aware about cooperatives.
- There is a very low level of understanding about how cooperatives work and who they benefit.
- Despite a low level of understanding of what cooperatives are, a sizable share of the public has positive impressions.
- As knowledge of cooperatives increases, so do favorable impressions.

Conclusion

There is an open canvas to paint on. Since perceptions of cooperatives tend to be positive, characteristics associated with cooperatives could be drawn upon to develop a strong public image.

Shaping Public Perceptions of Cooperatives

What do public perceptions of cooperatives have to do with the main concerns of those who consume food and fiber products and the growers who produce them? The consuming public cares about availability, choice, and the safety of the food and fiber system. Growers are concerned about profitability and how to remain in compliance with regulations and restrictions that address these issues.

Is the cooperative form of business a tool which may be used to enhance food system performance to the benefit of producer and consumer alike? Does the public think of cooperatives in connection with food availability and safety?

To help answer the last question, a review of national newspapers, including the *New York Times*, *Wall Street Journal*, *Washington Post* and *L.A. Times*, and magazines was conducted. The search included the names of 46 cooperatives. The key words "agricultural cooperatives" were also searched in major newspapers. The term "cooperative" was in the title of only 24 of 370 articles (Table 1).

Table 1—The Type of Stories Where Cooperatives are Mentioned

Search Strategy	Marketing	Business	People	Foreign	Cases	Food Safety	Labeling	Co-op	Total
Total citations for selected co-ops	126	147	49	2	35	2	9	24	370
Total citations for "agricultural cooperatives"	4	14	1	20	4	0	0	0	43

To focus on food industry issues, a second search included 1) marketing orders and 2) food safety as measured by microbial and pesticide contamination. Since the findings were based on a selected set of topics, a limited number of cooperatives, and few databases, they are not comprehensive. However, they provide initial insights into how cooperatives are perceived relative to major food system issues.

Food Marketing

Most articles about cooperatives address "marketing" in ways not distinguishable from investor-owned firms. This is also true of articles reporting specific "business" activities such as acquisitions, mergers and divestments. Of more than 70 articles on Sunkist, 37 are about marketing and 6 are about marketing orders.

The search on marketing orders focused on quotas and quality restrictions. Quantity controls or quotas are viewed negatively and quality controls are portrayed as unnecessary.

- Marketing order quotas are described most often as devices to increase prices to consumers rather than to stabilize markets.
- Marketing order size and quality restrictions are portrayed as unnecessary. Articles are often written by and quote the same people. They claim that size and quality orders simply raise prices and waste food. They argue that the cost of cosmetically perfect fruit deprives lower-income people of food.

Food Safety

In terms of food safety, the microbial food contamination and pesticide residue issues were reviewed. The review of food safety articles found no known connection to cooperatives. Still, there were findings of interest to agricultural cooperative members.

Pesticide Residue

In a yearly survey conducted by the Food Marketing Institute, consumers were asked to volunteer, "What, if anything, do you feel are the greatest threats to the safety of the food you eat?" Each year's sample consisted of about 1,000 people. Table 2 states the percentage of participants who cited each food safety threat.

Table 2—Perceived Threats to Food Safety (Volunteered)

Spoilage or germs	52%	41%	46%	36%
Pesticide residues	15%	14%	13%	18%
Improper packaging or canning	6%	5%	13%	10%
Chemicals	11%	12%	8%	13%
Tampering	4%	4%	7%	8%
Antibiotics	2%	4%	1%	0%
Environmental Pollutants	2%	3%	2%	3%
Unsanitary handling	11%	8%	10%	8%
Processing preparation of foods	8%	11%	12%	10%

Source: Food Marketing Institute

In the same FMI study, consumers were read a list of food items that may or may not constitute a health hazard. For each one, they were asked if they believed it is a serious hazard, somewhat a hazard, or not a hazard at all (Table 3).

Table 3—Consumers Concern about Selected Food Attributes

Threat	% of Respondents who rated threat as a "Serious Hazard"						
	1995	1994	1993	1992	1991	1990	1989
Contamination by bacteria or germs	76%	x	x	x	x	x	x
Residues such as pesticides and herbicides	74%	72%	79%	76%	80%	80%	82%
Product tampering	58%	x	x	x	x	x	x
Antibiotics and hormones in poultry and livestock	52%	50%	56%	53%	56%	56%	61%
Nitrates in food	28%	34%	35%	40%	41%	37%	44%
Irradiated foods	30%	38%	35%	35%	42%	42%	42%
Additives and preservatives	22%	25%	23%	26%	29%	26%	30%
Food produced by biotechnology	14%	x	x	x	x	x	x

Source: Food Marketing Institute

As the data show, consumer concern regarding pesticides appears to differ greatly depending on the format in which the question is asked. For example, when consumers were asked to list what they felt were the greatest threats to food safety, 20% or less listed pesticides. However, when asked to rate specific threats, more than 70% of the respondents rated pesticides as a "Serious Hazard." In 1995, the survey was amended to include contamination by bacteria or germs as an item. Consumers showed an almost equal concern that pesticides and bacterial contamination were a serious concern in 1995.

Members of the Experiment Station Committee on Organization and Policy (ESCOP) answered the same questions as consumers in a Gallup poll (Table 4). Only 2% of the food scientists strongly agreed that pesticide residues are a substantial danger to health compared to 50% of consumers .

Table 4—A Comparison of Views of Food Scientists and Consumers on Food Safety Issues

Statement	Agree Strongly	Agree Somewhat	Neither	Disagree Somewhat	Disagree Strongly	Don't Know	Average Response
Residues of pesticides on the food you eat are a substantial danger to health							
Consumers	50%	26%	4%	12%	6%	2%	3.93
ESCOP	2%	11%	6%	31%	50%	0%	1.85
Government policies on food and agriculture should specify a reduction in pesticides used on farms, even if this means higher costs for food.							
Consumers	46%	29%	5%	10%	8%	2%	3.90
ESCOP	11%	28%	13%	29%	18%	1%	2.83
As a consumer, I need more understandable and specific information about pesticide residues and food safety.							
Consumer	67%	19%	3%	7%	4%	1%	4.35
ESCOP	32%	40%	10%	11%	7%	0%	3.78

Source: Experiment Station Committee on Policy (ESCOP)

Clearly, the level of concern by consumers differs from the level of concern by those working in food science research. If the ESCOP members are experts, these findings suggest that concern by consumers may be excessive.

Microbial Contamination

- E.coli outbreaks have received considerable media attention in the last few years. Specific events, such as a 1993 outbreak attributed to hamburgers eaten at Jack-in-the-Box in Washington received national coverage.
- Statistics released by the Center for Disease Control may help to put food safety threats in perspective (Table 5). An outbreak is defined as an incident in which 2 or more people become ill after eating a common food. In cases where the agents were identified, microbial agents (bacterial, parasitic or viral) were two or three times as likely as chemical agents to be the cause of the outbreak.

Table 5—Reported Outbreaks by the Center for Disease Control

Year	Outbreaks	Cases	Deaths	% of Outbreaks with:	
				Identified Agent	Identified Source
1983	505	14,898	35	37%	47%
1984	543	16,420	12	34%	43%
1985	495	31,079	76	44%	45%
1986	467	12,781	11	39%	43%
1987	387	16,500	5	35%	39%

Outbreaks by Agent						
Year	Outbreaks	Bacterial	Chemical	Parasitic	Viral	Unidentified
1983	505	25%	9%	1%	2%	63%
1984	543	24%	8%	2%	1%	66%
1985	495	29%	12%	2%	2%	56%
1986	467	25%	10%	2%	1%	61%
1987	387	21%	10%	1%	3%	65%

Outbreaks by Carrier								
Year	Outbreaks	Meat	Fish	Dairy	Eggs	Produce	Other	Unidentified
1983	505	7%	10%	4%	0%	8%	18%	53%
1984	543	10%	8%	1%	0%	4%	20%	57%
1985	495	8%	11%	2%	1%	6%	17%	56%
1986	467	8%	10%	1%	0%	7%	17%	57%
1987	387	6%	10%	1%	1%	5%	16%	61%

Source: Center for Disease Control

Findings

- In terms of food marketing, the only media criticism of cooperatives was in connection with marketing orders. All other articles treated cooperatives the same as other businesses.
- The greatest concerns of consumers in regard to food safety are microbial contamination and pesticide residues.
- Food scientists are more concerned about microbial contamination, whereas consumers are more worried about pesticide residues in their food.
- Cooperatives are not specifically linked to food safety in the form of microbial contamination or pesticide residues.

Conclusion

Cooperatives are often linked with marketing orders and marketing orders are often portrayed negatively in the press.

As vertically integrated firms, cooperatives have the ability to control production, processing and marketing. As such, they are in a better position than some firms to reward growers for addressing ongoing consumer concerns about food safety and the environment.

Perceptions of Growers

In 1992, Siebert conducted a study to determine how growers see cooperatives. During 1995, he again interviewed California growers of almonds, walnuts, pistachios, prunes, rice, avocados, lemons, oranges, wine grapes, peaches, cotton and others. Respondents included large, small and medium producers from the Sacramento Valley to Southern California.

Most respondents were eager to participate in the survey and showed no antagonism towards cooperatives. Interviews of 20 to 45 minutes were conducted in person and by telephone. (See questionnaire in Appendix II).

Overall, the findings are consistent with those of Siebert's earlier study. It was conducted by mail four years ago and resulted in the report "Farmer Knowledge About Cooperatives." No new conclusions were reached nor were any of the findings surprising. The following is a brief summary of principal conclusions. (See complete report of responses to survey in Appendix III).

Why growers leave cooperatives

Most producers belonged to two or more cooperatives. They may market one crop through a cooperative and another through an investor-owned firm. Producers who were members of cooperatives and left did so because 1) they quit producing the crop, or 2) became irritated with some aspect of cooperative management.

Growers are inclined to join a cooperative if

- It assures a home for a product. By joining a cooperative, one guarantees access to markets and a market share.
- Producers believe the cooperative is competitive in their industry.
- They believe that if a cooperative functions well, its board and management probably listen to producers' concerns and problems when non-cooperatives do not. For some, this issue is very important.

Growers are not inclined to join a cooperative if

- they do not like the way board and/or management work.
- they feel they can get better returns on their own. (Some felt that cooperatives limit their flexibility in marketing.)
- growers are not rewarded for quality products and are pooled downward with the average grower.

The unique strengths of a cooperative include

- Assurance of a market for the product
- Access to management through its board

Shortcomings associated with some cooperatives

- Some cooperatives are not competitive in their industries, they are non-responsive to members, they do not operate efficiently, they are not aggressive enough in marketing, they do not think long-term and they sometimes have poor management.
- High per unit retains and lengthy payback period with no explanation.
- Producers would rather not have equity in a cooperative if they feel they have no control and must view the investment as a necessary evil.

Critical issues facing cooperatives' members

Pesticide regulation and loss, water, labor, and farmland loss affect the ability of cooperatives' members to keep unit costs of production and processing low. Accordingly, they affect the ability of cooperatives to enter new markets, to offer new product lines, to aggressively and innovatively pursue new and overseas markets, and to increase overall returns to producers.

What do growers look for in cooperative performance?

Producers examine returns, efficiency, unit costs of processing, flexibility, willingness to look for new marketing opportunities, and responsiveness to producer concerns and problems. Producers observe that boards sometimes hire good, aggressive management to address these problems but then interfere with management's efforts to do so.

Producers suggest that cooperative directors

Hire	managers who know business concepts.
Avoid	the urge to micro-manage and the "old boys club" image.
Represent	the full spectrum of producers and convey their concerns.
Explain	why decisions are made and how they affect members' economic interests.

Cooperatives are perceived to be competitive and provide leadership. This image varies by commodity, industry, and cooperative. But **cooperatives could do better.** Because they are organized on democratic principles, they could provide leadership, but do not exploit their structure as much as they could. **Cooperatives are needed if markets are to be competitive.**

Cooperatives are perceived as a competitive yardstick. They provide an essential alternative and checkpoint on other marketing or supply options. This includes bargaining associations which stabilize markets, and provide access to information, services, and leadership.

Cooperative Boards vary from cooperative to cooperative. Boards should

- listen to members, turn over periodically to get fresh ideas or keep people who have open, active minds for new ideas.
- avoid "good old boys" club image, not micro-manage, but focus on policy and be forward looking.
- hire good management, let them manage.

Cooperative management needs

- to recognize that cooperatives are unique and special.
- to recognize that patience and understanding are required to deal with members and their issues.
- to be wise to business issues.
- to be wise to boards and their role in membership relations.
- to have an entrepreneurial stake in a cooperative. (Cooperatives need to build connections between positive incentives for positive performance for management.)

This requires that the board and the members build a performance-based reward system for management so that they have a stake in the outcome of a cooperative's overall performance.

Findings

- Cooperatives are generally perceived to be competitive and provide leadership.
- Cooperatives are perceived by members and non-members as a competitive yardstick for their industries.
- Growers differentiate less between cooperatives and investor-owned businesses than between "good" cooperatives and "bad" cooperatives.
- Growers define "good" cooperatives in terms of returns, competitiveness and efficiency. Some growers equate "good" with responsiveness to members.
- Growers are highly critical of directors who interfere with management's efforts to achieve good performance. They want directors who objectively represent members interests.

Conclusions

It is always important for management and directors to understand how members evaluate their performance.

Cooperatives may benefit from specific efforts to helping their directors communicate to and secure ongoing feedback from the members they represent.

Perceptions of Policy Makers

During 1995, surveys were sent to 33 directors, managers, government relations specialists and lobbyists who represent cooperatives. All of the 27 people (Appendix IV) who responded to the survey (Appendix V) were then interviewed. All contact public policy makers in their efforts to support their members' interests. As they do so, they operate on basic assumptions relative to how cooperatives are perceived by policy makers. The aim of this survey was to identify policy makers' perceptions as seen by those who try to influence them.

After completing this study, 11 policy makers were interviewed to determine how they actually see cooperatives. The aim of these interviews was to assess the accuracy of perceptions held by those who attempt to influence policy makers.

In Part I, we identify cases in which the perceptions held by those who influence policy makers differ from what policy makers actually believe. In Part II, we identify perceptions that appear to be accurate. In Part III we list observations and perceptions not anticipated by the questionnaire.

Part I—Inaccurate Perceptions

Perception The techniques used by cooperatives to influence legislative or regulatory actions are the same as those used by proprietary companies.

- **Reality** Policy makers see a difference. They see that grass roots power is more frequently used by cooperatives than by proprietary firms, but point out that cooperatives are not fully utilizing this technique.

Perception Cooperatives nationwide have developed the ability to speak with unity on governmental and international policy issues.

- **Reality** Policy makers agree that cooperatives speak with one voice when they speak through their trade associations. If working on their own, however, they often have different perspectives on the same issues.

Perception It is generally felt that there is sufficient data relating to the role cooperatives play in California's economy.

- **Reality** Policy makers feel that there is little available data in this regard. Policy makers are unaware of where to find such data and are unaware of resources available at the Center for Cooperatives at the University of California-Davis.

Perception The cooperative business structure can easily be presented to policy makers as a non-governmental approach to solving economic problems such as child care and housing for farm workers as well as an adequate supply of farm labor.

- **Reality** Most policy makers who responded could not understand the question or provide examples of how cooperatives could be a non governmental approach to solving economic problems.

Perception Cooperatives currently play a strong role in resolving governmental issues related to the production problems faced by their farmer members.

- **Reality** Policy makers believe that cooperatives could be more effective in this regard.

Perception Newsletters are not an effective way of communicating with policy makers.

- **Reality** Policy makers feel that newsletters have definite value. They like the newsletter that comes from the Agricultural Council of California. They do not receive many newsletters directly from agricultural cooperatives. But to be effective they must be targeted by audience.

Perception The concentration of marketing power is the major factor in determining the ultimate cost of food and fiber to the consumer.

- **Reality** Policy makers generally thought that the costs of production, processing, marketing and retailing are the most important determining factors in prices paid by consumers. Several indicated that the supply of perishable commodities consumed fresh accounts for more variation in price than other factors. The cost of compliance with government regulation was also mentioned.

Part II—Accurate Perceptions

- **To the policy makers interviewed**, the presence of marketing orders and commissions is not a significant factor in the cost of food and fiber.
- Capper Volstead, the anti-trust protection for producers and associations who form marketing cooperatives, should be protected.
- The role of cooperative lobbying organizations has changed over the past five years. They have become more prominent in public policy debates and have become more active on a broader range of issues.

- In general, policy makers do not differentiate between cooperatives and proprietary (investor-owned) businesses.
- Policy makers' support for maintaining the cooperative form of business organization is contingent upon a demonstrated general public benefit.
- Cooperative senior management, cooperative government relations representatives, farmer members, cooperative trade association lobbyists and lobbying law firms are all considered important sources of information on policy issues by policy makers.
- Cooperative involvement in political action committees is very important in the overall political scene. But the endorsement of candidates is risky.
- To meet future policy challenges, agricultural cooperatives must build coalitions with non-traditional allies.

Part III—Other Observations Offered by Policy Makers

The interview form used in this survey did not anticipate all dimensions of cooperative performance identified by policy makers. Neither did it anticipate suggestions volunteered by policy makers in terms of how to influence policy. Therefore, additional perceptions and observations are listed here.

- As federal price supports are reduced or phased out, the cooperative may become an attractive alternative to farmers. Some have avoided cooperatives because public policy gave them a floor price they could live with. In the absence of such policies, there will be a greater need to bargain for price, to obtain markets and to secure agricultural inputs at competitive prices.
- There is a need to translate the economic impact of cooperatives in terms of their effect on the well being of local communities.
- Policy makers could use more information about the problems facing cooperatives.
- The policy of the administration in power is an important factor in the decision-making process. Accordingly, administrative assistants look to their bosses, who are appointed or elected officials, for guidance in any policy-related decision.

- As cooperatives take a stronger position on policy issues relating to the economic welfare of their farmer members, they must make it clear that they truly represent the interest of the farmer as opposed to that of a major agribusiness entity. To maintain credibility, cooperative representatives need to stay on issues of direct economic importance to farmers.
- Policy makers look to cooperative spokespersons when making decisions about agricultural policy, but the credibility of the person providing the information is the most important factor. Policy makers report that cooperative spokespeople are usually knowledgeable about their subject area.
- Cooperatives can more effectively influence public policy with a plan for a grass roots campaign to move swiftly and concisely when needed. This would complement the work of their trade associations. To succeed in this effort, management must spend quality time with its board on the importance of governmental relations. Each director must have a personal investment in the process.
- As policy makers evaluate the role of cooperatives in the economy, some recognize their impact on the structure of rural communities in California. They are an important piece of the industry that serves all sizes of farm operations. They are sometimes the factor that keeps a farming operation financially viable. Farmers tend to pick and choose, using the cooperative when it fits their overall business plan. That's good as we look at the total agricultural package in this state. The end result is a sustainable agricultural economy.
- The Cooperative community could improve its ability to influence public policy by getting together with elected officials at a time when it isn't necessary to ask for something. Get to know each other before problems occur. Breakfast sessions of three or four people within the member's district work best.
- The rapid turnover of experienced legislators and administrative aides due to term limits means a constant supply of new legislators. At least one-third of the assembly turns over every two years and one-half of the senate turns over every four years. This will require ongoing education.

It will also mean that more lobbying will focus at the grassroots level. This includes letter writing, fax campaigns, personal telephone calls, trips to the capitol to meet with elected officials and meetings within the district to discuss issues.

- Urban legislators must understand that the business of the cooperative extends into their district. Cooperative leaders should analyze each district and be prepared to show how the economic interests of cooperatives affect warehousing, shipping centers, trucking lines, container manufacturers and farm input suppliers. Equally, rural communities should know how cooperatives affect their livelihood.
- Members are beginning to communicate via e-mail with those they consider key policy advisors. Cooperatives should prepare to use this medium to communicate information relating to agriculture and cooperatives.

Findings

- Cooperatives are not fully utilizing the power of their membership to influence public policy makers.
- There is a need to provide more information to policy makers in terms of the economic and social impact on local communities and the state as a whole.
- As cooperatives take a stronger position on policy issues relating to the economic welfare of their member-owners, it is important that they make it clear that they truly represent the interest of the member-owner as opposed to that of just another agribusiness entity.

Conclusions

Cooperatives must focus more of their lobbying activity at the grass roots level. This means they need a plan that will allow them to move swiftly and concisely in letter writing and fax campaigns, personal telephone calls, and when necessary, to make trips to the capitol to meet with elected officials. To be most effective they should coordinate this activity with their trade associations.

There is a need for county-by-county analysis showing the economic impact of cooperatives. This kind of information could be used by cooperatives in working with elected and appointed officials.

Cooperatives need to embark on an education program which clearly delineates their structure and purpose from that of a proprietary company. Farmer members will have the greatest credibility in presenting this message to policy makers and the public.

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APPENDIX I

How Californians See Cooperatives—Chapter 5

(Charts and tables not included in this version)

Respondents' impressions and opinions of cooperatives were assessed using three types of questions. First, a series of contrasting terms was used to find out what kinds of concepts and images were most strongly associated with co-ops. Second, respondents were asked to evaluate the effect of cooperatives on various aspects of their community. Third, respondents ranked the importance of possible reasons for joining a co-op. This chapter addresses findings for each type of perception measure and discusses how each relates to cooperative membership, knowledge, and orientation.

Section A—Contrasting terms

The first measure of perceptions consisted of 15 pairs of contrasting terms (Figure 5.1). These terms were selected because they represent beliefs assumed to be associated with cooperatives and because they reflect viewpoints expressed in focus groups. Respondents were asked to choose the term which best described how they think about cooperatives. Although not offered as options, responses of "no distinction" (including "both" and "neither") and "don't know" were recorded.

Used as indicators of impressions and perceptions, these terms were not designed to be used as measures of knowledge. In some cases, however, one term in a pair is definitely the accurate response. For instance, cooperatives are definitely user-owned and controlled (as opposed to investor-owned), private, democratic, business organizations (as contrasted with public, socialistic or social organizations). Other paired terms contain one term that is technically correct. In California, cooperatives are technically non-profit because most of the cooperative incorporation codes are non-profit, even though members may use the cooperative for financial gain. For example, a farmer may use a marketing and bargaining co-op to get a better price for products.

The majority of contrasting terms have no right or wrong answer and reflect much more subjective impressions of cooperatives, such as whether co-ops are more expensive or less expensive, and whether they offer higher or lower quality products. Also, contrasting terms were ordered to avoid response bias. For example, terms with positive and negative traits were arranged with the negative characteristic sometimes first and sometimes second.

Responses to the contrasting terms indicated that respondents had overwhelmingly positive perceptions of co-ops. The strongest perception emphasized the economic advantages of co-ops, with eight out of ten respondents indicating that co-ops are less expensive as opposed to more

expensive. A majority of respondents stated that co-ops are financially sound, lasting and proven businesses that offer higher quality products and services. The operations of the co-ops were also perceived positively. Respondents indicated that they are user-owned, time saving, and allow more personal influence on decisions (Figure 5.1).

One prevalent belief about public perceptions of cooperatives has been that co-ops are viewed as symbols of the 1960's "hippie generation." Several contrasting terms indirectly test this belief, but two are especially relevant: whether cooperatives are democratic or socialistic, and whether they are mainstream or counterculture. While the image of co-ops as socialistic and counterculture were held by some, the clear majority of respondents identified co-ops as democratic and mainstream.

Although a clear majority response was prevalent among most contrasting terms, opinion on some subjects was noticeably less decisive. Respondents were divided over whether a co-op is something you do for others (43%), something you do for yourself (33%), or whether there is no distinction (24%). Perceptions were also divided over whether co-ops are private (49%) or public (45%).

Relationships Between Contrasting Terms, Co-op Membership, Knowledge and Orientation

Multivariate regression analysis was used to isolate the independent effects of co-op membership, knowledge and orientation on responses to each set of contrasting terms. The analysis revealed that all three factors — membership, knowledge and orientation — are related to perceptions of co-ops, as measured by the contrasting terms. Co-op knowledge was found to be the most influential factor; responses to 14 of the 15 pairs of terms were significantly related to how much respondents knew about co-ops (Figure 5.2).

For two of the four pairs of terms with a "correct" answer, respondents with more knowledge of cooperatives were more likely to choose the accurate term: they saw co-ops as both user-owned and private. Interestingly, respondents with more knowledge identified co-ops as neither democratic nor socialistic and neither business nor social organizations. This tendency for those with greater knowledge to see no distinction between the contrasting terms was repeated for six additional sets of terms (Figure 5.2).

Co-op members, those with more knowledge, and respondents who were oriented toward consumer co-ops, were more likely to perceive and correctly identify co-ops as non-profit. Respondents who were oriented more toward agricultural co-ops were unique. In addition to being more likely to view co-ops as for-profit, they were also more likely than other respondents to incorrectly state that co-ops are investor- rather than user-owned.

Figure 5.2 summarizes significant relationships found in the regression analysis. Although many of these relationships are evident in the bivariate distributions presented in Appendix Table 5.1, some of the relationships — most frequently those involving co-op orientation — are only revealed when the effects of the other factors are removed.

Demographic and Other Factors Influencing Contrasting Terms

In order to examine the effects of demographic variables on the contrasting terms, an additional regression analysis was applied. Because of the strong relationships between co-op membership, knowledge, orientation, and demographic characteristics, a multivariate analysis approach was used to isolate the effect of each factor on perceptions. When demographic characteristics are controlled for, some of the previous associations with membership, knowledge and orientation changed or were no longer statistically significant. The results show that a broad range of characteristics were related to perceptions of co-ops as measured by the contrasting terms. Nevertheless, co-op knowledge continues to have the biggest influence on perceptions.

In the following discussion of the results of the multivariate analysis, contrasting terms are grouped into three categories: terms related to accuracy, terms related to economic aspects, and terms related to organizational image.

Terms Related to Accuracy of Information about Cooperatives

Knowledge levels had the strongest and most consistent influence on responses to these terms. For three out of five terms, the likelihood of choosing the more technically correct response increased with knowledge of cooperatives. Although they have been grouped together for conceptual purposes, it should be noted that these terms reflect varying degrees of technical correctness and were designed to measure perceptions, rather than knowledge, of cooperatives.

- User- vs. investor-owned. Perceptions of co-op ownership were influenced by numerous characteristics. Respondents with higher levels of co-op knowledge were more likely to know that co-ops are user-owned, as were respondents with a college degree, those with incomes of \$40,000 or more, whites, and respondents interviewed in Spanish.
- Private vs. public. Respondents with greater knowledge of cooperatives were less likely to see co-ops as public.
- Non-profit vs. profit. Those oriented toward agricultural co-ops and respondents interviewed in Spanish were more likely to see co-ops as being for-profit organizations. As respondent knowledge increased, the likelihood of viewing cooperatives as for-profit organizations decreased. Those with a college degree were most likely to identify co-ops as non-profit.
- Business vs. social. Respondents with more knowledge felt that co-ops are neither business nor social organizations. Those oriented toward agricultural

co-ops were more likely to see co-ops as business organizations. The younger the respondents, the more likely they were to think of co-ops as social.

- Democratic vs. socialistic. As respondent age increased, so did the likelihood of identifying co-ops as democratic.

Terms Related to the Economic Aspects of Cooperatives

Opinions of cooperatives addressing economic and consumer-related issues were influenced by knowledge, age, and ethnicity. The findings suggest that younger respondents and whites may have a more positive view of the economic advantages of cooperatives.

- Less vs. more expensive. Blacks were more likely to feel that co-ops are more expensive.
- Higher vs. lower quality products and services. Those in more rural areas and younger respondents were more likely to feel co-ops offer higher quality products and services.
- More vs. less personal influence on decisions. As knowledge of co-ops increased the likelihood of feeling that co-ops involve more personal influence on decisions increased. The likelihood of saying co-ops involve less personal influence on decisions increased with respondent age.
- Sharing equally vs. doing more than one's share. Asians and Blacks were more likely to say that co-ops involve doing more than one's share. As co-op knowledge and respondent age increased so did the likelihood of saying that co-ops involve neither doing more than one's share nor sharing equally.
- Time saving vs. time consuming. Co-op members and respondents interviewed in English were more likely to see co-ops as time saving.
- Something you do for others vs. something you do for yourself. Those with higher levels of co-op knowledge and respondents interviewed in Spanish were less likely to think co-ops are something you do for others. Latinos, however, were more likely to see co-ops as something you do for others.

Terms Related to the Organizational Image of Cooperatives

Respondents with higher levels of knowledge were more likely to say they saw no distinction between these terms. Those oriented toward agricultural co-ops tended to choose terms associated with established organizations. Although age and ethnicity also affected perceptions of co-op image, there was no clear pattern of influence.

- Financially sound vs. unsound. Respondents with higher levels of co-op knowledge were more likely to say that co-ops are neither financially sound nor unsound. Asians and Latinos were more likely than other respondents to feel that co-ops are financially unsound.
- Lasting vs. temporary. As respondent age and knowledge increased, so did their likelihood of saying that co-ops are neither lasting nor temporary.

- Proven vs. experimental. Those oriented toward agricultural co-ops and respondents interviewed in Spanish were more likely to feel co-ops are proven organizations.
- Mainstream vs. counterculture. Respondents oriented toward agricultural co-ops, older respondents, and Asians, were more likely to see co-ops as mainstream organizations. Those with higher knowledge levels saw no distinction. Respondents with incomes of \$60,000 or more were more likely than other respondents to view co-ops as counterculture organizations.

Section B—Perceived impact of cooperatives on community life

Both open-ended and closed-ended questions were used to assess the perceived impact of cooperatives on community life. Open-ended questions were intentionally placed before the closed-ended questions on the same topic so that responses would not be influenced by the phrasing or response options in the closed-ended items.

Open-Ended Responses

Two open-ended questions invited respondents to express their opinions about the influence of cooperatives in their community. Respondents were asked “can you think of one or two ways that co-ops make your community a worse place to live?” and “can you think of one or two ways that co-ops make your community a better place to live?”

The open-ended format allowed respondents to identify the issues foremost in their minds. Six out of ten respondents identified one or more aspects of their community that they felt were influenced by co-ops. Comments were even more frequent among co-op members, with eight out of ten responding. Of respondents who identified ways that they thought co-ops made their community better or worse, 77% identified ways that co-ops made their community better, 20% could think of both positive and negative contributions, and only 3% exclusively identified ways that co-ops make their community worse. It should be noted that a distinct assertion pattern emerged on open-ended positive and negative responses. While positive statements were presented as fact, negative comments were often conditional or less certain, and frequently included the words if, might, or could (Figure 5.3).

Identification of the ways that co-ops make a community better or worse can be generally grouped into two categories: the influence of cooperatives on social life in the community, and the economic or pragmatic aspects of cooperatives (Table 5.4).

Social Issues. The most frequently identified positive social influence of cooperatives referred to their role in fostering or building a sense of community. This idea was captured in responses like:

- (Co-ops involve) giving people a sense of belonging to the community
- (Co-ops) bring the community together, sharing joint problems, pooling joint resources

- Working together causes more conscious awareness in the community

Other contributions of cooperatives to social life included a group of responses implying that the structure of co-ops provides a more equitable system or workplace:

- People can get what they need without being taken advantage of
- (The co-op is) less run on exploitation
- (The co-op) allows individuals the opportunity to participate equally

Comments also referred to individual benefits, stating that co-ops provide an incentive for people to work or better themselves:

- (Co-ops) give people an incentive for betterment
- (Co-ops) encourage people to be pro-active in ownership
- (Co-ops) help people help themselves

When respondents identified negative influences of co-ops on social life in the community, they alluded to the exclusivity of co-ops, and referred to problems involving members, like member indiscretion or dishonesty and attracting undesirables to the community:

- Culturally making "in" groups and "out" groups (exclusive)
- They attract large groups of self-righteous people (exclusive)
- If the wrong people had too much power in running them (member indiscretion)
- They might not act along cooperative business guidelines (member indiscretion)
- Might attract less desirable type of people for certain types of co-ops (attract undesirables)

Economic Issues. Most statements about the positive economic or pragmatic contributions of cooperatives involved financial rewards. Statements like the following referred to the financial advantages of cooperatives:

- By making things more affordable and accessible
- Co-ops provide a better quality of product at a cheaper price
- Co-ops eliminate the middle man to get cheaper goods or services

Although 1.6% of respondents said that co-ops offer lower quality products and services, the majority mentioned positive advantages. References to the positive influences of co-ops on goods and services generally fell into two groups—increasing consumer choices and offering higher quality goods and services:

- (Co-ops have) more to offer and a better selection (increased consumer choice)
- People get together to provide the community with a product that might not otherwise be offered (increased consumer choice)
- (Co-ops) provide better quality services than other commercial enterprises (quality)

Respondents identified the creation of employment opportunities and the contributions of local-based businesses as assets related to co-ops. Statements like the following were made by respondents:

- (Co-ops) provide employment for individuals or small business (employment opportunities)
- (Co-ops) provide jobs that help make the community a better place to live (employment opportunities)
- (Co-ops) keep more money in the local community (local business)
- Familiar with local clientele on a first name basis, it's not anonymous (local business)

The concern expressed most frequently was for the possible harm cooperatives might bring to the local environment. Respondents oriented toward agricultural co-ops tended to mention this issue more often than those oriented toward consumer co-ops, but because of the relatively small number of responses associated with all open-ended questions, the difference was not statistically significant. Almost 4% of respondents made comments like the following:

- It could create more traffic and waste
- Could increase traffic, cars, and people
- Maybe they cause air pollution
- Potential for not monitoring pollution

Closed-Ended Responses

To measure perceptions of cooperatives' impact on communities, respondents were asked how co-ops affect six aspects of their community: jobs, the availability of goods and services, prices of goods and services, politics, social life, and consumer choices. While responses to open-ended impact questions indicate that the perceived influence of co-ops on the community was overwhelmingly positive, responses to closed-ended questions suggest that respondents see co-ops as having a more neutral, or minimal influence on specific aspects of community life. Most respondents stated that they thought cooperatives had "no effect" on these aspects of their community. For all aspects except politics, respondents were at least twice as likely to say that the influence was positive than negative. The impact of cooperatives on social life was considered more positive than any other area. Forty percent of respondents said that co-ops had a positive effect on community life, while 50% said that there was no effect (Figure 5.5).

Opinion was divided regarding the impact of co-ops on politics. This was the most negatively rated aspect: 23% of respondents said co-ops have a negative effect on politics in their community. The remaining respondents were nearly equally split between seeing no effect and seeing a negative effect. This may say more about opinions regarding politics than it does about perceptions of cooperatives.

Views were very similar regarding the three remaining aspects included in the closed-ended questions. Although they were more than twice as likely to point to a positive rather than a negative community influence, most respondents

indicated that co-ops have a neutral effect on consumer choices, the availability of goods and services, or prices of goods and services.

Factors Influencing the Perceived Impact of Cooperatives on Community Life

Multivariate regression analysis revealed that a wide range of characteristics influenced opinions of the advantages and disadvantages co-ops bring to a community. Views were strongly related to how much respondents knew about cooperatives. Respondents with greater knowledge of co-ops were more likely to perceive the impact of cooperatives on all aspects of community life as positive and were more likely to respond to the open-ended questions, especially regarding ways co-ops enrich their community. In order to more clearly discuss the findings, aspects of community life have been divided into two groups: economic and social. Income often influenced views on social issues, while views on economic issues were more frequently influenced by other demographic characteristics and co-op knowledge.

Economic Issues. Co-op knowledge had the most consistent effect on perceptions of consumer issues. As respondents knowledge of cooperatives increased, they became more positive in their perceptions of cooperatives' impact on prices, availability of goods and services, and increasing consumer choice. This effect remained strong when demographic characteristics were controlled. Perceptions of the way co-ops impact consumer issues also varied with membership, ethnicity and gender. The following identifies each economic issue and the characteristics which influence attitudes on that subject.

Prices of Goods and Services. The distribution of responses for co-op members and non-members was very similar. However, when the influence of co-op knowledge and orientation are controlled, co-op members were less positive about prices of goods and services. Closer inspection reveals that co-op members oriented toward agricultural co-ops were the most likely to say that co-ops have a negative impact on prices.

There was a relatively weak, but still statistically significant relationship between the kind of co-op respondents knew the most about and perceptions regarding prices. Those oriented toward agricultural co-ops were less positive about the way co-ops effect the prices of goods and services in their community than those oriented toward consumer co-ops.

Availability of Goods and Services. Men were more positive than women about the effect co-ops have on the availability of goods and services. Increase Consumer Choice. Respondents with household incomes between \$40,000 and \$59,000 were less positive in their attitude toward consumer choice.

Jobs. The impact of co-ops on jobs was seen as less positive by men and respondents without a high school diploma. Respondents in more urban counties were more positive about jobs than those in more rural counties.

Social Issues. The positive influence of knowledge on perceptions of social issues diminished when demographic characteristics were controlled. Perceptions of social issues related to co-ops were generally more positive among respondents with higher household incomes and less positive among Latinos. Social issues and characteristics influencing the way co-ops are thought to affect these issues are summarized below.

Social Life. Respondents with incomes of \$40,000 or more saw co-ops as benefiting social life, while co-op members and Latinos were less positive.

Politics. The effect on politics was viewed more positively by men and respondents with incomes of \$60,000 or more. As age increased, perceptions regarding politics became more negative. Co-op members and Latinos tended to view the impact of co-ops on politics in a more negative light than other respondents.

Section C—Importance of reasons for joining a cooperative

The third perception measure asked respondents to evaluate the importance of twelve possible reasons for joining a cooperative. Respondents were asked to rate each reason using a scale of 1 to 5, with 1 being least important and 5 being most important. Co-op members received different versions of the questions than non-members. While previous or current co-op members were asked how important each reason was for them in their decision to join a cooperative, all other respondents were asked how important each reason might be in someone's decision to join a cooperative.

Responses from members and non-members provide slightly different but equally useful types of information. Members' answers provide a direct measure of why people join cooperatives. Non-members' responses, on the other hand, provide a measure of how non-members perceive the relative importance of specific reasons for joining a co-op.

Both members and non-members favored economic benefits as reasons for joining a co-op. Obtaining a service or product less expensively, pooling resources for mutual benefit, and getting goods or services not available elsewhere were rated as the three most important reasons for joining a cooperative. Respondents also considered the social benefit of gaining a sense of community as an important reason for joining a co-op.

Two possible social reasons for joining a cooperative were included in the list in order to further test the belief that cooperatives are viewed as symbols of the

1960's "hippie generation": to make a political statement and as a lifestyle choice. Neither of these social reasons were considered very important reasons for joining a cooperative (Figure 5.7).

Factors Influencing Importance Ratings of Possible Reasons for Joining a Cooperative

Levels of co-op knowledge played a less substantial role in explaining the importance placed on possible reasons for joining a cooperative than it did for other perceptions of co-ops. Three economic reasons (pooling resources for mutual benefit, having a say in how a product or service is provided, and gaining increased economic power) and one social motivation (gaining increased political power) were emphasized by those with greater knowledge of co-ops. The type of co-op respondents knew the most about influenced ratings of two economic reasons for joining a cooperative. Agriculturally oriented respondents had higher importance ratings for gaining increased economic power and having more power in interaction with larger institutions.

Co-op members and non-members had surprisingly similar feelings about the relative importance of motivations for joining a co-op. Initial tests on average importance ratings indicated that members rated five reasons significantly lower than non-members. However, when knowledge and orientation were controlled for, it became apparent that lower importance ratings among members were due in large part to higher levels of co-op knowledge. Controlling for demographic characteristics explained the remaining differences between members and non-members.

Three demographic characteristics—age, gender, and the language in which the interview was conducted—appear to have influenced importance ratings across the board, suggesting that particular types of respondents tended to rate all reasons lower. Older respondents, men, and those interviewed in Spanish consistently assigned less importance to both economic and social motivations for co-op membership.

Economic Reasons for Joining a Cooperative

Age had the most prevalent influence on attitudes toward economic and consumer-related issues: the importance placed on five of the seven economic items declined as respondent age increased. Ratings for several economic reasons were also lower for men and those interviewed in Spanish. The following summary identifies each economic issue and the characteristics influencing attitudes on that subject.

- Obtaining a service or product less expensively was rated higher among younger respondents, those interviewed in English, and women. Ratings were lower for respondents with a college degree.

- Ratings for obtaining goods or services not available elsewhere were higher for respondents in rural areas, younger respondents, and women.
- Pooling resources for mutual benefit was emphasized by respondents with higher levels of co-op knowledge and those with incomes between \$20,000 and \$39,999. Importance ratings declined with respondent age, and were also lower among those interviewed in Spanish.
- Having a say in how a product or service is provided was rated higher by those who knew more about co-ops, and lower by men. Ratings declined with respondent age, and were lower among those interviewed in Spanish.
- Gaining increased economic power was stressed by respondents with greater knowledge of co-ops, as well as those oriented more towards agricultural co-ops.
- Having more power in interaction with larger institutions was emphasized by respondents oriented toward agricultural co-ops. Interestingly, those living in more urban counties, as well as those with incomes between \$20,000 and \$59,000 also rated this reason as important.
- The importance placed on achieving fair business practices declined sharply with respondent age, and was also lower for males.

Social Reasons for Joining a Cooperative. The importance placed on social motivations for co-op membership were frequently lower for older respondents, those interviewed in Spanish, and men. Reasons for joining a cooperative related to social issues and the characteristics influencing attitudes about these issues are summarized below.

- Gaining a sense of community and creating a more equitable economic system were both considered less important by older respondents, those interviewed in Spanish, and men.
- Joining a co-op as a lifestyle choice was felt to be less important by respondents with incomes of \$60,000 or more and men.
- The importance placed on joining a co-op to make a political statement was lower for respondents interviewed in Spanish.
- The importance placed on gaining political power increased with knowledge of cooperatives, but was lower for respondents with some college education.

DISCUSSION

Respondents' perceptions of cooperatives were assessed using information gained from three different sets of questions: a series of contrasting terms that have been associated with cooperatives; open and closed-ended questions that addressed the impact of cooperatives on a community, and a series of reasons that individuals have, or might have, for joining a cooperative. Perceptions revealed from these three measures indicate that respondents' perceptions of cooperatives are overwhelmingly positive. Throughout the responses to each set of perceptions, the economic benefits associated with cooperatives were highlighted.

The terms chosen most often by respondents reveal that they have a favorable view of the economic advantages cooperatives offer — they indicate that cooperatives are less expensive and offer high quality products and services. Most respondents found that cooperatives are financially sound, lasting and proven businesses that allow more personal influence on decisions.

Both open and closed-ended responses concerning the impact of cooperatives on community life were positive. Open-ended responses were the most positive, they stressed that cooperatives help build a sense of community and offer financial advantages. While responses to all but one of the closed-ended questions were at least twice as likely to see co-ops' influence in the community as positive than negative, respondents were most likely to see cooperatives as having a neutral effect on various aspects of the community.

When asked to rate the importance of twelve possible reasons for joining a cooperative, respondents indicated that a variety of economic benefits were the most important. They also considered the social benefit of gaining a sense of community as important.

Perceptions of cooperatives as symbols of the 1960's "hippie generation" did not prevail in this survey. This perception was indirectly tested in two sets of the contrasting terms and in two of the reasons for joining a cooperative. In the contrasting terms, respondents were more likely to see co-ops as democratic rather than socialistic — mainstream as opposed to counter-culture. Joining a cooperative "to make a political statement" or "as a lifestyle choice" were not considered very important.

A variety of factors influenced respondents' perceptions. While demographic characteristics influenced responses to questions in a variety of ways, the most consistent influences on perceptions included membership status, how much the respondent knew about cooperatives and whether they tended to be more familiar with consumer or agricultural cooperatives. But of these three measures, respondent knowledge had the most consistent and strongest influence on responses. Generally speaking, the more knowledge a respondent had about cooperatives the more favorable their perceptions.

Positive views of co-ops were echoed by respondents in a separate Gallup survey conducted several months after this one. The Gallup study was a national survey that investigated the public's awareness and attitudes concerning business cooperatives. Respondents in this survey noted that they preferred patronizing cooperative businesses. They felt that cooperatives are more consumer-oriented and trustworthy than non-cooperative businesses. When compared to investor-owned businesses, they also found cooperatives more committed to providing high quality service and competitive prices.

The results from this survey and the Gallup survey indicate that cooperative businesses may benefit from taking advantage of these positive perceptions. Pointing out that an organization is a cooperative may serve as effective advertising. The fact that perceptions generally become more positive with increased co-op knowledge tends to make this point even more persuasive.

APPENDIX II

Grower Questionnaire

The following questions are directed at both members and non-members of cooperatives. The intent is to estimate reasons why producers support or don't support cooperatives and how cooperatives can improve their performance and raise the level of perceptions of performance among the producer community.

1. General Background
 - A. Are you a member of a cooperative?
 - B. If so, how long have you been a member? Are you a member of more than one cooperative?
 - C. If you're not a member of a cooperative, how do you market? Have you been a member of a cooperative previously? If so, why did you leave?
 - D. What crops/commodities do you produce? Are all either marketed by co-op or non-co-op? If a mix, why?
 - E. Do you differentiate among marketing, supply, and bargaining cooperatives?
 - F. What are your views regarding bargaining cooperatives?
2. Why do producers join a cooperative or not join a cooperative?
3. What are the strengths of a cooperative?
4. What are the shortcomings of a cooperative?
5. How well are cooperatives situated to address current and future critical issues? (Well, so-so, not well)
6. What are the critical issues facing California agriculture?
7. What factors do you look for in considering performance in a marketing organization, cooperative or not? What changes should cooperatives undertake to improve their performance?

8. Are cooperatives competitive? How can their competitiveness be strengthened?
9. Are cooperatives considered to be leaders in their industry? How can their leadership positions be strengthened?
10. Are cooperatives necessary to an industry? Reasons?
11. What is your evaluation of cooperative boards; are they effective? How could they change?
12. What is your evaluation of cooperatives' management; are they effective? How could they change?

APPENDIX III

Siebert Report on Grower Perceptions

General. Producers who were interviewed represented almonds, walnuts, pistachios, prunes, rice, avocados, lemons, oranges, wine grapes, peaches, and cotton. The location of producers ranged from the Sacramento Valley to Southern California. Generally, they were eager to participate in the survey and no antagonism was detected towards cooperatives. Interviews were conducted in person and via telephone and lasted between 20 to 45 minutes. A copy of the questions asked is attached.

Producers who were members of cooperatives usually were a member of two or more. Some producers who were members of cooperatives and left gave as reasons that they either 1) quit producing the crop, or 2) became irritated with some aspect of the cooperative's management. Generally, though, producers were not anti-cooperative.

One question was asked as to whether producers distinguished between marketing and supply cooperatives and bargaining cooperatives. The general response was that there is a distinct difference. Producers were mostly supportive of bargaining cooperatives' role in an industry, but did not express strong feelings about them.

Overall, the conclusions from this survey to date support the previous study conducted through a mail questionnaire four years ago which resulted in the report "Farmer Knowledge About Cooperatives." No new conclusions were reached nor were any of the findings surprising.

Reasons for Joining a Cooperative

The primary reason for joining a cooperative centered on having a home for a product. They felt that by joining a cooperative, it would guarantee access to markets and a market share in their industry. Producers also looked to see if a cooperative was competitive in their industry. They also stated that if a cooperative functions well, its board and management listens to producers' concerns and problems where non-cooperatives do not. For some producers, this issue was very important that their concerns and issues were being addressed.

Reasons for Not Joining a Cooperative

The reasons given for not joining a cooperative varied. Many felt that they did not like the way a cooperative's board worked or their management. Another reason was that producers felt that they could get better returns through their own marketing and negotiating with processors/handlers. They felt that

cooperatives limited their flexibility in marketing, and that by having flexibility and control over their marketing, they were able to get better returns. In one case, a producer marketed his own walnuts and pistachios, but was a member of a cooperative for rice. He felt that he was able to do a better job in marketing the nuts because he was a significant factor in the industry which gave him an advantage in marketing. Also, the marketing margins were greater than in the case of rice where opportunities are limited because of government programs and the commodity nature of rice. One final reason given for not joining a cooperative was that quality growers were not recognized in their returns and that they were pooled downward with the average grower.

Strengths of a Cooperative

The strengths of a cooperative reflected the reasons for joining a cooperative. These included a home for product, access to management through its board and participation in management through cooperatives' organizations, particularly if a cooperative is well functioning, and the competitiveness of a cooperative in an industry. On this latter point, producers noted that the very nature of a cooperative should give it a competitive edge.

Shortcomings of a Cooperative

A number of shortcomings were noted. These included that some cooperatives were not as competitive as they should be in their industry, were non-responsive to members, did not operate efficiently, were not aggressive enough, particularly in marketing, did not think long-term, and had poor management (sometimes).

The issues of retains, while not at the top of the list did come up. The concerns here were with the level of retains and the payback period. However, the concerns were more concentrated on not knowing the reason why the levels were set where they are, why the payback period was set at the level it is, and why they didn't get paid interest on the retains. Most producers would rather not place large amounts of money in a cooperative where they feel they have no control over it and look upon it as a necessary evil.

Critical Issues

The general opinion was that cooperatives are in a position to address critical issues. Opinion varied by commodity and cooperative. However, the factors that would influence whether a cooperative was addressing critical issues related to its efficiency, relative clout, and position in the industry and state's agriculture. Issues relating to agriculture in general centered on pesticide regulation and loss, water, labor, and farmland loss. Issues relating to cooperatives were new markets and product lines, aggressive and innovative pursuit of new and overseas markets, overall returns to producers, market share, and unit costs of processing.

Performance

In assessing the performance of a marketing organization, cooperative or non-cooperative, producers look at returns, efficiency, unit costs of processing, flexibility and willingness to look for new marketing opportunities, and the responsiveness of an organization to producer concerns and problems.

Areas where cooperatives should look to improving their performance center on boards of directors. Producers look at hiring good, aggressive management as the appropriate method to promote efficiency, control costs, and aggressively market their products. However, much criticism centers on boards of directors for interfering with management's ability to carry out their responsibilities.

Suggestions are for boards to recognize that while they know a great deal about their own production operations, they do not know a great deal about processing and marketing. Hence, they have to hire expert managers who do know this area. Boards have to avoid the temptation to micro-manage. They also have to avoid cliques and "good old boys" clubs to adequately represent a broad spectrum of producers and adequately convey their problems and concerns. They also need to do a better job of explaining to the producers they represent why decisions are made and why they are in the best interest of the membership.

Competitiveness and Leadership

Cooperatives are generally perceived to be competitive and provide leadership. The degree that they are competitive and provide leadership depends on the commodity, industry, and cooperative. Generally, it was expressed that cooperatives could do a better job, particularly if they exploit their own and state and national infrastructures. It was observed, that because of their organization on democratic principles, cooperatives theoretically are in an optimum position to provide leadership, but do not exploit it as fully as they can. Similarly, because of their financial structure, they theoretically are in a position to lead competitively, but are not efficient in their management.

Necessity

Generally, it was stated that cooperatives are necessary to an industry whether a producer is a member or not. They provide an essential alternative and checkpoint on other marketing or supply options. In the case of bargaining associations, they provide a stabilizing function, access to information, services, and leadership.

Cooperative Boards

Comments on Boards vary from cooperative to cooperative. The following criticisms and suggestions were offered

- Boards need to listen to members
- Boards either need to turn over periodically to get fresh ideas or be composed of people who have open or active minds for new ideas.
- Boards should avoid being perceived as “good old boys” clubs.
- Boards should not micro-manage, but focus on policy.
- Boards should be forward looking.
- Boards should hire good management, let them manage, and fire them if they don't.

Cooperative Management

Comments varied on cooperatives' management. The following points were noted

- Management needs to recognize that cooperatives are unique and special
- Management of cooperatives requires patience and understanding to deal with members and their issues
- Management needs to be wise to business issues
- Management needs to be wise to boards and their role in membership relations.

One particular issue that was recognized centered on management's lack of entrepreneurial stakes in a cooperative. A general observation was that cooperatives need to build connections between positive incentives for positive performance for management. This requires a board and the members of a cooperative to build a performance based reward system for management so that they have a stake in the outcome of a cooperative's overall performance.

APPENDIX IV

Lobbyists and Cooperative Leaders Interviewed

Those who work to influence policy makers

Grower/Directors of Cooperatives

Jim Cooley, Chairman of the Board	Tri-Valley Growers
Larry Grell, Chairman of the Board	Rice Growers Association
John Kautz, Grower Member	CA Association of Winegrape Growers
Al Montana, Chairman of the Board	Farmers' Rice Cooperative
Pete Penner, Chairman of the Board	Sunmaid Growers of California

Senior Management of Cooperatives

Robert Graf, Sr V.P.	Pacific Coast Producers
Robert Hartzell, President	California Association of Winegrape Growers
Tim Lindgren, President	Fruit Growers' Supply Company
Jack Prince, CEO	Dairymen's Cooperative Creamery
Ronald Schuler, President	California Canning Peach Association
Steve Taylor, Manager	Central Valley Almond Association
John Welty, President	California Tomato Growers Association

Government Relations Professionals Employed by Cooperatives

Richard Douglass, V.P. Government Affairs	Sun Diamond Growers of CA
Steve Easter, V.P. Mbr. & Govt. Relations	Blue Diamond Growers
Evan Hale, V.P. Legislative Affairs	Western Farm Credit Bank
Gene Lundquist, V.P. and Secretary	Calcot, Ltd.
William Quarles, V.P. Government Affairs	Sunkist Growers, Inc.

Government Relations Professionals Employed by Associations

Karen Barrett-Ross, Vice-President	Agricultural Council of California
Don Gordon, President	Agricultural Council of California
Wayne Boutwell, President	National Council of Farmer Cooperatives
Al Zepp, Vice President Gov't Affairs	National Cooperative Business Assoc.

Government Relations Professionals Serving Cooperatives on a Contract Basis

Roger Baccigaluppi, President
Don Graham,
Dan Haley
Julian Heron
Jim Lake
Bob Schramm

RB International
Don Graham & Associates
Robinson, Lake, Sawyer & Miller
Tuttle, Taylor and Heron
Robinson, Lake, Sawyer & Miller
Schram, Williams & Assoc.

APPENDIX V

Questionnaire for Those Who Influence Policy Makers

Center for Cooperatives Cooperative Statesmen Project I

I. Please provide the following information.

1. State your name and title.

2. Identify the category which most closely describes you.

- _____ Senior Management other than Government Relations/Public Affairs
- _____ Governmental Relations/Public Affairs Specialist directly employed by a cooperative
- _____ Governmental Relations/Public Affairs Specialist providing contract services to cooperatives
- _____ Governmental Relations/Public Affairs Specialist employed by a trade association serving cooperatives
- _____ Farmer Member of a cooperative who regularly makes contact with government officials on behalf of his/her cooperative
- _____ Other, Please Explain: _____
-

3. Allocate the percentages of your time spent dealing with:

- _____ Federal policies/policymakers
- _____ State policies/policymakers

II. Please complete the following by identifying the answers that most clearly represent your beliefs.

1. In general, do you believe policymakers differentiate between cooperatives and other proprietary (investor-owned) forms of food and fiber businesses?

_____ Not at all
 _____ Rarely
 _____ Often
 _____ Always

2. In each of the following areas, please indicate whether or not you believe policymakers differentiate between the performance of cooperatives and that of proprietary businesses in terms of:

	None	Rarely	Often	Always
Competitiveness	_____	_____	_____	_____
Environmental	_____	_____	_____	_____
Product quality	_____	_____	_____	_____
Service to consumers	_____	_____	_____	_____
Service to growers	_____	_____	_____	_____
Sustainability	_____	_____	_____	_____

3. Now, please indicate whether or not you believe cooperatives should be differentiated from other kinds of businesses in terms of:

	Yes	No
Competitiveness	_____	_____
Environmental Sensitivity	_____	_____
Product quality	_____	_____
Service to consumers	_____	_____
Service to growers	_____	_____
Sustainability	_____	_____

III. The following questions ask you to rank the importance of different issues related to the food system or to cooperatives. Unless otherwise directed, please use the following scale of importance as you respond.

- 4=Very important
- 3=Important
- 2=Somewhat important
- 1=Not important

1. How do cooperatives perform when compared to other providers of food and fiber?

	Better	Worse	Same	Uncertain
Price	_____	_____	_____	_____
Quality	_____	_____	_____	_____
Safety	_____	_____	_____	_____
Availability	_____	_____	_____	_____

Do you believe cooperatives receive credit when they perform well in these areas?

_____ Yes _____ No _____ Uncertain

2. Please rate the importance you believe policymakers assign to the following as determinants of the cost of food and fiber.

- _____ Concentration of market power
- _____ Cost of farm production
- _____ Cost of processing, marketing and retailing
- _____ Presence of marketing orders

3. Since the passage of the Capper-Volstead Act, cooperatives have played a role of growing importance in the food and fiber system in the US. How important is it that policymakers understand the need to protect the integrity of the Act?

4. Rate each of the following issues in terms of its importance in maintaining policymakers' support for the cooperative form of business organization.

- _____ General public benefit
- _____ Improved performance of the food and fiber system
- _____ Strengthened marketing power and equity for farmers
- _____ Other: _____
- _____

5. Rate each of the following in terms of its importance in affecting the decisions made by elected officials.

- _____ Constituent influence and contact
- _____ Lobbyist contacts
- _____ Party platform and policies
- _____ Personal principles and philosophy
- _____ Platform of administration
- _____ Other: _____
- _____

6. If the cooperative structure were challenged, how important would each of the following be to critics?

- _____ Anti-trust protection
- _____ Block voting for marketing order programs
- _____ Farm credit system
- _____ Research, education and technical assistance
- _____ Tax status
- _____ Other: _____
- _____

7. Evaluate each of the following information sources in terms of its importance in conveying information about cooperatives to policymakers.

- _____ Administrative assistants
- _____ Commodity organizations
- _____ Contract lobbyists
- _____ Cooperative management
- _____ Cooperative trade association lobbyists
- _____ Direct contact with cooperative members
- _____ Educational institutions (Universities)
- _____ Electronic media
- _____ General farm organizations
- _____ Government agencies
- _____ Personal experience and research
- _____ Print media
- _____ Other Sources: _____
- _____
- _____

8. Cooperatives use a variety of methods to communicate accurate information to policymakers about their role in society and their contribution to the economic welfare of the state and nation. Please rate the importance of each of the following in doing so.

- _____ Cooperative Government Relations/Public Affairs
Departments
- _____ Cooperative Trade Association contacts
- _____ Membership or "grass roots" contacts
- _____ Newsletters
- _____ Personal contact from cooperative senior
management
- _____ Other: _____
- _____

9. Please rate each of the following in terms of influence on policy makers and appointed officials.

- _____ Coalitions
 - _____ Cooperative trade associations
 - _____ Direct contacts with policymakers
 - _____ Grass roots campaigns
 - _____ Political action committees
 - _____ Public image campaigns
 - _____ Testimony at formal hearings
 - _____ Other: _____
-

IV. Using the scale below, please rate the extent to which you agree or disagree with each of the following statements, using the scale below.

- 5=Strongly agree
- 4=Agree
- 3=Neither agree nor disagree (no opinion)
- 2=Disagree
- 1=Strongly disagree

- _____ 1. Policymakers' knowledge of cooperatives has decreased during the last 10 years.
- _____ 2. Few policymakers understand the business principles of cooperatives.
- _____ 3. There should be a privately-funded national think tank to research policies affecting cooperatives.
- _____ 4. Information provided to policymakers by the USDA about agricultural cooperatives has decreased during the last five years.
- _____ 5. Cooperatives have had a major impact upon the development and growth of the US export market.
- _____ 6. The level of cooperative education at the university level is decreasing nationwide.
- _____ 7. Cooperatives should increase their role in molding public policy regarding food and agriculture.
- _____ 8. Cooperatives nationwide have developed the ability to speak with unity on governmental and international policy.
- _____ 9. There is a need to prepare and disseminate education and training materials for use in:
 - _____ cooperatives.
 - _____ public and private elementary/secondary educational institutions.
 - _____ public and private universities.

- _____10. Cooperatives in general recognize political and economic realities and have restructured their organizations to meet the needs of the 21st century.
- _____11. There is a need for more accurate data to measure the performance of cooperatives.
- _____12. Policymakers should have easy access to data which quantifies the cooperative contribution to the economy's well-being.
- _____13. Generally, the resources used by a proprietary business to influence legislation or regulatory action are similar to those used by cooperatives.
If you disagree, how do they differ? _____

- _____14. The USDA, FTC, OMB, EPA, IRS and Justice department are the major federal agencies setting the parameters for the operation of cooperatives in the United States.
What others are not identified? _____

- _____15. The NCFC, NCBA and State Cooperative Councils are the major trade associations whose primary emphasis is the representation of the interests of cooperatives at the national and state levels.
What others are not identified? _____

- _____16. To meet future policy challenges, agricultural cooperatives must build coalitions with non-traditional allies.

_____ 17. It is becoming increasingly important for agricultural cooperatives to provide guidance and assistance to members to ensure they are able to stay in compliance with federal, state and local environmental, pesticide and food safety rules and regulations.

_____ 18. Regardless of actions by the administration or Congress, farmer cooperatives and other types of agribusiness will almost certainly need to adjust to a world where government support and assistance will decrease.

V. On a follow-up phone call, you will be asked to comment on your general thoughts regarding this research project, as well as any areas which you feel were inadequately covered. You may find it helpful to make some notes regarding topics for discussion.

Please indicate a preferred time and phone number at which I may contact you.

Date (or best day of the week) _____

Time (or best time of day) _____

Phone number _____

APPENDIX VI

Policy Makers Interviewed

Policy Makers: Appointed, Elected, and Administrative Assistants

Federal

Jack Parnell Former Deputy Secretary of Agriculture

State

Jim Collin Legislative Director, CDFA
Peter Coeey Principal Consultant-Assemblyman Mike Machado
Jim Costa California State Senator
Reed Heritage Former Legislative Coordinator, CDFA
Pat Johnston California State Senator
Dave Kelley California State Senator
Mike Machado California State Assemblyman
Martin Tuttle Principal Assistant-Assemblyman Tom Hannigan
Ann Veneman Secretary of Agriculture: California
Henry Voss Former Secretary of Agriculture, California

Analyst

Don Frederick Program Leader: Law, Policy and Government

APPENDIX VII

Interview Guide for Policy Makers

Center for Cooperatives Cooperative Statesman Project I

Classification

Elected Official

- Member of Congress
- State Legislator
- County Government
- City Government
- Other

Appointed Agency Official

- Federal State
- County City
- Other

**Administrative Assistant to Elected or Appointed
Official**

Name and Title of Official Served

- Federal State
- County City
- Other

Name and Title Person Interviewed

Interview Date

Section I

1. In general do you believe the techniques used by cooperatives to influence legislative or regulatory actions are the same as those used by proprietary companies?

YES NO

If no, please explain _____

2. In your experience, do cooperatives usually speak with unity on governmental and international policy issues?

YES NO

If no, please explain _____

3. Is it important that the Capper Volstead, the legal authority for the agricultural cooperative business structure, be protected?

YES NO

If no, please explain _____

4. Do you believe that cooperatives can be utilized as a non-governmental approach to solving economic problems?

YES NO

If no, please explain _____

5. Cooperatives are increasingly involved in forming and operating political action committees and endorsing candidates. Do you believe this is an appropriate activity?

YES

NO

If no, please explain _____

6. As a policy maker, do you look to agricultural cooperative spokespersons for advice when making decisions affecting agricultural policy?

YES

NO

If no, please explain _____

7. Do you agree with the statement that "Co-ops will have to play a stronger public policy leadership role on issues related to the economic welfare of their farmer members"?

YES

NO

If no, please explain _____

8. Has the role of cooperative lobbying organizations changed over the last 5 years?

YES

NO

If yes, please explain _____

9. Do you believe newsletters from cooperatives represent an important source of information in your decision making process?

YES NO

Please explain _____

10. Do you believe you have adequate information quantifying the contribution of agricultural cooperatives to the well-being of the economy?

YES NO

If no, please explain _____

Section II

1. When making a decision on an agricultural issue, how would you rank each of the following in your decision making process?

1 - Very Important 2 - Some Importance 3 - Not Important

- Constituent Contacts
- Personal Experience
- Direct Contact From Commodity Organization
- Co-op Trade Association Contacts
- General Farm Organization Contacts
- Staff Research
- Information From Government Agencies
- Information From Educational Institutions
- Lobbying Law Firm Contacts
- Print Media Coverage
- Electronic Media Coverage
- Direct Contact with Farmers

Other sources - Specify and Rank

-
-
-
-
-

2. In respect to maintaining your support for the cooperative form of business organization , how do you rank each of the following?

1 - Important

2 - Somewhat Important

3 - Not Important

- General Public Benefit
- Improved performance of food and fiber system
- Strengthened market power and equity for farmers
- Other

3. As determinants of the cost of food and fiber, please rate the following:

1 - Important

2 - Somewhat Important

3 - Not Important

- Concentration of marketing power
- Cost of farm production
- Cost of processing, marketing, and retailing
- Presence of marketing orders and/or commissions
- Other