

Different Phases of Farmers' Co-operation

BUYING AND SELLING co-operatives are nearly as old as the first dairy co-operatives, which were started at the beginning of the century. From the first they were firmly united in a national union. The chief aim of the buying and selling co-operatives was to provide necessities for the farmers such as fertilizers and feeds.

BUYING AND SELLING CO-OPERATIVES

They were organized either as local co-operatives joined together in county co-operatives, or as county co-operatives with branches out in the district. Members were not forced to sell or buy within the co-operatives as they were in the co-operatives mentioned previously. This has since changed as the sale of grains became one of their more important aims.

Buying and selling co-operatives and their national union have had a most varied history. Before and during the first world war their influence and membership was growing rapidly. They bought machine factories, became shipowners, and had an interest

in a bank. They did one very sound thing for a co-operative dealing with grains — they bought a large flour mill at Malmö, in South Sweden.

Two or three years after the first war the crisis came. All prices fell, and the gold standard was restored. It was evident that both the union and the co-operatives had gone too far. Bank balances were low, and they had to clear out all of the new and big enterprises. A number of the county co-operatives were near bankruptcy, and both co-operatives and individual farmers lost a lot of money. However, many farmers were not loyal to their co-operatives, and a large number of members dropped out.

Reorganization

The whole movement had to be reconstructed and started again on a sounder economic basis. During these years of the 'twenties there was no talk about expanding, only of keeping what was possible.

Times changed once more, and what was better, the attitude of the farmers changed. Through the Farmers' Union and the youth organizations they achieved a spirit of co-operation as never before. This was a better foundation than anything else for the co-operative movement to build upon.

During the 'thirties, selling and buying co-operatives began to develop again rather rapidly, and so did their union. They took up the selling of grains in a serious way. First, separate co-operatives were started just for that, but they soon began working together. New rules were introduced including com-

pulsory selling and buying, so the co-operatives would be able to estimate the quantities they would be handling.

Additional lines such as seeds were taken on. The use of machinery and implements, from the simplest tool to the tractor and combine, has been another subject for co-operation. There are a lot of new materials for farm use, such as mercury for dressing the seed corn, and AIV-acid for conserving green clover when making ensilage.

Milling

Nevertheless, there is something missing within the buying and selling organization. We do not have any control of the milling industry. Once we had a large mill, but could not keep it during the crisis. In the south and the midlands, wheat and rye growing is an important part of the farming industry. However, we lose all control of the wheat when it leaves our grain elevators. Milling is processing as much as buttermaking and sausage making. There is a lot of research work going on within the milling industry. For a time between the wars, the big milling companies sometimes refused to use Swedish wheat, asserting that the quality was not as good as the overseas varieties. This may have been true to some extent, but the whole period during the war has shown that an excellent flour can be produced from Swedish-grown wheat.

The reasoning above is only to point out that we farmers must have some association with the manufacturing. No doubt the best way would be by having

a big flour mill of our own, though I do not say we should own all the mills.

One county co-operative in the midlands has bought an average-sized mill — but this is not enough. The national union ought to have a large one, with the most up-to-date plant and machinery — and, last but not least, a well-equipped laboratory.

THE BUYING AND SELLING ORGANIZATION

	1905	1920	1930	1940	1946
No. of district co-ops . . .	7	19	17	23	23
Farmer members . . .			29,123	54,200	119,750*
Output in millions of dollars		26	10	45	99

* Not all farmers dealing with the Buying and Selling co-operatives are members.

Buying and selling co-operatives do not yet have as many members as the dairy and packing house co-operatives, but the number is constantly growing. It is estimated that at least sixty per cent of the essential products are passing through the co-operatives and their national union.

Combines are becoming rather common in Sweden, particularly in the agricultural districts in the South and Midlands. These machines have brought about a great saving in hand labor. The use of combines in a country as wet as Sweden does bring up a problem — the need for drying plants. Many of the buying and selling co-operatives in the plains now have equipment of that kind. However, future plans call for an organized network of drying plants to handle the production of grains.

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OUTPUT OF THE BUYING AND SELLING ORGANIZATION, 1946

<i>Commodity</i>	<i>Percent</i>	<i>Commodity</i>	<i>Percent</i>
Fertilizers	18.6	Other grains	12.2
Feeds	19.2	Seeds	8.6
Potatoes	1.9	Machinery	5.5
Wheat and rye	26.0	Miscellaneous	8.0

FORESTRY

Forestry is an important industry in Sweden. Many of the poorer farms could not exist without a source of timber. Forestry furnishes a source of employment for men and horses during the winter when no work can be done on the farm land, and provides an additional source of income. On some farms, timber is the main source of income and the farming operations are secondary.

A lot of the forest land belongs to the state, the church, and the big timber companies. However, this discussion is not concerned with these holdings.

In Sweden, forestry and land ownership go together. Pine trees take from 80 to 140 years to mature, depending on the climate, which means that their care passes through several generations of a farming family.

The need for co-operation in this field is just as great as in the other phases of agriculture we have mentioned. However, forest owner co-operatives got a late start during the 'thirties. They are organized like the packing house co-operatives, but do not



FIG. 8. Farmers' Co-operative Grain Elevator.

FIG. 9. A Swedish-built combine.



have as many members because a lot of farms do not have stands of timber. The forest co-operatives work on a county basis, but they also have a national union.

During the war when there was a heavy shortage of coal and other fuels, we had to use wood for heating. For running trucks and taxis we used wood cut in small pieces, or tar coal, which was also an important product of the co-ops.

The forest co-operatives, realizing that this could not last forever, started factories for further processing of the timber. There were sawmills, factories for impregnating the poles used for telephone and electric lines, and factories for prefabricating wooden houses. However, a co-operative wood pulp mill is still needed.

THE FOREST OWNERS' ORGANIZATION

	1935	1940	1946
No. of co-ops	26	31	29
Farmer members	6,400	31,600	92,058
Output in millions of dollars	2.2	12.2	62.1

Fruits, Vegetables, and Eggs

The co-operative idea has not been as successful with fruits and vegetables as in some other lines. Local and district co-operatives, particularly for fruit, are doing rather well. However, attempts have failed to form a national union able to influence the market.

The egg-selling co-operatives and their national union have worked very well — but it hardly seems

necessary to go into details, as they work on the same basis as the dairy and packing house co-operatives.

Agricultural Credit

There are two organizations for agricultural credit. One of them is "Hypoteksföreningarna," started over a century ago and dealing with what in Sweden is called the bottom credit. In these co-operatives the farmers can obtain loans up to roughly 60 per cent of the estimated value of the farm. The other, "Jordbrukskassorna," is more for the ordinary bank business: loans, bills of exchange, checks, etc. The latter have been growing rapidly. Farmers and the co-operatives generally do business through "Jordbrukskassorna."

There are a number of local co-operative fire insurance societies in Sweden, the majority of them starting a long time ago. They formerly worked independently, but now the societies are knit together on a national basis.

In recent years, automobile and liability insurance also has become available on a co-operative basis.

MISCELLANEOUS

Readers should not understand from the title of this section that it covers something "of less importance"! Many subjects dealing with the technical side of agriculture do not fall within the scope of this volume. Some of them, however, are closely allied to farmers' co-operatives; and many people who visit

this country ask certain questions which I hope to answer below.

Flax

Flax growing on a modern basis was introduced in Sweden just before World War II by Mr. G. Bendz, a farmer in the county of Halland, who became Agricultural Attaché at the Swedish Legation in Washington. This plant was previously grown in a few places for domestic use. It is cultivated now on an industrial scale, using up-to-date machinery for harvesting and further processing. The growers formed county associations and a national union on a fully co-operative basis. Factories were built by these co-operatives, and harvesting machines were provided for common use. Flax has proved to be very useful in rotation with grains and other crops.

Sugar Beets

Sugar-beet growing is of great importance in the more fertile parts of southern Sweden. Not that beets themselves are so profitable, but the leaves and pulp make excellent feed for the cattle. Also the necessary cultivations leave the soil in a high state of fertility.

Beet growing was introduced in Sweden at the beginning of the century. The growers soon formed themselves into an association, not a co-operative, but a rather strong kind of trade union. Price-fixing is negotiated with the sugar company, and there are frequently disagreements between the parties. On

some occasions there have even been strikes by the growers. One of these episodes may be worth mentioning.

The Beet Growers' Association negotiated with the sugar company about prices. It took a long time and they could not agree. The association resolved to strike and not to grow any beets that year. However, one big farmer did not join the others and signed a contract with the company. His colleagues did not say much but remembered him for a number of years. Wherever he went a small sugar beet was thrown before him. He went to a dinner party, and when he sat down there was a beet on the plate. He was attending a meeting of some kind and there was a beet on his seat. I could not understand how they could manage always to have a beet with them, but they did. The farmer almost got mad about seeing all these beets anywhere and everywhere, so at last his fellow farmers had to give up their joke.

This may be a detail without much importance, but it does show that even in the early 'twenties, there was a tendency towards trade unionism among Swedish farmers. Of course they would not have approved of that themselves, should anyone have made the suggestion. Thus sugar-beet growers were the predecessors of the Farmers' Union that appeared some ten years later.

Animal Breeding

As already observed, in Sweden most of the farms are small. For this reason each farmer cannot afford

to keep a stud bull, a stallion, a boar or a ram of his own. Farmers early started to use these beasts in common, forming bull co-operatives, etc. Thus they were able to keep only first-class males for breeding purposes. To a certain extent these co-operatives are subsidized by the government. They also receive help from the county agricultural societies, which are semi-official, and have county agents for the various agricultural subjects.

The latest development in this respect is the Artificial Insemination (A.I.), hitherto used in Sweden only for cattle. Here farmers have established co-operatives covering a much larger area than the bull societies. Veterinarians and assistants are employed for the insemination work. A number of bulls, Red Swedish and Friesian breeds, are kept at a Bull Station. Each morning the sperm is sent by post to a number of branches, each headed by a vet. In that way one bull station may be sufficient for a whole county.

Curiously enough there has been no government support for these activities. The farmers have arranged it themselves as co-operative societies. These societies need a lot of money at the outset, which is largely provided by shares paid by the members. In order to finance the whole operation, they get loans from co-operatives already consolidated such as the packing plants and dairies. In this way different co-operatives are able to support and assist each other.

Machinery

The small farmers have been working together for some time with machinery. They started with threshing equipment, and it was a common sight during the autumn to see a tractor hauling the threshing box from one farm to another. They also began using the tractor for work in the fields; bought ploughs, harrows, binders, combines and other implements. A society can obtain mortgage loans from the county agricultural society to buy this equipment.

Agricultural Societies

Our county agricultural societies were introduced about 150 years ago to encourage better agriculture and apply scientific achievements to practical use. They have been reorganized often since those days, but the aims are still the same. While their structures are still those of societies, in reality they are now semi-state. Nearly all of the funds come from the government, which controls their use and distribution. Most of the farmers are members of the society and pay an annual fee of forty cents. At the annual meeting in December the farmer members elect half of the Executive, and the county council elects the other half. The president is appointed by the King (which in reality means the government).

These societies have several agents in their employ: One for agriculture and draining, one for cattle, one for gardening, one for fisheries and one for house-

hold. There was also one for building and architecture, but that was changed after the founding of a co-operative for these activities, with headquarters in Stockholm and branches out in the counties.

Each agent has a number of assistants for the routine work, and the society is headed by a secretary or director.

It is true that such a society is controlled by the government, but the Executive has a lot of influence. After the Farmers' Union started in Halland we were very anxious to get our people on the Executive. At the first election we managed to fill half of the positions on the Executive with Farmers' Union people. At the next election, four years later, we filled the rest of the positions.

PRODUCERS' AND CONSUMERS' CO-OPERATIVES

Consumers' co-operatives in Sweden were working on a nationwide basis long before farmers co-operative schemes began to expand. On the consumers' side there were the local co-operatives, the districts, and the National Federation (*Kooperativa Förbundet*, or K.F., after the initials). Their chief aim was the retail trade in grocery goods.

In order to control prices they started a considerable number of industries too, the most famous being the big flour mills, the rubber factory, the margarine factories, and the light bulb factory. As an example of their efforts, the price of bulbs dropped from 1.30 kronor to 0.90 kronor after K.F. started production.

There were some features within the K.F. activities which we farmers did not like. For example, they boasted of their great success in the introduction of the K.F. margarine. We considered margarine as a disloyal competitor to our own healthy and first-class product, butter. We suggested that margarine should have a blue color in order to mark out the difference in quality and origin.

A number of farmers also joined consumers' co-operatives in order to supply their households. K.F. gave farmers' co-operatives much help in re-establishing some of their enterprises. Generally, however, there was much suspicion between the two groups. It was a common saying that there must always be a contradiction between sellers and buyers. The first aim of the farmers must be to sell their products at a fair and reasonable price, and of the consumers to buy as cheaply as possible. In commercial life, however, that difficulty is overcome every time a piece of business is done. Therefore, it does not seem impossible to make some kind of agreement between the two bodies.

As far as I can judge, K.F. and its branch co-operatives are governed rather differently from the Farmers' Federation and its unions and local co-operatives. The consumer-members do not have nearly so much influence in running the K.F. The directors and leaders put forward all of the planning and suggestions. Conferences only have to approve the proposals advanced. There is hardly any discussion at all. I do not think this way too democratic

and do not like it very much. Nevertheless, it has proved most efficient, and K.F. has gone from one success to another.

Relations Between Co-operatives

It is not my business to tell the story of the consumers' co-operative movement in Sweden. They know that very well themselves. Through books, pamphlets, study trips, films, etc., they have made themselves famous all over the world — and they are worth it, for they have done a most efficient piece of work. My object is to say a little about the relations between producers' and consumers' co-operatives.

In the 'twenties and early 'thirties K.F. was far ahead of us. We felt correspondingly inferior to them. We wondered whether we would ever be able to reach a position of influence within the community comparable to theirs. K.F., on their part, did not think we would either, and thought they could afford to give us a helping hand now and then!

However, the farmers' new scheme was put to work with some success. K.F. began to consider the matter. They realized that something might come out of all this, and at first they made some attempt to brake our development.

They soon found out that they would not be able to stop farmers' organizations. Then the question appeared to both movements. Wouldn't it be better to make an agreement than to fight? After negotiations, an agreement was signed by both parties, the chief points being the following:

1. Production, including dairies, packing plants and similar enterprises, belong to farmers' co-operatives.
2. Retail trade and distribution belong to consumers' co-operatives.
3. Processing belongs to both, and special agreements will be made on every occasion.

There were many exceptions, and what is worse, some points were not clear. Neither party believed in the other, or even tried to keep the agreement. It would not have been so bad if the quarreling had only been about the middle stage, the processing, but it was much more serious. They were fighting about both production and retailing.

Some packing plant co-operatives were grasping every retail shop they could lay their hands on; indeed, they were building up whole networks of butcher shops.

Some of the consumers' co-operatives, too, were buying or building packing plants and dairies, and even supporting private packers and butchers in their fight against farmers' co-operatives. However, there have been no objections on K.F.'s part to milk shops owned by the Farmers' Dairy Co-operatives.

The agreement was worth nothing. The situation became almost unbearable, and both bodies met again with the intention of making a new agreement, which they both were going to honor.

Part of the new document contains the principles, which are much the same as in the old. Along with this, there are special agreements dealing with each class of agricultural production, stating in detail what

belongs to consumers' and what to farmers' co-operatives. An old affair about a number of dairies belonging to consumers has been settled, and the enterprises have been taken over by farmers' co-operatives. Negotiations are still going on with the remaining groups, and I hope they will be successful.

Similar negotiations are taking place with the organizations of private businessmen. It is more difficult to arrive at any agreement with these groups because they are not as well organized and disciplined.