

Marketing and purchasing co-operatives

The total business volume of these co-operatives passed the \$6-billion mark in 1976, another record year. The number of associations was little changed, while membership registered a gain of over 100,000, to 1,730,000. Association numbers have stabilized somewhat in recent years after a long period of decline, while general membership figures have grown over a period of many years.

Underlying these trends is the fact that, as in business generally, both co-operatives and farming enterprises have been consolidating in larger, more productive, units. This has also meant declining co-operative membership in the rural areas. Offsetting this decline, however, has been the growth of co-operative activity in the consumer field, which has brought in many new members, along with some new co-operatives in the urban areas.

During 1976, marketing of farm products accounted for 62 per cent of the total volume of business, distribution of farm supplies and consumer goods (purchasing) for 36 per cent, and service revenue and miscellaneous income for 2 per cent. These proportions have remained virtually unchanged over the past five years. Purchasing has continued a fairly steady upward course during this period, as was generally the case between 1932 and 1971, when it out-

ran the up-and-down growth of marketing. But from 1971 to 1976 marketing volume kept abreast of purchasing during the tremendous boom in wheat exports and an expanded share of the dairy market by co-operatives, particularly in industrial milk products. Together, the two commodity groups, grains and seeds, and dairy products, accounted for 90 per cent of the growth in co-operative marketing over the five-year period.

Farm supplies accounted for the greater part of Canadian co-operative purchasing in 1976, with food products second. The co-operative purchasing of feed is particularly important in Ontario, Quebec and British Columbia. Co-operative food-purchasing is a significant item in all provinces except Ontario. Co-operatives in the Prairie Provinces, Ontario and Quebec are large purchasers of petroleum, while the bulk of fertilizer and chemical purchases are made in the Prairie Provinces and Ontario. Farm-machinery purchases are an important item for co-operatives in Quebec and the Prairie Provinces. Co-operative purchasing of consumer items, especially food, has been growing steadily in recent years and now represents a substantial part of co-operative business volume. The sale of consumer goods was at first complementary to the main business of providing farm supplies, and thus they were sold