

The severe depression that began in 1929 gave rise to difficult problems for many marketing co-operatives. Prices of agricultural products held a downward trend for over three years and eventually stabilized at extremely low levels. This led to failure of a number of the weaker co-operatives and imperilled even the strong ones. For example, Saskatchewan Co-operative Creameries Ltd. went bankrupt but was later reorganized. The grain pools made payments at time of delivery that were expected to be substantially below the final price. In the 1929-30 crop year, prices fell so rapidly that these initial payments proved to be much higher than prices realized when the grain was sold. Government-guaranteed loans tided the three grain pools over the crisis.

It was now established that even large pooling co-operatives could not stabilize the prices of Canadian grain. The Canadian Wheat Board was formed to assist in this stabilization. It operates pools for marketing the grain of the Prairie Provinces. The Western grain co-operatives, as agents for the Canadian Wheat Board, assemble and store half the grain marketed in Canada.

Despite all the setbacks during the depression, farmers continued to give their support to co-operatives, so that the basic strength of the movement was unimpaired. Indeed, the 1930's brought a revival of interest in co-operative purchasing. The grain-marketing co-operatives, especially the Saskatchewan Wheat Pool, assisted farmers in organizing new co-operatives. With lower prices for farm products, savings on the purchase of farm supplies became more important. For example, in the Prairie Provinces the mechanization of agriculture led to special interest in savings on the cost of petroleum. A small group of farmers organized Consumers Co-operative Refineries Ltd. in 1935 and built the first co-operative oil refinery in the world. This was the beginning of an upsurge in co-operative purchasing in Canada, which continues to this day.

#### Marketing and Purchasing Co-operatives

The amount of business reported by the 1,906 marketing and purchasing co-operatives for 1960-61 was the largest on record. There are about  $2\frac{1}{2}$  times as many co-operatives now as in 1932 and the total amount of business has increased almost tenfold. Of the \$1.4 billion in 1961, 72 per cent was represented by the marketing of farm products and most of the balance by the purchasing of farm supplies. Though marketing co-operatives do a larger volume of business, purchasing co-operatives have grown faster. Marketing business during the 1957-61 period was five times as great as during the 1937-41 period, but purchasing business had increased sixteenfold. (Table 1.)

The volume of marketing and purchasing business of co-operatives for each occupied farm and for each person in the farm population is not quite as large in Canada as in the United States. The figures for the United States were \$3,038 a farm and \$769 a person on farms in 1960. Comparable 1961 figures for Canada were \$2,961 and \$687. Though these figures require some adjustment for the limited volume of business carried on with the non-farm population, they indicate that co-operation in the agricultural sector is similar in the two countries. Nevertheless, co-operatives handle a larger share of total farm marketings in Canada than in the United States. In Canada, this share is about a third and in the United States about a quarter. The proportion of farm supplies purchased co-operatively is about the same in both countries.

In some countries, agricultural co-operatives play a considerably larger role than this. For example, in Denmark co-operatives handle about 90 per cent of the milk received by dairies and of the hogs slaughtered. In Denmark again, as well as some other European countries, co-operatives are the leading processors and exporters of various agricultural products. (Table 2.)

Grain and seed are by far the most important commodities handled by co-operatives in Canada. This is due to the success of the Prairie grain co-operatives. Although the shares of livestock and livestock products and dairy products marketed through co-operatives are considerably lower than for grain and seed, the total value of these is rather large.