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Book Review

Cobia, David W., ed. *Cooperatives in Agriculture*. Englewood Cliffs, N.J.: Prentice-Hall, 1988, approx. 450 pp.

The reader of this review is herewith warned that I am a crotchety old man given to fits of nastiness when contemplating the intellectual meanderings of my peers. Should this ugly affliction manifest itself in what follows, I beg your forbearance.

The book *Cooperatives in Agriculture* was a project of heroic proportions. Fifteen individuals, a number of whom I recognize as competent and diligent scholars of cooperative enterprise, contributed chapters in their areas of special interest. Twenty-four others are cited in the acknowledgments as having provided reviews of parts or all of draft manuscripts. And finally, eleven other individuals are cited for having used early versions of the text in their classes. Given the glittering array of well-known talent involved, one might justifiably expect that this book would represent the ultimate synthesis of what is known about agricultural cooperation. It does not quite turn out that way.

I think it will be a useful book, in the hands of a capable instructor, because it does put a broad spectrum of cooperative topics in one place. However, this version suffers from the inclusion of extraneous material, needless duplication, and the lack of a coherent sense of organization. It comes across as a book of readings rather than a well-integrated textbook. I also found the occasional use of 10- to 12-year-old cooperative data to make statements about current reality to be disconcerting in a "new" book (Nelda Griffin, where are you?). Finally, the manuscript I read would have benefited from the sharp eye of a technical editor to ensure the "i's" were dotted and the "t's" were crossed.

The book is divided into seven parts that are further subdivided into chapters. Part I is the "Introduction." The first of its two chapters covers cooperative concepts and legal business forms; the second summarizes cooperative principles. The author of the principles chapter identifies four classes of cooperative principles—Rochdale, traditional, proportional, and contemporary. This taxonomic effort seemed to be reaching for something it did not achieve and did not make a lot of sense to me. A straightforward discussion of the evolution of "principles" probably would have been more productive.

Part II, entitled "Structure and Scope," includes five chapters. Three of these five—"Cooperatives in Other Industries," "Cooperatives in Other Countries," and "Supporting Organizations"—although interesting and generally well written, probably could have been left out of this book without seriously diminishing its value. The book is, after all, about agricultural cooperatives, and its focus is clearly the United States and not the rest of the world. If one felt compelled to recognize the existence of other types of cooperatives and their supporting organizations in the United States and elsewhere, two or three paragraphs would have sufficed.

The first chapter in part II is largely a description of the scope, size, and structure of cooperative activity. It provides some useful statistics relevant to these areas. The author of this chapter is properly impressed with the

achievements of cooperatives through time; but he either chose not to, or failed to, recognize the problems and dilemmas structural change has brought for members and their organizations.

The last chapter in part II, entitled "Historical Development," is interesting and useful. With clever editing, and not much additional verbiage, it could have been expanded to include much of the material in part I and the structural issues of part II, with a consequent reduction of duplication and reader time.

Part III is entitled "Economic Theory" and contains three chapters. The first is a fairly standard review of the economic justifications of cooperative activity from the member's point of view, and the other two apply micro-economic theory to supply and marketing cooperative behavior. Game theory, which has been receiving increasing attention from cooperative theorists of late, gets deserved brief consideration.

Part III would have benefited from explicit consideration of the economic impacts of cooperative behavior on the public at large. Special legislative and tax treatment of cooperatives in the future will, in my opinion, be scrutinized in terms of the public benefits deriving from such treatment. It will take more than a recitation of "principles" and/or benefits to farmers to elicit support. To have ignored this area is a lost opportunity to educate a broad spectrum of those who will read this book.

Part IV, entitled "Marketing," contains two chapters, one on "Product and Pricing Strategies" and another on "Special Topics for Marketing Cooperatives." The former presents some pretty elementary marketing and pricing concepts and to some degree is repetitive of the economic theory material presented earlier. The latter gives brief treatment to such topics as payment policies, pooling, marketing contracts, marketing agents in common, bargaining, marketing orders, and international trade.

Part V, entitled "Finance," contains some of the most useful materials in the book, particularly the chapters that deal with equity redemption and taxation. The authors of these chapters are clearly comfortable with their topics and do an effective job of exposition of difficult-to-present materials.

Part VI is entitled "Management." It begins with a routine chapter on management skills and functions, moves on to an all-too-brief chapter on directors and managers, and concludes with a chapter on communications. I think part VI should have preceded parts IV and V on "Marketing" and "Finance." As it stands, it comes across as a not-too-well-integrated afterthought. Properly developed, it could have been an integrating device for a large portion of the book.

At last, we come to part VII, entitled "Structural Dynamics." It includes an excellent chapter on antitrust laws as they pertain to cooperatives that probably should have been presented at a much earlier point, probably in part II following the chapter on "Historical Development." In any case, it succinctly summarizes the legal underpinnings for cooperative activity and dispels some of the myths that have been too long-lived.

Another chapter in part VII that seems strangely out of place is one entitled "Starting a Cooperative." Although well written, it must have been hard to position in this book. It too probably belongs in part II.

The remainder of part VII focuses on structural change in the cooperative sector and might have been more appropriately entitled "Strategic Man-

agement Issues." It reports on environmental changes affecting cooperative organization, briefly outlines some of the structural choices, and then discusses problems and opportunities likely to affect the future structure of cooperative organizations. The messages are: (1) "adjust or die" and (2) forget about the now outmoded notion of "one-person/one-vote."

If cooperatives are going to survive as viable economic units, they will need to be organized to serve the big farm operators, who are not going to allow their economic interests to be put into jeopardy by a strictly democratic (as opposed to proportional) governance process. I think this is a common attitude among large operators. I do not know how important the notion of strictly democratic control is to the "typical," and probably not large, farmer cooperative member. If it is not important, the growing trend toward concentration of control, and the transfer of power to a relative few, may be smooth. If it is important, who knows what the political and organizational implications are? I know some cooperative philosophers are not happy with this turn of events, but they may not be important either. Perhaps the game theorists can help us out.

I expect this book to find its way into general use by cooperative educators. My comments are intended to help its evolution. I am anxiously awaiting the second edition.

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