

## I. ORGANIZING

### ORGANIZING COOPERATIVE MARKETING ASSOCIATIONS

"Survey of the Situation.— Well-managed business concerns consider all angles of the situation before launching a new enterprise. If it is a question of locating a manufacturing plant, attention will be given to such factors as financing, sources of raw materials, transportation facilities and rates, sites available, power, labor, and distance to principal outlets. The matter of locations for new retail stores is frequently studied very carefully to arrive at the trade available, the number and class of people passing points under consideration, competition, future development, direction of growth of city, and similar factors of vital importance.

"A survey of this character in a region where cooperative marketing is under consideration should seek to supply reliable information on pertinent points, such as the following:

"1. Existing Marketing Methods and Facilities.—Are these methods satisfactory in the quality of service and results obtained? Is there room for improvement and can improvements needed be brought about by a cooperative marketing association?

"2. Need Felt For Cooperative Marketing.—Do the farmers feel a real need for cooperative marketing? Are they vitally interested in it? Is their attitude favorable? Are they interested in cooperative marketing as a result of misguided enthusiasm? Or, is their interest based on an understanding of the real possibilities of cooperative marketing?

"3. Amount of Business Available.—Is there sufficient business to support an organization? What proportion of the business is available to an organization? What are the prospects for the future?

"4. Capital and Financing.—What equipment will be needed? What will it cost? How will money be obtained? How much operating capital is needed? How may this be obtained?

"5. Local Leadership.—Are there natural leaders among the farmers interested? Will these leaders take part? Have they the necessary ability? What is the attitude of local bankers and others?

"6. Results Possible.—What are reasonable expectations of savings possible? What direct effect on prices is possible? What indirect effects through better grading, higher quality and improved distribution are probable?

"It is not to be expected that all of these questions can be answered in minute detail in advance, but they suggest a number of points which are worthy of careful consideration and analysis when a cooperative marketing organization is being considered. With a correct analysis of such details before them, farmers will not make the mistake of starting an organization for which there is no business available