

summary statistics of co-operative associations for 1978-81 and the following information compares 1981 with 1980.

During the year consumer prices rose 12%, farm cash receipts climbed 19% and farm net income 27%, while retail sales rose 13%. It was a time of soaring interest rates and high energy prices along with a plunge into economic recession in the latter half of the year.

For co-operatives the number of reporting associations rose by almost 200, with three-quarters of the increase occurring in the service group which has been on a fast growth track in recent years. Membership inched up about 2% with most of the growth coming in the consumer co-operatives. Membership in the service associations declined with the closing of the large medical insurance co-operative in Ontario.

Farm product marketings contributed the largest gain in revenues, \$971 million, but merchandise and supply sales made the most impressive percentage gain, 20%, as against 15% for marketings. Asset values expanded \$1.2 billion with the western grain pools accounting for more than half of it.

17.4.1 Financial structure

Assets of the co-operatives passed the \$5 billion level in 1981 for a staggering gain of \$1.2 billion or 29%. The western grain pools accounted for 55% of this increase with a surge in receivables and inventories. In 1980 both had been diminished as heavy export sales coincided with a lower crop. But a bumper crop in 1980-81 along with another good marketing year more than replenished these two highly variable asset items.

Eliminating the special effects of short-term swings in the current assets of the volatile grain sector would show an asset gain of 13%, more in line with the 16% rise in overall co-operative business volume.

Property and equipment showed another substantial gain of \$326 million, or 21%, with service associations accounting for about half the increase. Among the marketing and purchasing associations, the more outstanding expansion of facilities occurred in the dairy industry in Quebec and the West, meat packing in the Lac Saint-Jean area of Quebec, fruit and vegetable packing in British Columbia, food retailing in the Atlantic region and Alberta and feed milling in British Columbia and Quebec.

17.4.2 Product marketings

Farm product marketings ran up another growth year in 1981 as three of the large commodity groups, grains, dairy products and oilseeds, showed gains. The fourth, cattle and sheep, declined for the second year in a row. On a percentage basis, vegetables at 33%, "other" at 26%, grains at 24% and forest products at 24% were the leading gainers. All other groups registered fair to medium increases except for honey and maple products which were almost

unchanged. Fruit was down 4%. On a regional basis, Quebec recorded the largest increase in marketings, 18% with strong gains in all commodity classes except cattle and honey and maple products.

Vegetable marketing values soared, led by potatoes in a standard supply-demand situation where crop production declined and prices rose. Fruit marketing revenues declined about 4% as a huge North American crop of apples and most other fruit pushed prices down. In the "other" category the continuing success of flower grower co-operatives in British Columbia and Ontario accounted for half the increase.

Grain marketings boomed for a second straight year. Canadian producers were favoured by another lucrative situation in international markets as the Soviet Union was hit again by a bad crop. Early port openings after an easy winter, a minimum of labour strife and some major additions to the transportation and storage system enabled co-operatives, along with other participants in the Canadian grain trade, to take full advantage of the marketing opportunity presented. Oilseed marketings rose \$51 million or 7% over the previous year.

Co-operative dairy sales rose again across the country averaging about 15% and continuing a trend toward acquisition of facilities from the private business sector as well as a willingness to take advantage of opportunities in the export market. Poultry volume climbed in tandem with the overall industry. Almost all of the increase was due to higher prices as the glut situation eased in the competitor pork industry. Egg returns rose moderately as a cutback program on the laying flock pushed up prices. Hog volume declined in the West but rose on higher prices in Ontario and the Atlantic region and surged 39% in Quebec indicating a higher share of the industry in the province for co-operatives. Most of the western decrease occurred in Saskatchewan as the wheat pool discontinued assembling hogs for the provincial marketing board. Cattle marketings slid 20% in a continuation of the rather poor conditions of the previous year; mainly low prices and high interest rates.

Honey marketings were almost unchanged in a year of lower exports and domestic consumption, slightly higher prices and reduced production due to poor weather. Maple product marketings changed little as prices declined in the face of increased production and a huge inventory overhang from previous years.

17.4.3 Sales of supplies

Consumer goods sales by co-operatives in Canada rose \$260 million or 18% in 1981, while sales of agricultural supplies rose 14%. Food products, the largest individual supply category, climbed 19% with strong gains in all regions of the country. Food prices as measured by the consumer price index advanced