

## COOPERATIVES

### -Myths and Realities-

(Circle the "T" if you believe the statement to be true; circle "F" if you believe the statement is false.)

- T F 1. To be a cooperative, an organization must restrict its membership to farmers.
- T F 2. Real cooperatives operate on the principle of "one member - one vote."
- T F 3. Cooperatives may be organized to provide only a limited number of services or products.
- T F 4. A federated cooperative is a cooperative chartered by the Federal government rather than State government.
- T F 5. Cooperatives may engage in market behavior that would be illegal for a noncooperative.
- T F 6. Cooperatives are automatically exempt from paying Federal income taxes.
- T F 7. A centralized cooperative is one run by some agency of the U.S. government.
- T F 8. The measure of success of a cooperative is how much lower its prices are than the prices charged by competing noncooperatives.
- T F 9. Cooperatives generally have a better chance of succeeding than noncooperatives.
- T F 10. The purpose of cooperative organizations is to treat all members equally.
- T F 11. Because members of the board of directors of cooperatives are chosen from the cooperative's membership, cooperatives tend to be better managed than noncooperatives.

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- T F 12. Farm cooperatives have generally been most successful in activities where they have had considerable influence on farmers production decisions.
- T F 13. Cooperatives generally have several basic advantages over noncooperatives and are hence more likely to succeed.
- T F 14. Cooperatives are primarily to assist poor or economically depressed persons.
- T F 15. Cooperatives can only be successful if they bring about economies, operate efficiently or eliminate unnecessary services.
- T F 16. As soon as a new cooperative is established, extensive surveys and studies should be conducted concerning potential membership, competition, volume of business, costs of operation, management requirements, and so forth.
- T F 17. In Oregon, cooperatives may be organized for any lawful purpose or purposes, except for banking and insurance.
- T F 18. A cooperative is most likely to succeed if anyone who desires can obtain membership.
- T F 19. Big business is ruining many aspects of society and cooperatives should be formed to counteract the influence of the big businesses.
- T F 20. Cooperatives, although popular in some areas, have not achieved a significant membership around the world.
- T F 21. There are only two types of cooperatives--local and regional.
- T F 22. The first step in organizing a cooperative is to file articles of incorporation which establish the legal identity of the organization.
- T F 23. The leading reason for failure of cooperatives is poor member relations.