



Uncovering a World View of Co-operative Dairy Farmers Struggling at the Edge of Displacement: A Qualitative Case Study with Recommendations

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This short article introduces a larger report on co-operative dairy farmers' struggles (Gray, 2024). Farmers farming at a mid-level scale endure considerable stress and frustration seeking to survive, often at the edge of bankruptcy. Their survival dilemmas have at times been dismissed from the larger civil society with judgements about poor management or the 'adapt or die' trope, essentially directing farmers to sell the farm or to go into debt at the rate of millions of dollars. Giving up or losing their job, their career, their family's security, their family heritage, their farm, and home can of course be profoundly disturbing, if not devastating. This study seeks to give voice to these farmers seeking to survive on the edge of structural displacement, drawing on qualitative comments from a survey of co-operative dairy members in the northwest US and the author's own formative experiences in family sized dairying. Emphasis is given to the double-binding nature of this lifestyle as reflected in farmer views and opinions about the world as a series of oppositions between and among farmers, between farmers and managers and employees, and between farmers and the larger co-operative, the market, and government. These comments are then used to formulate a series of member relations recommendations.

Introduction

The nature of the socio-economy in the United States and nearly all advanced industrial economies is a socio-economic 'growthism', i.e. a world view or weltanschauung where economic growth and an expanding economy are considered imperative to a healthy society and the solution to many societal difficulties (Gardner, 2004). A productionist agriculture has been derivative from and an integral part of growthism and is roughly equivalent to previous characterisations of a "new agriculture" that emerged conceptually (and practically) in the mid-1980s (Boehlje, 1995; Royer & Rogers, 1998). Historically this regime has included a) the continued deepening of mechanical, biological, and chemical technologies, augmented with ever evolving biotechnologies, b) the continued development of (agri-business driven) food supply chains that tend toward vertical integration from producers to consumers, c) an

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expansion of the competitive context in the international arena that increasingly involves global sourcing and selling of products by large corporations that have moved from regional and national to multi-national status, and d) large numbers of mid-size, traditionally family structured farms that have gone out of business and/or been consolidated into larger units (Brown & Schaft, 2018; Gray, 2009; Hendrickson et al., 2021).

Farmers farming at a mid-level position of scale endure considerable stress and frustration in seeking to survive, often at the edge of bankruptcy or in a structural fait accompli. Dairy farmers have had to endure these pressures over decades, with multiple sources reporting their decline (Schwarzweiler & Davidson, 2000). Farm Aid states there were 460,000 US dairy farms in 1970 and just 28,000 in 2023 (Tremblay, 2023). The Economic Research Service of the United States Department of Agriculture (USDA) reports there were approximately 147,000 small commercial farms (10-199 cows) in 1987, 48,000 in 2007, and just 30,000 in 2017 (MacDonald et al., 2020). Dairy specialist Elizabeth Eckelkamp of the University of Tennessee writes “In 1970, over 648,000 US dairy farms milked cattle. By 2022, only 24,470 dairy farms were in operation” (Eckelkamp, 2024). The survival dilemmas of these farmers have at times been dismissed, with judgements about poor management. ‘Adapt or die’, an older trope, has been used historically, essentially directing farmers to sell the farm (sometimes held in a family for generations) or to go into debt at the rate of millions of dollars.

Losing their job, their career, their family’s security, their family heritage, their farm, and home can of course be profoundly disturbing, even devastating. In focused mental health studies, farmers and farm managers have been found having higher rates of depression, anxiety, and suicidal feelings, when compared to non-farmers — this being particularly the case for animal and dairy farmers (National Institute of Mental Health, 2024a, 2024b).

With some important exceptions of studies of farmer stress (Kroll, 2022; Lameiras, n.d.; Nichols & Davis, 2024), little research has been directed toward assessing stress of co-operative members, nor the implications for co-operative member solidarity. This paper examines approximately 1,000 written comments from a survey of co-operative dairy members in the Western US. As with any research, care is taken not to reveal identifying information of any single organisation or individual. These considerations are given some greater focus in this study due to market concentration in the US dairy industry, i.e. few firms accounting for large proportions of market sales. To protect confidentiality neither the name nor the size of the organisation is revealed. The focus is on dairy co-operative members located in the northwestern US. Respondent comments ranged from zero written comments per member to as many as five comments. The total number of comments in the study is not indicative of, nor a reliable indicator of, the member size of the co-operative.

Epistemology

Following Rubin and Babbie (2017), the work is conducted from the research traditions of qualitative analysis, and is consistent with understandings of interpretive sociology, i.e. taking an empathic position and “putting oneself in the shoes of another to assume the other’s perspective” (Macionis & Gerber, 2010, pp. 32-33; see also Auchincloss & Samberg, 2012). The paper relies heavily upon previous work by Gray (1996) in the interpretive sense, following an auto-ethnological approach in both studies. Auto-ethnology refers to a qualitative research approach that draws explicitly from the researcher’s experiences in particular life positions that are relevant to the subject of study. It is based on the philosophical idea that the personal and the cultural are inseparable (Denzin & Giardina, 2024).

This writer grew up in a dairy farming area of up-state New York in a village of 80 people surrounded by dairy farms, himself embedded within multiple kinship-led family-based dairy farms. Co-operative organisation was the predominant form of milk assembly, processing, and marketing. Historically farm organisation in the region had been a small-scale kinship structure, though existing in a context of progressive industrialisation and globalisation. These latter two

processes (among others) had advanced scale to such a degree as to drive multiple farm losses and farm displacements, and to contribute to a sense of powerlessness among farmers (Brown & Schafft, 2018; Schwarzweller & Davidson, 2000).

Farmer Powerlessness and Co-operative Organisation

Historically individual dairy farmers have been at a power disadvantage in the marketplace due to their small-scale relative to the size of both supply provisioning input firms and dairy product marketers. These market disadvantages are compounded by the fragility of milk itself, leaving farmers in a dilemma encapsulated in the trope 'sell it or smell it'. 'Sell it or smell it' sums up the uncompromising position individual farmers face. Given milk's fragility, they must either take or refuse the price offered by more powerful market participants. To reject the price offered is to risk a very quick deterioration and total loss of their product.

To off-set this disadvantage, dairy farmers have organised co-operatives to 1) buy collectively in bulk from suppliers, 2) sell collectively to marketers, 3) develop their own consumer markets for fresh milk, and 4) create and market such processed products as butter, powder, cheese, ice-cream, and yogurt, among other products.

To be effective, co-operatives as member-producer organisations require degrees of continuing solidarity among their membership, and between the membership and the larger organisation. However, member solidarity is vulnerable to the various challenges dairy farmers have had to face historically.

Seeing From the Farmers' View: Frustrations on the Farm, Losses to Co-operative Solidarity

From the individual member's perspective, most member producers do not operate at the level of the organisation. They function on the farm (see Bennison et al., 2024 for a comparable study of Australian farmer co-operative members and their perceptions at the farmgate). Their task is to produce at a level that maintains or enhances their lifestyle as farmers. But many are caught in a treadmill bind. As individuals, the more they produce, the lower the price. The lower the price the smaller their profits or larger their debt. The smaller the return the greater the need to expand production. The double-binding nature of this lifestyle is frequently reflected in farmer views and opinions about the world as a series of oppositions between and among farmers, between farmers and managers and employees, and between farmers and the larger co-operative, the market, and government. Figure 1 presents a synthesis of these oppositions from the written comments of this study and as augmented and contextualised by Gray (1996; see also Denzin & Giardina, 2024; Merriam & Tisdell, 2015).

Of central importance, historically and structurally, is the combination of members having had to produce all they can at the best possible price, the co-operative's guarantee to market all of their members' production, and the market's ability (or inability) to absorb the product. When farmers receive low prices for their milk they tend to behave rationally as individuals and either produce more milk to raise their incomes, try to find ways to reduce expenses, or direct their energies to some other more profitable outlet. They often work long hours at least six days a week, to produce more for less expense. Herds are milked twice or three times a day, seven days a week.

Expenses when and if covered, leave very little disposable income. Scale is increased, acreage and cows are added, machinery gets larger and more complicated, volume climbs, and loans are secured to cover increased cost — but returns remain small.

Members see retail prices for milk in grocery stores and restaurants and wonder where all the money goes. Milk in a restaurant sells for over \$3.00 a glass, but farmers may only get a nickel

of that. Inputs prices increase 300 and 400%, yet producers' milk prices rise slightly, stay stable, or decline. If the plant they regularly sent milk to has closed, they must ship their product to more distant locations. Many may feel attached to their local co-operative and are disappointed to see it go.

Figure 1: Farmers' view: Summarising tableau

Observe low milk prices	←→	Produce more
Work the longest hours	←→	Receive the least return
Produce a nutritious product	←→	Receive the least return
Observe farm price of milk	←→	Price in the store
Observe farm price of milk	←→	Price of inputs
Experience change and inconvenience	←→	Local plant closed by co-operative
Losses on the farm	←→	Profits at the co-operative
Observe farm price of milk	←→	Managerial salaries
Management works for members	←→	Per unit capital retains
Expect equality	←→	Co-operative equity issues
Expect equality	←→	Competition
Powerful on the farm	←→	Experience powerlessness
Experience powerlessness	←→	Assign blame
Anti-big business	←→	Need for mergers and acquisitions
Anti-government	←→	Price fluctuations, possibly lower prices
Sense of entitlement	←→	Experience powerlessness
Experience powerlessness	←→	Frustration / victimisation

As members of a co-operative, certain expectations are set up concerning members' influence and treatment because of their ownership interest: co-operative principles suggest members' rights of control, influence, and equal treatment. Yet, while farmers go broke, or nearly so, the co-operative often continues to make money. Managers work for the producer-owners yet often have much higher and more stable salaries. Farmers are told they are being paid a certain price, but the co-operative retains some of it for several years to sustain the business. Many expect to have a strictly held equal treatment but find different farmers receiving different prices depending on where they live, how much milk they produce, and what their milk contains. These experiences counter their hard work on the farm and some of their expectations of co-operatives.

On the farm, members are in a position of power. If a job needs to be done, they do it. As one farmer said, they are out in the elements, have huge jobs to do, and quietly do them. However, when confronted with the market, the individual is as powerless off the farm as he/she is powerful on it.

In a context of seemingly giving everything and receiving little — while working effectively — a human tendency is to assign blame. When problems show up on the farm, they are generally solved, even if it takes a lot of long hard work (and it generally does). If problems off the farm are not being solved (and farmers feel certain they are not because prices are so low) it is considered to be due to negligence or exploitation.

From this setting, issues of equality and lack of perceived fairness become more focused. Grade A producers see themselves as subsidising Grade B producers and vice versa. Large and small

volume producers look at one another in similar fashion. Others plead for help to preserve the family farm. Fingers are pointed to management and salaries, with a call to cut them and distribute more money to members. Directors' competence is questioned. Term limits are suggested.

As a collective, co-operatives are an offset to individual powerlessness. Co-operatives have merged, made acquisitions, innovated products, and penetrated markets. Yet, "the" co-operative can be considered too large, a big business too far from the farm, and monopolistic in its tendencies. It is sometimes seen as eliminating important local competition and leaving the farmer with few or no alternatives. While all members may benefit locally from a merger or acquisition or from market functions performed, individual members may experience lower prices and less service. What might have happened had a merger not occurred is difficult to assess, particularly when bills are coming due.

Opposition to big business is sometimes matched with anti-big government sentiment. Government is seen as distant, meddling and controlling, and doing too little or not enough. Farmers, ready to solve their own problems, may call for government exclusion from problem solving or different involvement from what currently exists. As with mergers, it is difficult to know precisely what the current situation would be like without government programmes. But, from within current policy and current circumstances, some members see them as inadequate and call for change. Conceiving of themselves as the "backbone" of the economy and central to its health, members sometimes feel mistrustful and personally victimised within what has become a national and global economy, an economy over which they have little to no influence individually. These conditions have at times required mergers and consolidations by a distant, "big business" co-operative.

Out of this frustrating and double binding experience, solidarity can collapse, and members may write:

Get rid of management. Large producers are getting away with sending contaminated milk. Many of you have never worked on a farm in your life, yet you continue to get high salaries. The government wants cheap food.

Conclusion

Readers will please note that the study does not suggest a statistical representativeness of all farmers, not even all dairy farmers. The intention of the work is to capture in words the reports of farmers struggling to survive in the midst of an era of massive farm displacements, an era Lobao and Meyer (2001) refer to as "the great agricultural transition" (p. 103). It is an era where it is increasingly difficult to engage in farming as a household livelihood strategy. This paper highlights some of the common opposition points and dilemmas as experienced among farmers, and as they appear in the socio-economic context.

Many co-operatives have sought to meet these struggles with member relations programmes that prioritise member education, member involvement, and member representation in co-operative direction. Below is a list of recommendations suggested for member relations programmes. They have suggested directly from members or are implied by their comments.

Recommendations

Perhaps one of the best vehicles in responding to member complaints and dissatisfaction is to listen. The following eleven recommendations emerge from the survey comments:

- 1) Let members know they are heard by discovering and eliminating barriers, and/or improving the communications/listening skills of those relating directly with members such as fieldpersons, directors, hauliers, and member representatives.
- 2) Arrange meetings at convenient times for the most members. Encourage broader participation by members in local offices, provide for broader recognition of members

doing important jobs for dairy farmers and the co-operative. Mitigate insider / outsider feelings of some members with recognitions.

- 3) Help members understand how co-operatives enable farmers to act collectively but in the context of an increasingly complex and globalised economy.
- 4) Educate members to the reality that the co-operative needs to be healthy financially, even though individual members may be losing money. Explain the costs of guaranteeing a market and providing market functions and other benefits of appropriate capitalisation.
- 5) Take complaints of exploitation seriously and investigate them, make corrections if needed, and follow up with complainants.
- 6) Develop more contacts between management and members, so each can become familiar with and learn to trust the other.
- 7) Publish management and employee profiles that highlight agricultural and rural backgrounds to help reduce a sense of difference and improve familiarity and trust.
- 8) Encourage corporate-level management to attend local meetings even if on an infrequent but regular basis, making it clear that management wants member input.
- 9) Communicate and educate members on how decisions on mergers, consolidations, or closing of “local” plants are reached. Competition not only keeps the co-operative “on its toes” but also sets standards on its effectiveness to obtain the best price for members. Clarify the long-run advantages of a continued guaranteed market for farmers as part of a stable and reliable organisation.
- 10) Educate members on the reality of the market for hired management and the market for milk. Managerial compensation must be sufficient to attract and retain expertise capable of managing a large complex organisation. Current levels of managerial compensation are well below those found in investor-oriented firms. Milk price determinants are national and global.
- 11) Consider trade-offs between traditional productionist farming rationales and various alternatives such as those found within the “agriculture of the middle” initiatives (see <https://agofthemiddle.org/>).

A careful assessment of dairy members’ history can go a long way toward creating a more responsive organisation that is capable of handling member distress. Listening and responding builds solidarity and commitment. Perhaps most importantly when members act together, they build their collective strength as farmers. For co-operatives to work, they must participate and involve themselves with their fellow farmers. A behaviour that connects directly to members’ dissatisfactions is to listen. Being heard is a start both for the members and the co-operative as an organisation. In the last analysis, managers, employees, and elected officers must constantly remember the simple but profound fact that the co-operative is the members’ organisation.

The Author

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