

Alternative Demand for Food System: the Case of Italian Cooperatives.

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1. Introduction

The evolution in consumers' social preferences in Italy has questioned the traditional definition of the food system. In addition to expecting high quality food products, customers are requiring services related to environmental protection, landscaping, tourism and quality of life. This evolution in the demand on agricultural services has created new opportunities and threats for small farmers, who usually are more efficient than large producers in delivering these required attributes to the consumers, but, at the same time, find difficulties in providing consistent supply at higher volume.

This new approach to agriculture is considered a viable strategy for many Italian and European farmers to survive in a food system driven by economies of scale. European Unions's agricultural policies are encouraging this evolution, providing substantial support for "multifunctional agriculture" (i.e. an agricultural system that is not exclusively focused on food production but it is also creating positive externalities for the local communities).

Despite the public support, the success of multifunctional agriculture is still questionable. Although there are many successful cases and examples, it is still not clear if this model is actually able to ensure the survivability of small farmers in a global market. Moreover, the

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conditions for the replications of the successful examples have not been completely identified. In this context, managing a multifunctional agriculture business is particularly challenging. The uncertainty and uniqueness in the demand characteristics raise the risk level of the operations and make the traditional agribusiness management techniques inadequate.

This paper discusses the managerial implications of multifunctional agriculture from the unique viewpoint of the Italian cooperatives that are currently implementing it. The mission of Italian cooperatives is typically focused on supporting small farmers and preserving rural income, thus some of them naturally evolved into multifunctional agriculture. The analysis of these cooperatives is used to give an insight into the challenge of conciliating the multifunctional model with the profitability and feasibility constraints of the agribusiness.

2. Comparative Financial Analysis of Italian Multifunctional Cooperatives

The study sample is composed by 1,654 cooperatives (63% located in North Italy, 37% in Center and South Italy) and it represents approximately 20% of total population.² Table 1 provides the details of the sectoral composition of the sample.

In 1996, the 1,654 cooperatives produced US\$ 5,869 million of revenues using assets worth US\$ 4,906 million and had 251 thousand members. Compared with 1994, revenues increased by 17.29%, the asset value increased by 15.34% and the number of members decreased by 1.43%.³

² The data are courtesy of Confederazione Cooperative Italiane, the largest Italian Cooperative Association in agriculture. The authors are particularly thankful to Mr. Vincenzo Mannino and Mr. Luciano Quiriconi for their support to this research.

³ Unless specified, the changes in the values of financial data are calculated using nominal values. Hence, the interpretation of the figures must take into account the inflation. Istat (the Italian statistic institute) reports that the

The analyzed dataset provides financial information. It includes 1994 and 1996 financial statements and other structural data, allowing to compare the cooperatives' performances in a two year period. Also, it reports a detailed description of the activity of cooperatives. This information was used to break down the sample into three groups according to their strategies:

- Product Differentiation (PD) (15% of the total sample): cooperatives that focus their strategies on marketing high-quality products with specific attributes. Examples of these firms are the cooperatives producing Parmesan cheese, organic food or high quality labeled wines.
- Multi-functional (MF) (9% of the total sample): cooperatives implementing multifunctional agriculture, as defined in the introduction. These firms are characterized by multiple objectives (not only food production, but also environmental protection, improving the quality of life in rural areas, etc.).
- Traditional (T) (76% of the total sample): cooperatives producing undifferentiated agricultural goods or services.

Tables 1 and 2 summarized the most important financial statistics and ratios for the cooperatives of the sample (Matacena 1982, Pacciani 1982, Melis 1989, Caramiello 1993, Russo 1995). The tables compared and contrasted the data of the three groups. Also, each table was divided into four sections according to revenue classes. Sections (a), (b) and (c) of both tables present the data for each of the three revenue classes (revenues US\$ million 0.5 or lower, between 0.5 and 5, 5

consumer price level increased by 8.5% from December 1994 to December 1996. Deflating the 1996 revenues by 8.5%, we have a real increase of sample revenues of 8.1% during two years (3.97% per year, on average). As will

and higher, respectively), sections (d) summarize the information for the whole sample, independently from the revenue classes. The classification according to revenue groups was necessary to take into account the influence of the scale of operation on firms' financial performances (Lo Martire 1996, Aulitto, Calzolari and Tubertini 1992, Mella 1994).

The data presented in tables 1 and 2 (section d) suggested some conclusions. In general, MF cooperatives were smaller in terms of revenues, but they were growing faster than the other groups (+20% vs. +16% of PD cooperatives and +18% of T). The growth of these firms was confirmed by the increase in the average number of members (+2.75%), which contrasted with the decrease in other cooperatives' membership. In addition, MF cooperatives were the most capitalized with respect to the value of their assets (in 1996, their equity/asset ratio was 0.29 vs. 0.1 of PD and T cooperatives). The average revenues per member of MF firms were significantly lower than the other two groups (US\$ thousand 9, vs. 108 thousand of PD and 99 thousand of T), suggesting that these cooperatives, on average, had a small impact on members' revenues.⁴ The data suggested that despite of the rapid growth and the high capitalization, MF cooperatives might be unable to produce the same amount of financial benefit for their members than the other groups.

be shown later in the paper, this remarkable increase was determined by the good performances of the largest cooperatives, which more than compensated the sharp decline in small cooperatives' revenues.

⁴ The value of the average revenues per member can be considered a proxy of the impact the cooperative had on the members' farm income: higher revenues per member imply that, after having covered the cooperative production costs, more resources should be available to be transferred to each member. In MF cooperatives, considering the cooperative and farm production costs, the available income for the farmer is, on average, marginal. This may imply that membership of the cooperatives was composed mostly of part time or highly diversified farmers and suggests the influence of non-economic factors on the participation in the enterprise. For example, this is the case of many olive oil cooperatives, which squeeze olives mostly for patrons' self-consumption and members participate more because of the higher quality of the product than because of profits. This approximation was necessary because of the structure of Italian cooperatives' financial statements, which does not allow more precise evaluations (Franguelli 1992, Russo 1995).

PD cooperatives were characterized by the highest value of average revenues per member. This result is due to their smaller average membership, which is also decreasing compared with 1994 (-5.5%). Also, PD cooperatives presented the lowest value of the total asset turnover ratio. This result was determined by the long aging process of their products (especially cheese and wine), as shown by the high value of the inventory/total asset ratio (0.45, in 1996).

T cooperatives were the only group with an increase of the average revenues per member lower than inflation (+3.34% in the two-year period vs. an increase of prices of 8.5%) implying a decrease in the real income for members. On average, T cooperatives were unable to transform the high revenue increase (+17.52%) into financial benefit for members. The negative performance of these firms was confirmed by the sharp decrease of the equity/asset ratio, dropping from 0.17 to 0.1 in two years. This result was due to significant economic loss for a large number of small enterprises.

The analysis by revenue classes allowed to achieve a deeper insight into the comparison between the groups of cooperatives. The results were summarized in tables 1 and 2, sections (a), (b) and (c). The data of small cooperatives, i.e. with revenues of US\$ million 0.5 or less, were particularly meaningful (tables 1 and 2, section (a)). This revenue class included 633 cooperatives (38.27% of total), of which 30 were PD cooperatives (12.29% of the PD class), 140 were MF (91.50%) and 463 were T (36.83%). The data show that MF cooperatives were the only group able to achieve acceptable performances. In the two-year period, MF cooperatives

presented an 11.06% increase in revenues, a 3.59% increase in average revenues per member⁵, a 10.64% increase in asset value and an increase of 3 points in the equity asset ratio (from 0.27 to 0.3). Moreover, the differences in the average revenues per member are smaller than in other classes, implying that small MF cooperatives had an impact on members' income similar to the other groups.

In the same period, T cooperatives presented a dramatic situation. 5.83% of the firms shut down their operations. The revenues fell by 31.17%, average revenues per member by 31.27%. The member average number declined by 4.3%, the value of the assets decreased by 13%, the value of equity by 19.03%. Most important, the average equity/asset ratio collapsed from 0.19 to negative 0.01, because, in 1996, 75 cooperatives of this group (16.2%) presented a value of debts largely higher than the value of the assets.

PD cooperatives registered even more severe decrease of revenues (-34.73%), but they managed to preserve the value of the equity. Compared with T cooperatives, PD seemed to be able to transfer the negative performance completely to members (the average revenues per member fell by 47.17%), without using their equity reserve.

In the other two revenue classes (tables 2 and 3, sections (b) and (c)) the performances of T and PD cooperatives improved. In the class with revenues between US\$ million 0.5 and 5, both T and PD cooperatives were able to match the inflation with the growth of revenues and average revenues per member. Particularly, PD cooperatives achieved a high level of average revenues

⁵ This value implies a decrease of 4.53% in real terms (on average, 2.24% per year).

per member, confirming their ability to produce value for members. In this revenue class, there were 11 MF cooperatives (7.18% of the MF class). These firms were smaller than the others in terms of revenues, average revenues per member and asset value, but presented the highest growth rate (particularly, 39.85% increase in average revenues per member and 26.84% in revenues). Compared the other groups, in this revenue class, MF cooperatives showed the ability to grow even in real terms. However, the differences in average revenues per member increased, even within the same revenue class.

In the class with revenues higher than US\$ million 5, there were only two MF cooperatives, which presented a lower scale of operations than the other groups, higher total asset turnover and similar trends in the other variables. It must be pointed out that, in this class, Traditional cooperatives showed good performances. They had a large scale of operations and were growing in terms of revenues, asset value and equity.

MF cooperatives were the only group able to deal effectively with the financial crisis affecting the majority of small Italian agricultural firms. The financial analysis suggested rger MF agriculture can be a viable alternative to economies of scale – based strategies. The unique characteristics of MF cooperatives is discussed in the next section where a classification of these firms is proposed.

3. Classification of Italian Multifunctional Cooperatives.

According to their activity, multifunctional cooperatives were classified into the following four groups:

- Food quality. These cooperatives are focused on processing food mostly for their members' self-consumption. Usually members participate in order to receive high-quality, more natural products. These cooperatives differ from the PDs because they are not market oriented. Instead, their goal is to provide goods directly to members. This model is common in olive oil and wine sectors.
- Free time. These cooperatives exploit the synergy between agriculture and tourism. They usually organize eco-tourism activities, providing food and lodging to tourist willing to enjoy the benefits of a rural environment. The cooperatives maintain their agricultural activity (usually farming and food processing) but they also organize restaurant and small hotel business.
- Landscaping. These cooperatives' main activity consists in taking care of public land. Usually, the cooperatives receive the land in concession from the local government and farm it according to eco-compatible techniques. The local community benefit of the positive externalities coming from the cooperatives' activities, such as improved environment and support to tourism.
- Social. These cooperatives apply in the agricultural sector a national law (L. 381/91) that has as objective to promote the employment of disadvantaged people. Usually they are rural labor cooperatives, supported by local and national government.

Multifunctional cooperatives respond to a broad social demand for services related to agriculture. In each type, the main goal is not the food production anymore but it is focused on providing benefits to specific groups of people. Rural development, quality of life, environment preservation are new objectives for these cooperatives. Food production remains one of the most

relevant activities of these cooperatives, but the way the food is produced and social externalities become important as well.

Table 4 summarizes the key financials (section (a)) and ratios (section (b)) of MF cooperatives, breaking them down into the four sub-groups. The data showed that MF cooperatives are a heterogeneous group. Each sub-group had specific characteristics. Food Quality cooperatives were characterized by a large average number of members (254 patrons vs. a MF average of 152) that determined extremely low average revenues per member (US\$ 1,545). The low revenues compared to the number of member were explained by the main activity of these cooperatives: processing food for members' self-consumption, requiring just a "service fee". Then, cooperatives' revenues were just the summation of the patrons' service fees. Because of these characteristics, a financial evaluation of Food Quality cooperatives is difficult. In fact, the goal of these firms was not the maximization of members' profit, but the maximization of their utility, pursued through the production of traditional food. The large and increasing membership suggested that these cooperatives were able to gather a broad support from local farmers, implying that they were able to achieve their objectives

Despite of the intense public support in terms of financial contributions and tax advantages, the performances of Free Time cooperatives were questionable. These cooperatives were the largest in terms of average revenues and asset value. However, the low value of total asset turnover suggested that the large average investment were unable to generate an adequate flow of revenues. Moreover, their capitalization was below the average, as shown by the equity/asset ratio.

Landscaping cooperatives showed good performances and high potential for future development. The high total asset turnover and equity/asset ratios, the increasing average revenues and number of members suggested a balanced and growing business. The average revenues per member were low (US\$ 11,716) but rapidly increasing (+31.4% in the two-year period). These cooperatives were strongly supported by local governments (especially in central Italy) through concessions and preferential contracts, effective measures with low impact on local budgets.

25.43% of the assets of Social cooperatives was financed by the public sector. The relevance of the social goal made these cooperatives able to benefit of strong public support in terms of high investment contributions and preferential contracts. On average, these firms produced the highest average revenues per member of the MF class.

The financial analysis confirmed that Italian cooperatives were able to pursue the broad objectives of multifunctional agriculture (Russo, Weatherspoon, Peterson and Sabbatini, 1999). Also, the analysis suggested that the landscaping business had more potential than the free time, having higher total asset turnover and faster revenue growth rate. However, it must be pointed out that the success of landscaping cooperatives is conditioned to the support of local communities. In fact, the most successful landscaping cooperatives were concentrated in few areas in Central Italy, where local governments were interested in promoting such activities to capture the relevant externalities.

Conclusions and Managerial Implications

The data showed that multifunctional cooperatives were able to achieve acceptable performances even in absence of the economies of scale that were crucial to the traditional cooperatives. This fact confirms that the new characteristics of the demand for agriculture offer significant opportunities to small farmers and to rural areas. Traditional and product differentiation cooperative strategies were unprofitable course of action for small farmers, unlikely to grant a long-term survivability.

However, multifunctional agriculture cannot be considered an easy way out for small farmers' problems. The financial analysis shows that the volume of the revenues of multifunctional agriculture cooperatives usually results low and insufficient to support a full time activity of the members. In fact, with few exceptions, the low level of average revenue per member seems to imply that multifunctional cooperatives' patrons must have diversified businesses or even part-time operations. The success of the multifunctional agriculture is conditioned either to the presence of viable opportunities for diversification in the area or to the possibility of expand the business. The studied sample show that the diversification option was by far the most common. This fact questioned the effectiveness of multifunctional agriculture alone to solve the problems related with rural area income.

Making a business of the opportunities coming from the new characteristics of the demand appears difficult because of the low willingness to pay of consumers for the services of multifunctional agriculture, as suggested by the low average revenues of MF cooperatives. The success of this strategy is still conditioned, for the time being, to the public support. A support

that consisted not only in financial contributions but also in land concessions, tax advantages, preferential public contracts and incentives to start new cooperatives. Unlike consumers, governments and local authorities seemed to be more willing to finance these initiatives, at least in the EU case. Public support is justified by the relevance of MF cooperatives' positive externalities for local communities and it was a way to compensate these firms for their social responsiveness. In the EU, multifunctional agriculture is considered one of the most important tools for rural development, and the positive externalities are considered crucial for the society's welfare, especially from the environmental point of view.

The effect of the relevance of public support implies that, in exploiting the new demand for agricultural services, MF cooperatives must consider two types of customers: private consumers and public subjects. Then, MF firms' managers must be able to understand and deal with the two demands for multifunctional agriculture: the public and the private. The demand for multifunctional agriculture is more complex and undetermined than the traditional commodity demand. A multifunctional business needs to deal with more diversified customers and pursue multiple objectives.

Running a multifunctional business implies a broader set of skills. Beside the traditional managerial abilities, farmers must have environmental sensitivity, must network with local communities and must be able to maximize public support. Hence, a new perspective is needed. The pursuit of production efficiency is not the only focus of multifunctional agriculture. Being environmental and social responsible, developing a network of relationship with local communities, government and potential private customers become as important as an increase in

yield. The implementation of multifunctional agriculture requires an innovative approach. Farmers and managers must focus even more on the external environment in order to discover the exploitable characteristics of the demand. Then, the production must be adjusted to meet the customers (both public and private) needs.

Multifunctional agriculture is a viable alternative for small farmers. However, the success of this strategy implies a new perspective. Multifunctional farming and agribusiness are different from the traditional approach. The most crucial differences is the increased focus on the external environment and flexibility in order to adapt the production processes to the changing characteristics of the new demand, even at the expenses of production efficiency. In fact, in multifunctional agriculture, the way goods are produced is an essential factor of the strategy and the characteristics of the production process are an important attribute of the product (De Benedictis 1999).

Table 1: Descriptive Statistics of a Sample of 1654 Italian Agricultural Cooperatives

sector	N. of Coop.	% N. of Coop.	% of Sample Revenues	% of Sample Members	% of Sample Total Assets
Dairy	520	31.44%	35.48%	13.81%	36.09%
Fruit and Vegetables	237	14.33%	20.19%	16.26%	21.59%
Wine	189	11.43%	14.95%	31.89%	20.23%
Livestock	163	9.85%	6.34%	3.61%	5.57%
Joint Farming	140	8.46%	1.68%	1.82%	2.97%
Services	116	7.01%	0.97%	5.05%	1.19%
Olive Oil	89	5.38%	0.83%	11.79%	1.09%
Farm Supply	70	4.23%	2.72%	5.15%	1.55%
Forestry	44	2.66%	0.16%	0.96%	0.15%
Grain	43	2.60%	1.98%	5.46%	1.70%
Poultry	19	1.15%	11.81%	0.28%	5.01%
Animal Feeding	12	0.73%	2.51%	1.01%	1.32%
Tobacco	11	0.67%	0.35%	2.63%	1.34%
Sugar	1	0.06%	0.01%	0.29%	0.20%
Total	1,654	100.00%	100.00%	100.00%	100.00%

Table 2. Key Financials of 1,655 Italian Agricultural Cooperatives by Revenues Class: Comparison between Product Differentiation (PD), Multifunctional (MF) and Traditional Cooperatives

Section (a): Cooperatives with Revenues lower than US\$ million 0.5

	PD	MF	T	All Types
N. Coop. in 1994	30	140	463	633
% of Bankruptcies 94/96	3.33%	1.43%	5.83%	4.74%
Avg. Revenues (*)	219,296	117,010	154,642	149,383
% Change 94/96 (nominal prices)	-34.73%	11.06%	-31.17%	-26.61%
Avg. N. of Members year 1996	34	137	82	92
% Change 94/96 (nominal prices)	-0.10%	2.61%	-4.30%	-2.06%
Avg. Revenues per Member (*)	7,876	6,263	7,354	7,137
% Change 94/96 (nominal prices)	-47.17%	3.59%	-31.21%	-27.64%
Avg. Total Assets (*)	368,610	249,587	355,222	332,493
% Change 94/96 (nominal prices)	4.35%	10.64%	-13.00%	-8.97%
Avg. Public Capital Contributions (*)	16,603	27,363	29,434	28,368
% Change 94/96 (nominal prices)	-14.98%	19.55%	-18.02%	-12.03%
Avg. Equity (*)	49,846	71,695	42,572	49,358
% Change 94/96 (nominal prices)	1.94%	27.37%	-19.03%	-7.26%
Avg. Fixed Assets (*)	66,773	148,222	183,704	170,315
% Change 94/96 (nominal prices)	0.08%	23.07%	-4.42%	-0.04%

Section (b): Cooperatives with Revenues between US\$ million 0.5 and 5

	PD	MF	T	All Types
N. Coop. in 1996	174	11	625	810
% of Bankruptcies 94/96	0.00%	0.00%	0.48%	0.37%
Avg. Revenues (*)	2,018,020	1,043,755	1,734,190	1,785,784
% Change 94/96 (nominal prices)	9.33%	26.84%	12.23%	11.62%
Avg. N. of Members year 1996	79	163	164	145
% Change 94/96 (nominal prices)	-3.42%	2.93%	-0.66%	-0.94%
Avg. Revenues per Member (*)	104,326	29,161	55,311	65,485
% Change 94/96 (nominal prices)	10.07%	39.85%	8.46%	9.15%
Avg. Total Assets (*)	2,525,780	1,091,374	1,710,810	1,877,465
% Change 94/96 (nominal prices)	17.25%	24.72%	13.89%	14.92%
Avg. Public Capital Contributions (*)	142,988	132,780	94,474	105,415
% Change 94/96 (nominal prices)	-9.07%	43.22%	7.21%	2.31%
Avg. Equity (*)	244,978	304,266	270,390	265,391
% Change 94/96 (nominal prices)	2.31%	27.97%	7.25%	6.50%
Avg. Fixed Assets (*)	484,588	420,692	513,719	506,198
% Change 94/96 (nominal prices)	7.15%	29.42%	9.21%	8.97%

Section (c): Cooperatives with Revenues higher than US\$ 5

	PD	MF	T	All Types
N. Coop. in 1996	40	2	169	211
% of Bankruptcies 94/96	0.00%	0.00%	0.00%	0.00%
Avg. Revenues (*)	12,222,154	9,314,251	22,604,925	20,510,650
% Change 94/96 (nominal prices)	22.27%	25.71%	20.73%	20.92%
Avg. N. of Members year 1996	316	113	366	355
% Change 94/96 (nominal prices)	-8.07%	14.72%	-0.33%	-1.70%
Avg. Revenues per Member (*)	196,203	84,929	514,195	449,843
% Change 94/96 (nominal prices)	25.38%	2.31%	3.44%	4.95%
Avg. Total Assets (*)	12,247,866	7,975,161	15,791,813	15,045,883
% Change 94/96 (nominal prices)	19.64%	7.85%	17.33%	17.63%
Avg. Public Capital Contributions (*)	1,003,159	1,291,566	840,302	875,453
% Change 94/96 (nominal prices)	53.62%	0.01%	2.36%	10.32%
Avg. Equity (*)	2,220,072	2,331,251	3,480,120	3,230,359
% Change 94/96 (nominal prices)	19.07%	28.73%	18.69%	18.80%
Avg. Fixed Assets (*)	2,745,990	4,357,241	5,210,305	4,735,051
% Change 94/96 (nominal prices)	13.93%	-10.78%	15.07%	14.65%

Section (d): Summary of All Revenues Classes

	PD	MF	T	All Types
N. Coop. in 1996	244	153	1257	1,654
% of Bankruptcies 94/96	0.41%	1.31%	2.39%	2.00%
Avg. Revenues (*)	3,469,674	303,864	3,958,393	3,548,242
% Change 94/96 (nominal prices)	15.80%	20.38%	17.52%	17.29%
Avg. N. of Members year 1996	113	138	161	152
% Change 94/96 (nominal prices)	-5.50%	2.75%	-1.27%	-1.43%
Avg. Revenues per Member (*)	107,529	8,938	99,342	92,187
% Change 94/96 (nominal prices)	13.10%	10.11%	3.34%	4.96%
Avg. Total Assets (*)	3,854,339	411,096	3,104,646	2,966,080
% Change 94/96 (nominal prices)	18.31%	12.32%	14.70%	15.34%
Avg. Public Capital Contributions (*)	218,079	51,056	299,276	174,162
% Change 94/96 (nominal prices)	7.07%	22.81%	23.97%	6.18%
Avg. Equity (*)	268,460	51,467	170,792	560,953
% Change 94/96 (nominal prices)	21.15%	15.68%	2.02%	14.65%
Avg. Fixed Assets (*)	544,772	117,953	618,015	917,125
% Change 94/96 (nominal prices)	12.93%	27.83%	14.67%	11.91%

(*) Values in US\$, fiscal year 1996

**Table 3. Financial Ratio of 1,655 Italian Agricultural Cooperatives by Revenues Class:
Comparison across Groups**

Section (a): Cooperatives with Revenues lower than US\$ million 0.5

		PD	MF	T	All Types
Total Asset Turnover	1996	1.09	1.29	1.74	1.61
	1994	1.43	1.45	2.00	1.85
Equity/Asset Ratio	1996	0.20	0.30	-0.01	0.07
	1994	0.16	0.27	0.19	0.21
Fixed/Total Asset Ratio	1996	0.25	0.45	0.37	0.38
	1994	0.25	0.45	0.37	0.38
Public Contr./Asset Ratio	1996	0.04	0.07	0.05	0.06
	1994	0.04	0.06	0.07	0.07
Inventory/Total Asset Ratio	1996	0.12	0.03	0.05	0.05
	1994	0.11	0.03	0.06	0.06
Avg. Share per Member (US\$)	1996	1,960	3,249	1,057	1,590
	1994	1,913	2,672	2,174	2,273

Section (b): Cooperatives with Revenues between US\$ million 0.5 and 5

		PD	MF	T	All Types
Total Asset Turnover	1996	0.91	1.40	2.33	2.01
	1994	0.99	1.27	2.94	2.50
Equity/Asset Ratio	1996	0.07	0.28	0.16	0.14
	1994	0.07	0.32	0.16	0.14
Fixed/Total Asset Ratio	1996	0.15	0.33	0.25	0.23
	1994	0.17	0.36	0.26	0.24
Public Contr./Asset Ratio	1996	0.03	0.05	0.04	0.04
	1994	0.04	0.07	0.04	0.04
Inventory/Total Asset Ratio	1996	0.52	0.17	0.20	0.27
	1994	0.41	0.13	0.17	0.22
Avg. Share per Member (US\$)	1996	6,260	8,278	8,785	8,236
	1994	6,327	5,362	7,503	7,221

Section (c): Cooperatives with Revenues higher than US\$ 5

		PD	MF	T	All Types
Total Asset Turnover	1996	0.97	2.41	1.77	1.63
	1994	0.93	2.39	1.80	1.64
Equity/Asset Ratio	1996	0.19	0.19	0.18	0.18
	1994	0.19	0.16	0.18	0.18
Fixed/Total Asset Ratio	1996	0.22	0.34	0.28	0.27
	1994	0.23	0.41	0.29	0.28
Public Contr./Asset Ratio	1996	0.08	0.09	0.05	0.06
	1994	0.06	0.09	0.05	0.05
Inventory/Total Asset Ratio	1996	0.36	0.05	0.18	0.21
	1994	0.31	0.02	0.17	0.19
Avg. Share per Member (US\$)	1996	33,441	22,560	119,483	102,253
	1994	22,989	22,230	81,851	70,127

Section (d): Summary of All Revenues Classes

		PD	MF	T	All Types
Total Asset Turnover	1996	0.94	1.31	2.04	1.81
	1994	1.04	1.45	2.44	2.14
Equity/Asset Ratio	1996	0.10	0.29	0.10	0.12
	1994	0.10	0.28	0.17	0.17
Fixed/Total Asset Ratio	1996	0.17	0.44	0.30	0.29
	1994	0.19	0.44	0.31	0.30
Public Contr./Asset Ratio	1996	0.04	0.06	0.05	0.05
	1994	0.04	0.06	0.05	0.05
Inventory/Total Asset Ratio	1996	0.45	0.04	0.14	0.18
	1994	0.35	0.04	0.13	0.15
Avg. Share per Member (US\$)	1996	10,187	3,863	20,916	17,745
	1994	8,516	3,121	15,600	13,393

Table 4: Financial Statistics by Sub-Group of Multifunctional Cooperatives

Section (a): Financial data

	food quality	free time	landscaping	social
N. of cooperative	66	31	49	7
Average Revenues 1996 (US\$)	114,770	665,805	348,871	168,818
% Change 94/96 (nominal prices)	19.1%	11.7%	37.8%	-14.2%
Average N. of Members 1996	254	65	46	22
% Change	2.6%	1.8%	5.1%	1.3%
Average Revenues per Member 1996 (US\$)	1,545	16,754	11,716	24,585
% Change 94/96 (nominal prices)	-19.7%	2.8%	31.4%	-0.5%
Average Total Assets 1996 (US\$)	200,048	1,208,851	223,973	177,908
% Change 94/96 (nominal prices)	2.1%	11.3%	28.9%	42.9%
Average Public Capital Contrib. 1996(US\$)	16,621	211,095	3,824	6,606
% Change 94/96 (nominal prices)	-1.2%	20.0%	1.0%	-17.8%

Section (b): Financial Ratios

	year	food quality	free time	landscaping	social
Total Asset Turnover	1996	1.431	0.621	1.645	0.930
	1994	1.590	0.673	1.770	1.350
Equity/Asset Ratio	1996	34.27%	13.94%	32.11%	32.04%
	1994	31.19%	14.51%	30.03%	36.45%
Fixed Asset/Total Asset	1996	57.44%	50.93%	23.70%	28.79%
	1994	55.34%	49.71%	26.74%	37.89%
Public Capital Contribution/Total Asset	1996	6.64%	8.91%	1.99%	25.43%
	1994	6.39%	9.67%	1.82%	16.32%
Inventory/Total Asset	1996	2.87%	7.55%	3.22%	1.15%
	1994	4.24%	6.07%	2.53%	1.19%
Avg. Share per Member (US\$)	1996	567	10,786	3,342	7,939
	1994	1,347	7,252	2,610	5,136

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