

Members felt more strongly that the VAC was not a get-rich-quick scheme, a last ditch effort to survive, or benefited only the wealthy. They also more firmly believed that the cooperative did not have inferior products, too strict contract terms, or too high an initial investment. Members disagreed more strongly that the managers had too much control, that the VAC could not compete with an investor-owned firm, or that farmers should not own food companies.

Implications

The results of this study indicated identifiable differences between VAC members and non-members. It also identified farmers most likely to join different types of VACs. These indicators speak of farmers' view of their role in agriculture and of their expectations of the VACs.

Differences between members and non-members

Answers to several questionnaire items were obviously related to VAC membership. Members felt more strongly that the VAC was an economically viable way to expand their farm/ranch operations beyond commodity production. They may have been influenced by their level of education, positive view of the VAC's potential, and their desire to diversify beyond commodity production.

Members tended to be younger, managed larger operations, and were more financially stable than non-members. This group, recognizing that potential benefits could be achieved over the long term, may be better able to accept the investment risk of membership. Membership may also be a positive choice because a smaller percentage of the total farm/ranch finances and production are committed to the cooperative.

Using membership characteristic information

VAC organizers and leaders can benefit by being aware of the characteristics of farmers who are

most likely to be interested in joining their cooperative. Initial stock offering drives that focus primarily on potential members possessing these characteristics may be more effective than a blanket approach.

On the other hand, the focused approach may inadvertently discriminate against other farmers who do not possess these characteristics. For a VAC to obtain sufficient investor funding for securing additional lender funding, it may be important to demonstrate that it can raise a large amount of invested capital early into the drive. Thus, VAC organizers could operate the drive in two phases. The first phase could involve strategies that focus heavily on farmers with member characteristics. The second could involve strategies that blanket all farmers, regardless of their characteristics.

Different types of farmers join different types of VACs

VACs are not all the same, and neither are their members. However, the members of the large, crop-related VACs and the small, livestock-related VACs share many of the same personal characteristics:

- belief in VACs' ability to accomplish their objectives,
- ideology regarding cooperatives, and
- beliefs about VACs' long-term return on investment compared with other investments.

They differ substantially with each other in several other ways. There are differences in farm operation characteristics, perceived role in the agricultural industry, view of long-term risk of VAC investment compared with other investments, and participation in other cooperatives. Policymakers, agricultural officials, the media, rural development and industrialization specialists, and cooperative leaders must bear this in mind as they attempt to generalize the characteristics of VAC members.

VACs signal a change in ag structure

The structure of American agriculture continues to shift from many medium-sized farms to fewer larger operations and a growing number of smaller operations. This shift is a response to the need to capture efficiency of scale, especially with narrowing profit margins due to increasing production costs and stagnant commodity markets.

This research suggests that an additional change will likely be ongoing in the structure of production agriculture and in the overall agro-food complex. Farmers typically relied on traditional marketing structures (e.g. local grain elevators and livestock sales arenas) to sell their commodities.

Today, a new generation of farmers is emerging who typically are younger, more educated, have more assets, and are no longer content with traditional marketing structures. These farmers will likely have less loyalty to the local outlet of transnational agricultural corporations. They will be more innovative in looking for ways to add value to their commodities. In their pursuit to capture a larger percentage of the food dollar, the face of the agro-food complex may also change.

Members have a broader view of themselves.

Farmers, whether VAC members or non-members, perceived themselves as food producers. The VAC members (and particularly those involved in large, crop-related VACs) saw themselves also as food processors, transporters, marketers, wholesalers, and retailers. They saw themselves as participants at several stages of the food chain.

If agricultural enterprise innovations are to occur, changes may be required in how farm producers perceive themselves. Those who produce the nation's food may need to shift their paradigm from being in the farming business to being in the food business.

Members have more confidence in the cooperative

When considering a VAC investment, both VAC members and non-members look for:

- stable markets,
- potential for profit,
- reasonable risk,
- manageable investment costs.

Each group listed these types of considerations as “somewhat important” or “very important” in making a decision on investing in a VAC.

However, VAC members were more optimistic than non-members about the cooperatives' ability to accomplish these goals. Members believed that the cooperative could achieve these goals “often” or “very often.” Non-members were more inclined to believe they could be achieved “often” or “occasionally.”

According to adoption diffusion theory, different traits characterize those who adopt a technology or innovation at different stages. The degree to which VACs succeed or fail over the next several years will likely determine how many and what type of farmers invest in VACs, and when they will invest.