Counting on Cooperatives

An Interdisciplinary Study of the Major Businesses and Business Activities

GRADES 5-6

California Foundation For Agriculture In The Classroom

WRITTEN BY

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The California Farm Bureau Federation actively represents, protects and advances the social and economic interests of farm families and California communities by organizing productive agriculture to provide group benefits and manage issues which affect its membership.

The California Foundation for Agriculture in the Classroom is dedicated to fostering a greater public knowledge of the agricultural industry and seeks to enlighten students, educators and leaders in the public and private sectors about agriculture’s vital, yet sometimes forgotten, role in American society and the effect all citizens have on agriculture’s well being.

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INTRODUCTION

DID YOU KNOW... .

⇒ Agriculture is the number one industry in California, providing one in ten jobs in the state?
⇒ California's agricultural exports total about $12 billion each year?
⇒ Nearly one-third of California's land is devoted to agricultural production?
⇒ Over 250 crop and livestock commodities are produced in California?
⇒ Only one to two percent of the United States' population produces the food for the nation and exports large quantities of agricultural products to other parts of the world?

These facts are quite impressive and illustrate the point that California agriculture can be used as a theme to teach economic concepts to students. This multi-disciplinary unit, Counting on Cooperatives, incorporates language arts, social science and mathematics into six interactive lessons.

The first lesson introduces students to the four types of businesses—sole-proprietorships, partnerships, corporations and cooperatives—and the four types of business activities—production, processing, marketing and services. Students then learn about national and California events that were part of the evolutionary development of California cooperatives. Economic terms and concepts are incorporated into mathematical word problems and language arts crossword puzzles. The students produce a commodity to sell to others following simulated governmental regulations, such as obtaining a business license. Students learn about the nature of free enterprise in this unforgettable concluding activity.

The California Foundation for Agriculture in the Classroom appreciates the support from the Agricultural Council of California for assistance in the funding and development of this unit. Contact the Foundation for further assistance in integrating agricultural literacy into your curriculum. Comments on this unit or on other Agriculture in the Classroom resources are always welcome and appreciated.
UNIT OVERVIEW

BRIEF DESCRIPTION

This six-lesson unit introduces students to the study of economics, including an introduction to basic business types and systems. Students learn about international, national and California history as they take a historical tour of cooperatives and how they have evolved into the business structures that exist today. Arithmetic skills are reinforced as students cooperatively solve word problems and exchange money. In a culminating activity, students open a business of their own choosing and experience the business world first-hand as classmates act as consumers. Agriculture is the overall theme for this unit.

SOCIAL STUDIES CONCEPTS

The 1988 California History-Social Studies Framework states that students will:

- Develop an appreciation of the many people who work to supply their daily needs (pp. 37-38).
- Understand the basic economic issues that confront all societies (p. 17).
  Understand that economic systems operate under a system of supply and demand (p. 17).
- Analyze some of the basic economic goals of their society (p. 17).
- Acquire information by listening, observing and using community resources (pp. 40-42).
- Develop group interaction skills such as a willingness to listen to the differing views of others, decision-making, compromising; resolving conflicts and leadership skills (p. 21).

LANGUAGE ARTS CONCEPTS

The 1988 English-Language Arts Framework states that students will:

- Read activities that are significant and meaningful and introduce new vocabulary and concepts (p. 29).
- Formulate and share ideas with others in small group work and discussion (p. 12).
- Have opportunities to practice the art of reading orally (p. 18).
- Participate in an oral language program that encourages a variety of writing, reading, speaking and listening activities (p. 4).
MATHEMATICS CONCEPTS

The 1992 Mathematics Framework for California Public Schools states that students will:

- Use problem-solving approaches to investigate and understand mathematical content (p. 118).
- Use the skills of reading, listening and viewing to interpret and evaluate mathematical ideas (p. 118).
- Systematically collect, organize and describe data (p. 120).
- Apply acquired arithmetic skills to real situations such as exchanging money (p. 119).

ART CONCEPTS

The 1989 California Visual and Performing Arts Framework states that students will:

- Practice fine motor coordination as they perform coloring, cutting and gluing activities (pp. 98-101).
- Be encouraged to do creative drawing as they complete various multi-curricular activities (pp. 98-101).

OBJECTIVES

The students will:

- Compare and contrast business types and activities.
- Reinforce their knowledge of basic economic concepts.
- Explore the history of cooperatives.
- Discover the different types of cooperatives.
- Analyze products and businesses and determine what types of businesses they are.
- Learn appropriate terms associated with economics.
- Perform math problems that reinforce arithmetic skills and teach about cooperatives.
- Create and sell a product or service in a classroom “city.”
- Practice banking activities.
- Experience a simulation activity on free enterprise.
BULLETIN BOARD IDEAS

- Display the illustrated timeline of cooperative history as described in The History of Cooperatives lesson, pages 33-35.
- Create an "Occupation Web" which lists business names and occupations in your community that help bring food from the farm to the kitchen table.
- Create a never-ending bulletin board display that has four sections-sole-proprietorship, partnership, corporation and cooperative. Have the students bring in logos from businesses or labels from food or clothing. Research these names and place them in the appropriate category on the bulletin board.
- Display student-made advertisements about the product they market in the last activity.
- Create a display of the various business cards created by the students during the A Business Adventure activity.
- Create a cooperative collage from logos gathered from local businesses. Examples of cooperatives may include credit unions, health maintenance organizations and food and clothing manufacturers.

EVALUATION

This unit incorporates activities and questions that can be used as evaluation tools or included in student portfolios. Embedded assessment activities include oral and written responses to open-minded questions, drawing, group presentations and other knowledge application projects. Active participation in class discussions and projects may also be used as assessment tools.
BEFORE YOU BEGIN

1. Skim over the entire unit. Personalize the unit for your students by making appropriate changes to the lessons or activity sheets.

2. Review the last lesson, *A Business Adventure*, pages 83-96, in detail. Plan a schedule for this project that is consistent with your year-long schedule. Decide what adaptations need to be made to make this project work for you.

3. Read the *Answers to Commonly Asked Questions* on pages 97-98 to gain background information to use during this unit. Use these pages with your students as you see appropriate.

4. Arrange for classroom visits from people involved in various business structures, including sole-proprietorships, partnerships, corporations and cooperatives.
WHOSE BUSINESS IS THIS ANYWAY?
(An Introduction to the Business World)

PURPOSE

The purpose of this lesson is for students to understand the four kinds of businesses and the four types of business activities.

CONCEPTS

- The four kinds of businesses are sole-proprietorships, partnerships, corporations and cooperatives.
- The four types of business activities are production, manufacturing or processing, marketing and services.

MATERIALS

For the class:

- *How Would You Do It?* activity cards (p. 13)
- Butcher paper for Part A
- Concentration Game Cards (pp. 20-31)
- Pocket or sentence chart

For each student group of three to five students:

- Sentence strips (3)
- Markers

For each student:

- *Four Business Scenarios* (p. 14)
- *Let’s Compare Them!* activity sheet (p. 15)
- *Interview Questionnaire* (3) (p. 17)
- *How Do You Do? What Do You Do?* activity sheet (p. 18)
- *Interview Summary Bar Graph* (p. IQ)
TIME

Teacher preparation ........................................................... 25 minutes
How Would You Do It? student activity .............................. One 50-minute session
Let’s Compare Them student activity ................................. One 50-minute session
How Do You Do? What Do You Do? student activity ....... Two 20-minute sessions, plus homework
Concentration Game ........................................................... One 45-minute session

BACKGROUND INFORMATION

In this activity, students learn about the four major types of businesses in the United States and the four major kinds of business activities. Review the Answers to Commonly Asked Questions (pp. 97-98), the student reading assignment (p. 14) and the Concentration Game Answer Key (p. 32) before beginning this lesson.

In brief, sole-proprietorships are businesses that are owned by one individual who makes all the decisions. In partnerships, two or more people who own the company make the decisions. In corporations, stockholders vote on issues based on the number of shares they own. They often elect a board of directors which is empowered to make the decisions for the company. In cooperatives, all members of the cooperative have the opportunity to vote. One main difference between corporations and cooperatives is that in corporations, the stockholders are not the sole users of the company. In cooperatives, the member-owners are the users of the company. Therefore, cooperative members make decisions that directly affect themselves while stockholders make decisions that usually affect the economic stability of the company.

Businesses do one of four types of activities. All businesses, regardless of their type, perform one or more of these activities. They can:

1) produce things, such as grow crops;
2) manufacture things, such as build tractors;
3) market items, such as develop advertisements; or they can
4) provide a service, such as health care.

PROCEDURE

Part A: How Would You Do It?

1. Duplicate and cut apart one copy of the How Would You Do It? Activity Cards (p. 13).
2. Divide students into small groups of three to five students and provide each group with a different activity card.
3. Provide 10 to 15 minutes of brainstorming time for students to list different ways they could complete the specific task and to write their three favorite ideas on sentence strips. (Note: This may need to be modeled with one of the cards.)
4. Allow each group to explain their activity card and describe their three best responses. As a class, decide where the sentence strips should be placed on a butcher paper chart that looks something like the following.

**Decisions and Responsibilities Are Made**

<table>
<thead>
<tr>
<th>By Yourself</th>
<th>With a Partner</th>
<th>By a Leader or Leadership Team</th>
<th>As a Team</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: It is best if the chart is not shown until brainstorming is almost complete.*

5. Discuss how student cooperation was part of this activity.

6. Discuss the business terms associated with each column. See the background information on page 10 for further explanation. It is important to let your students know that these terms are used simplistically in this lesson and that they will learn more about these four business types as they perform other lessons in this unit.

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Decisions Made</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole-proprietorship</td>
<td>By yourself</td>
</tr>
<tr>
<td>Partnership</td>
<td>With a partner(s)</td>
</tr>
<tr>
<td>Corporation</td>
<td>By a leader or leadership team</td>
</tr>
<tr>
<td>Cooperative</td>
<td>As a team</td>
</tr>
</tbody>
</table>

7. Discuss the benefits and drawbacks of each type of business. Discuss the terms “cooperation” and “competition,” if appropriate.

**Part B: Let’s Compare Them!**

1. Individually or in small groups, have the students read each of the *Four Business Scenarios.*
2. In small groups or as a class, complete the *Let’s Compare Them!* activity sheet.

**Part C: How Do You Do? What Do You Do?**

1. Distribute three copies of the *Interview Questionnaire* to each student. Explain to the students that they are to thoughtfully select three adult individuals, who work at different places, to interview. They should have their interview list approved by you before performing the interviews.
2. Review the appropriate protocol and manners the students should use when speaking with adults. The need for courtesy and respect should be emphasized. Perhaps your students can role-play an interview with a classmate before actually completing their interviews.
3. Allow three to five days for the students to complete the interviews.

4. After the interviews are complete, distribute the chart How *Do You Do? What Do You Do?* to each student. Explain the four types of business activities—production, manufacturing (or processing), marketing and services. Have the students individually complete the worksheet.

5. In small groups, have the students discuss their interviews and conclusions with one another and complete the How *Do You Do? What Do You Do?* activity sheet.

6. Have the students create a class graph showing the results of their interviews. An activity sheet for this is provided on page 19. Discuss what this graph might say about the working people in your community. What research could be done to see if your graphs accurately depict job possibilities in your area?

**Part D: Concentration-Review and Evaluation Activity**

1. Duplicate the 30 concentration cards (five copies each of pages 20-21 and one copy each of pages 22-31), cut them apart, mix them up and place them face down in a pocket or sentence chart. Hang the chart for all students to see.

2. Divide the class into two equal-sized groups. Explain the procedure for playing the game.
   - The object of the game is for your team to match a business-type card to a description that fits. Each correct match is worth one point. The team with the most points wins.
   - One person from the first team will turn over two cards. The object is to match one of the forms of business with its correct description or title. For example, “Bob’s Custom Soil Analysis” would match “Sole-proprietary.” A match gives the team a point, the matched cards are removed and the team gets another turn. A miss results in placing the cards face down again and it becomes the other team’s turn. Teams continue playing until all matches have been made. *(Note: If two “partnership” cards are turned up, this would not be considered a match.)*

3. Play the game with your students.

4. Discuss the terms “cooperation” and “competition” in regards to this game.

**VARIATION**

- Reduce the size of the cards and have the students play the Concentration Game in small groups.

**EXTENSION**

- Have the students find names of businesses in your community that indicate their business structures. For example, a single first name as part of a business’ name may indicate that the business is a sole-proprietary. Other words such as “Brothers” and “Inc.” may provide clues to a business’ structure.
HOW WOULD YOU DO IT?
Activity Cards

Your class wants to go on a special field trip. How can the class decide which fundraisers to participate in?

Your school is going to have a Sports Day. Describe a variety of ways the activities list could be created.

Your younger brother is going to take his first big test. Suggest all the ways he can prepare for the test.

Your family needs a plan of organization for keeping the house clean. Describe a variety of ways the chore and duty list could be created.

You are going to have a birthday party. Describe a variety of ways the theme and games for the party can be determined.

Three children are given a total of $35 to spend at the County Fair. Describe a variety of ways the money could be managed.

You are given $40 to buy games for your class. List different ways you can determine which games to buy.

Your school is going to have a carnival. Describe a variety of ways the kinds of booths can be determined.
FOUR BUSINESS SCENARIOS

Sole-Proprietorship Story

Joe Solo is in business for himself. He does not own a lot of land, so he grows iris bulbs because they do not require a lot of space. He has to pay all of his expenses and get to keep all of the profit or must absorb the losses. He makes all of his own choices and decisions. Joe does most of his own work or pays someone to work for him. Joe worries about what would happen if he has a bad year. He could lose everything, including his home and land. Fortunately, his business is doing well, but his profit varies with seasons and the number of bulbs produced and sold each year.

Partnership Story

Donna Duo and Bob Both own and operate a florist shop. They each wanted to have their own store, but they did not have enough money to get started. Their partnership allowed them enough money to rent a shop, buy supplies and share other start-up expenses. They work as a team and make business decisions together. The profits they earn are divided between the two of them. If for any reason the business fails, both Donna and Bob would be responsible for all of the business debts.

Corporation Story

Gary Grower is a farmer and the father of four grown sons. All of the boys want to farm with the father. The problem is, the family farm is not large enough to support five families. Gary has a plan. He and his sons will form a corporation. They will seek investors (stockholders) to finance this venture with the idea of leasing and buying more land. The stockholders will have a voice in making decisions. The more shares of stock any investor holds, the more votes the investor gets. Profits will be divided among the stockholders, according to the number of shares held. If for any reason the Grower Corporation loses money or fails, the stockholders are not responsible for any debts beyond what they have invested. Gary Grower feels that this corporation will give his family the capital they need for their business. His sons will be able to farm and Gary and his sons will obtain or lose money depending on the success of the corporation. And, hopefully, the investors will earn a good profit for their investment.

Cooperative Story

Numerous farmers—including Frank Friendly, Anita Agreeable, Jerry Joiner and Sherri Sharer have decided to form the cooperative Service for Farmers. By joining forces and hiring a professional management team, they will be able to buy supplies (seeds, fertilizers, etc.) in larger quantities. This will allow them to get their supplies at a lower price per unit. They will also be able to make better financial arrangements for services they need (equipment use, spraying, insurance, etc.). Each member of this farming cooperative will have one vote in making decisions about the services obtained. The more supplies or services each farmer uses, the more money that farmer saves. Unlike some cooperatives, this cooperative will not distribute cash profits, but will save each member money, according to how much each uses the goods or services. Any losses of the cooperative will be shared by members according to the amount of supply or service used by each particular member. However, many cooperatives incorporate themselves (become corporations) to prevent this from happening.
**LET’S COMPARE THEM!**

**Instructions:** After reading Four Business Scenarios, complete the chart below.

<table>
<thead>
<tr>
<th></th>
<th>Sole-proprietorship</th>
<th>Partnership</th>
<th>Corporation</th>
<th>Cooperative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who owns the business?</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Who makes the decisions?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who uses the service?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who gets the profits?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**LET’S COMPARE THEM!**

**Instructions:** After reading Four Business Scenarios, complete the chart below.

<table>
<thead>
<tr>
<th></th>
<th>Sole- proprietorship</th>
<th>Partnership</th>
<th>Corporation</th>
<th>Cooperative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who owns the business?</td>
<td>Individual</td>
<td>Two or more people</td>
<td>Stockholders</td>
<td>Members</td>
</tr>
<tr>
<td>Who makes the decisions?</td>
<td>Individual</td>
<td>Two or more people</td>
<td>Stockholders in proportion to number of shares owned</td>
<td>Members</td>
</tr>
<tr>
<td>Who uses the service?</td>
<td>Consumers</td>
<td>Consumers</td>
<td>Consumers</td>
<td>Members</td>
</tr>
<tr>
<td>Who gets the profits?</td>
<td>Individual</td>
<td>Partners share</td>
<td>Stockholders in proportion to number of shares owned</td>
<td>Members share net profits in proportion to use</td>
</tr>
</tbody>
</table>
INTERVIEW QUESTIONNAIRE

Interviewer ____________________________

Person being interviewed ____________________________

Name of employer ____________________________

1. What is the main purpose of the company with which you are employed? ______

2. What is your occupation? ____________________________

3. How long have you worked at this job? ____________________________

4. What are your work hours? ____________________________

5. Do you work indoors or outdoors? ____________________________

6. Do you work by yourself or with others? ____________________________

7. What training is required for your job? ____________________________

8. Tell me what you do. ____________________________

9. Who makes decisions about the business? ____________________________

10. When do you get paid? ____________________________

11. How is your pay determined? ____________________________

12. What do you like best about your job? ____________________________

13. If you could make your job better, what would you do? ____________________________

14. Would you recommend this occupation for others? ____________________________

15. Is there anything you would like to tell me about your job that you have not mentioned yet? ____________________________

Signature of Person interviewed ____________________________
You have recently interviewed three different working adults. Each of them worked in one of four main types of businesses-a sole-proprietorship, a partnership, a corporation or a cooperative. The businesses which employ them either produce an item (such as grow oranges), manufacture or process an item (make orange juice), market a product (make advertisements to promote the orange juice) or provide a service (do the banking for the company).

With the information you gathered from your interview, complete the chart below:

<table>
<thead>
<tr>
<th>Person Interviewed</th>
<th>Employer</th>
<th>Type of Business</th>
<th>Type of Business Activity</th>
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</table>

1. Of those interviewed, who seemed most satisfied with their job? _______________

Why do you suppose this is the case? _______________

2. Of those interviewed, whose occupation interests you the most and why? __________

______________________________________________________________________________

______________________________________________________________________________
**INTERVIEW SUMMARY BAR GRAPHS**

**Instructions:** Using the data gathered from your class interviews, complete the bar graphs

<table>
<thead>
<tr>
<th>Number of Individuals Interviewed</th>
<th>25</th>
<th>24</th>
<th>23</th>
<th>22</th>
<th>21</th>
<th>20</th>
<th>19</th>
<th>18</th>
<th>17</th>
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<table>
<thead>
<tr>
<th>Type of Business Activity</th>
<th>Production</th>
<th>Manufacturing</th>
<th>Marketing</th>
<th>Services</th>
</tr>
</thead>
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**Form of Business**

**Conclusion:** In one paragraph, describe what the graphs show. Also, discuss what you are not able to conclude from your data.
CONCENTRATION GAME CARDS (A)

Instructions: Make five copies of this page, then cut on the lines.

SOLE-PROPRIETORSHIP

PARTNERSHIP
CONCENTRATION GAME CARDS (B)

Instructions: Make *five* copies of this page, then cut on the lines.

CORPORATION

COOPERATIVE
CONCENTRATION GAME CARDS (C)

Instructions: Make one copy of this page, then cut on the lines.

OWNED BY INDIVIDUAL

INDIVIDUAL GETS PROFIT
CONCENTRATION GAME CARDS (D)

Instructions: Make one copy of this page, then cut on the lines.

CONTROLLED BY INDIVIDUAL

CONSUMERS USE SERVICES OR PRODUCTS
CONCENTRATION GAME CARDS (E)

instructions: Make one copy of this page, then cut on the lines.

PARTNERS SHARE PROFITS

CONTROLLED BY TWO OR MORE PARTNERS
CONCENTRATION GAME CARDS (F)

Instructions: Make one copy of this page, then cut on the lines.

OWNED BY TWO OR MORE PEOPLE

GREEN GIANT, INC.
CONCENTRATION GAME CARDS (G)

Instructions: Make one copy of this page, then cut on the lines.

<table>
<thead>
<tr>
<th>CONSUMERS USE SERVICES OR PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>OWNED BY STOCKHOLDERS</td>
</tr>
</tbody>
</table>
CONCENTRATION GAME CARDS (H)

Instructions: Make one copy of this page, then cut on the lines.

BOB’S CUSTOM
SOIL ANALYSIS

CONTROLLED BY
STOCKHOLDERS IN
PROPORTION TO
STOCKOWNED
CONCENTRATION GAME CARDS (I)

Instructions: Make one copy of this page, then cut on the lines.

STOCKHOLDERS
SHARE PROFITS IN
PROPORTION TO
SHARES OWNED

SUNKIST GROWERS
CONCENTRATION GAME CARDS (J)

Instructions: Make one copy of this page, then cut on the lines.

CONSUMERSUSE SERVICES

OWNEDBYMEMBERS
CONCENTRATION GAME CARDS (K)

Instructions: Make one copy of this page, then cut on the lines.

CONTROLLED BY MEMBERS

MEMBERS USE SERVICES
CONCENTRATION GAME CARDS (L)

Instructions: Make one copy of this page, then cut on the lines.

MEMBERS
SHARE
NET PROFITS IN
PROPORTION TO USE

ALLEN & JONES
TRACTOR REPAIR
CONCENTRATION GAME-Answer  Key

Sole-proprietorship
- Owned by individual
- Controlled by individual
- Individual gets profits
- Consumers use services or products
- Bob’s Custom Soil Analysis

Partnership
- Owned by two or more people
- Controlled by two or more partners
- Partners share profits
- Consumers use services or products;
- Allen & Jones Tractor Repair

Corporation
- Owned by stockholders
- Controlled by stockholders in proportion to stock owned
- Stockholders share profits in proportion to shares owned
- Consumers use services or products
- Green Giant, Inc.

Cooperative
- Owned by members
- Controlled by members
- Members share net profits in proportion to use
- Members use services
- Sunkist Growers
THE HISTORY OF COOPERATIVES

PURPOSE

The purpose of this activity is for students to understand that cooperation among people has been a part of most people’s lives throughout history and to realize that business cooperatives affect the economy and the lives of each individual.

CONCEPTS

- Cooperation is a useful behavior pattern found in most humans and many other animal species.
- The purposes and functions of business cooperatives are ever-changing to meet the needs of the members involved.
- Every cooperative is distinct in its structure and in the services it provides to its members.
- Looking at the history of how cooperatives evolved gives one a better understanding of how and why they exist today.
- Today, people benefit from many cooperatives, both agricultural and non-agricultural.

MATERIALS

For the teacher:

- The History of Cooperatives reading assignment (pp. 37-41)
- Computer or butcher paper (long enough to stretch along one long wall-20 feet)
- Tape

For each student:

- Cooperative Timeline Activity Sheet (p. 46)
- One to three Cooperative History Fact Cards (pp. 42-45)
- Tape
- Index Cards (one to three)
- Markers
**TIME**

Teacher preparation ................................................. 20 minutes
Student activity .......................................................... One 60-minute lesson, plus follow-up

**PROCEDURE**

1. Duplicate and cut out one set of the Cooperative History Fact Cards (pp. 42-45).

2. Place one long strip of computer paper or butcher paper, about 20 feet long, across the chalkboard. Mark it off with the following dates as shown. Then make an expanded timeline for 1910 A.D. to 1970 A.D. as shown.

![Timeline Diagram](image)

3. Shuffle and evenly distribute all of the fact cards to the students. Some students may have more than one.

4. Have the students read their fact card and then draw on an index card an illustration representing the fact.

5. Explain to the students that you are going to read them a factual historical account about cooperatives and that each fact and picture is one piece of the history. Therefore, they must listen closely to the story.

6. Read the story aloud to the students. When one of the fact cards is discussed, the student with that fact should tape or glue their fact and picture to the large class timeline. By the end of the reading, your students will have created a large timeline on the history of cooperatives.

7. At the conclusion of the reading, distribute the small student timeline. Have the students place five to ten interesting or important facts on this timeline to keep as a reference. You may want to assist the students in determining what the significant events were.
8. As a class, discuss what the students have learned from this assignment as well as how certain cooperative historical events have affected the economy and business structures of today.

**VARIATIONS**

- Distribute the reading assignment, butcher paper and markers to student groups of three or four. Have the groups create a cooperative historical timeline of their own.
- Have the students create a model of the timeline on cash register receipt paper.

**EXTENSIONS**

- Blank timeline fact cards are provided if you wish to incorporate significant facts about your students or community.
- Before reading the historical account of cooperatives, have the students create a measurement scale that can be used to create an accurate timeline on which the facts will be placed. The timeline should be from 3000 B.C. to the present.
- Have the students create a personal timeline of significant events in their own lives.
- Create a collection of items that display cooperative logos.
HISTORY OF COOPERATIVES
(Timeline Reading Activity)

Cooperation is as old as civilization. It is impossible to discover the beginning of organized cooperative activity because it is so instinctive. Early humans began living in groups for safety, protection and hunting. Later, people worked together to domesticate animals and cultivate the land. It was discovered that more could be accomplished by a group than by an individual.

Cooperatives have social value because there is a satisfaction in working with others to achieve a common goal. However, the primary purpose of cooperatives today is to provide economic benefits for members.

Around 3000 B.C., the Egyptians had highly developed craft associations in their trading systems. Crafts people with various skills worked together to produce fine products. This required cooperation.

Between 2067 and 2025 B.C., the ancient Babylonians leased farmland from their king on a cooperative tenant basis. This means that they paid the King a certain amount for using the land, but then were able to keep their profits. Many farmers still lease land today.

The Romans formed cooperative craftsmen organizations between 451 and 449 B.C., establishing eight trade colleges, including shoemaker, carpenter and goldsmith schools.

The Chinese created the first money-lending society in 200 B.C. These societies had many cooperative features and resembled the savings and loan associations of today.

During the Dark Ages (476 A.D.), monasteries were one of the few places cooperative practices were used. Monasteries were relatively self-sufficient. Most had their own gardens, sewing rooms and libraries.

Evidence of the first agricultural cooperative venture came in the Middle Ages around 1200 A.D. A group of Swiss dairymen formed a cheese cooperative. They had one central location where cheese was made from milk from the surrounding area.
With the Renaissance, around 1400 to 1500 A.D., trade and exploration were expanded, thus prompting cooperation and competition among business people. Joint stock companies developed out of the need to finance these voyages of exploration.

In the late 1600s, Eskimo nomadic herding families collectively looked after family herds of reindeer. They exchanged surplus reindeer hides and meat for sea mammal meat, fat and trade goods.

The Pilgrims on the Mayflower signed the Mayflower Compact in 1620. The compact had cooperative characteristics. Cooperatively, the Pilgrims cleared the land, built homes, began farming and united to protect themselves in this new land.

While the colonial United States survived largely on informal cooperatives, Benjamin Franklin helped start the first formal cooperative business in the United States in Philadelphia. Its purpose was to provide financial assistance to members who had suffered loss by fire. This fire insurance company began in 1752 and is still in operation today.

In 1810, the first formal farmer cooperatives in the United States were formed. A dairy cooperative manufactured and marketed butter in Goshen, Connecticut. This cooperative saved farmers money by purchasing supplies at wholesale rates. The product they produced was consistently of higher quality so they could sell their dairy products at premium rates. In that same year, a cheese manufacturing cooperative was established in South Trenton, New Jersey.

Historians call Robert Owen, a successful British industrialist, "the father of cooperation" because he established villages built around cooperation. His most famous experiment was the New Harmony Community in Indiana from 1825-1828. It failed, however.

The year 1844 marked the birth of the modern cooperative movement. In Rochdale, England, a group of 28 workers, from flannel weavers to shoemakers, pioneered a truly successful cooperative-type business organization. The group met on Toad Lane to cooperatively purchase supplies and make a set of basic operating rules. From their efforts grew an idea that today meets the needs of over 720 million cooperative
members all over the world. Soon after, a variety of cooperatives were
established.

In the year 1853, an irrigation cooperative was formed in Tulare County, California. This cooperative assisted farmers with their crop watering needs.

In 1857, Farmers in Bureau County, Illinois, formed a cooperative for selling hogs.

Also in 1857, grain growers built the first cooperative grain elevator in Madison, Wisconsin. This allowed small grain growers to combine their efforts to build an expensive storage facility which they could not build individually.

In 1860, the California Wool Grower’s Association was established for wool growers. It represented the sheep industry in legislative and regulatory issues and still exists today.

In 1863, the first known farm supply cooperative was formed at Riverhead, New York. It was formed so farmers could purchase fertilizer at wholesale prices.

After the Civil War, the farm organization, the Grange, was formed in 1867. It was founded to restore good feelings between the people of the North and South, but soon changed its emphasis to economic improvement. It set many of the rules used by cooperatives today.

In 1893, Sunkist Growers, Inc. was established to represent citrus growers. Today, Sunkist is a marketing cooperative and one of the world’s most recognized trademarks. Its coordination in marketing provides consumers with top-quality fruit year-round.

The Dairyman’s Cooperative Creamery Association was formed in 1909 to provide high-quality products and services to its customers.

In 1910, Blue Diamond Growers was formed to represent almond growers. It is known for the marketing advertisement that says, “A can a week. That’s all we ask!”
Raisin growers established the Sun Maid Growers of California cooperative in 1912 and is a large cooperative today.

In 1914, the Smith-Lever Act from Congress established the Cooperative Extension Service which plays a key role in carrying out educational programs benefiting cooperatives and the public. You can contact your county’s Cooperative Extension representatives when you have questions about the plants and animals around your home or if you are interested in becoming a member of 4-H or Future Farmers of America (FFA).

The California Cattlemen’s Association was formed in 1917. Today, in terms of money, beef is California’s second largest agricultural commodity.

Two important organizations contributing to the growth of cooperatives were established in 1919. In California, the Agricultural Council of California was formed to help farmer cooperatives in the areas of legislation, education and public-member relations. The Council’s education program is conducted mainly through Future Farmers of America (FFA). Also born in 1919 was the nation’s largest farm organization, the American Farm Bureau Federation. The Farm Bureau has strongly contributed to the development of farmer cooperatives.

The Rice Growers Association of California was established in 1921 to sell rice grown commercially in California.

In 1922, the Capper-Volstead Act (popularly known as the Magna Carta of marketing cooperatives) was passed and protects farmers’ rights to collectively market products.

The year 1922 also marked the formation of the state’s oldest cooperative bargaining organization, the California Canning Peach Association. A bargaining cooperative helps the farmers negotiate, as one large group, to get the best prices for their products.

To market their avocado crops, Calavo was formed in 1924 by avocado growers, to do together what they could not do alone. You can see the Calavo label on many avocados in stores today.

In 1924, the National Council of Farmer Cooperatives (NCFC) was formed as the political voice for farmer cooperatives in Washington, D.C. The
NCFC also works to develop markets at home and abroad and has a strong educational program.

In 1925, the California Planting Cottonseed Distributors was formed. This cooperative breeds and distributes cottonseed to its members.

In 1927, the California Cotton Cooperative Association, now known as Calcot, Ltd., was formed to market cotton in a way that brought the most profits to its members. Today, Calcot, Ltd. markets half of the cotton of the Far West.

In 1932, Tri-Valley Growers was formed and has become the dominant fruit and vegetable processing and marketing cooperative in the nation.

In 1937, cotton growers formed the Farmer’s Cooperative Gin by pooling together all the money they could—$1,930—to build their own cooperative gin. In the 1980s, members worked together to build two computerized “super-gins” for which they are still famous!

Today, over 5,300 agricultural cooperatives serve farmers in the United States. Sixty-one percent of the cooperatives serve the purpose of marketing and bargaining. Thirty-six percent purchase farm supplies at a low cost and three percent provide a variety of services. Cooperatives continue to be a viable form of business in the United States. They exist to benefit their members and, at the same time, benefit consumers.

SOURCES OF INFORMATION FOR HISTORY OF COOPERATIVES


<table>
<thead>
<tr>
<th><strong>COOPERATIVE HISTORY FACT CARDS (1)</strong></th>
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<tr>
<td>Egyptians had trading associations.</td>
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<td>Eskimo herders worked together to hunt reindeer and traded their goods with others.</td>
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<tr>
<td>A marketing cooperative for hogs was established in Bureau County, Illinois.</td>
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<tr>
<td>Blue Diamond Growers was formed by almond growers.</td>
</tr>
<tr>
<td>The Capper-Volstead Act was passed to protect farmers’ rights.</td>
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<tr>
<td>The Farmer’s Cooperative Gin was built when cotton farmers “pooled” their money to make one.</td>
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</tbody>
</table>
COOPERATIVE TIMELINE ACTIVITY SHEET

Name(s) ____________________________

You have just listened to a factual reading about historical events that have affected agriculture. Choose five to ten of the events you found interesting or important and write them at the proper location on the timeline.

B.C. 0 A.D.

3000 B.C. 0 1400 1500 1600 1700 1800 1900 2000 A.D.

LET’S FOCUS ON COOPERATIVES

PURPOSE

This activity introduces students to the purposes and functions of the four basic types of cooperatives and shows them how cooperatives affect their lives.

CONCEPTS

- Cooperatives are one important component in America’s free enterprise system.
- Cooperatives fit into one of four basic categories—marketing, bargaining, service or supply.
- Many businesses with which we do business are cooperatives themselves or benefit from cooperatives.

MATERIALS

For the teacher:
- Large piece of butcher paper
- Glue or glue stick

For each student group of three or four:
- Types of Cooperatives Reading Assignment (pp. 51-53)
- Types of Cooperatives Labels (p. 54)
- Scissors
- Construction paper (12” x 18”)
- Glue stick

TIME

Teacher preparation .................................................. 10 minutes
Introduction ................................................................. One 20-minute session
Student activity ............................................................ One 60-minute session
Student homework .................................................. 15 minutes
BACKGROUND INFORMATION

Cooperatives are classified by what they do and usually fit into one of four basic categories—marketing, bargaining, service or supply. Many cooperatives, however, perform a variety of functions and may fit into a combination of business categories. For this activity, have your students concentrate on the main functions of each cooperative. The four cooperative categories are described below.

- **Marketing** cooperatives perform functions and services needed to get the product from the grower to the consumer. Functions include work on packaging, transporting, advertising and selling the product.
- **Bargaining** cooperatives concentrate their efforts on establishing a fair price for the raw products grown by farmers.
- **Service** cooperatives provide unique services related to a business. Examples include ginning cotton, hulling almonds or providing financial services.
- **Supply** cooperatives make use of volume discounts and special purchase opportunities for which individual farmers would not qualify.

PROCEDURE

1. Explain to the students that they are going to learn about the four types of cooperatives.
2. Briefly discuss the four cooperative categories that are described in the Background Information of this lesson—marketing, bargaining, service and supply.
3. Divide the students into random groups of four. Distribute one Types of Cooperatives Reading Assignment and one set of Types of Cooperatives Labels to each group.
4. Have one student in each group read one of the scenarios aloud. As a group, have the students discuss and determine which of the four types the cooperative is. (Note: The cooperative may fit into more than one type of category.) Have the students place the labels under the correct category or categories.
5. Have the students do this for the eight cooperatives discussed. At the conclusion of the activity, the students' desks should look something like this:

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calcot, Ltd.</td>
<td>Tule River Cooperative Dryer, Inc.</td>
</tr>
<tr>
<td>Blue Diamond</td>
<td>CoBank</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bargaining</th>
<th>Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA Tomato Growers Association</td>
<td>CALAMCO</td>
</tr>
<tr>
<td>CA Canning Peach Association</td>
<td>Fruit Growers Supply Company</td>
</tr>
</tbody>
</table>
6. Have the students create a chart of their thoughts by gluing the heading and labels in sections or columns.

7. As a large group, discuss the students’ answers on this activity and clarify any confusing points.

8. As a homework assignment, have students bring in two labels or items from home that come from fresh produce, clothing, banks, insurance companies, food, etc. Discuss what is appropriate to bring from home and what is not. For example, an envelope or sticker from the California Automobile Association is appropriate, but an insurance card is not.

9. In class the next day, have the students describe to the class what they brought in. As a class, decide where the items go on a chart you have made that looks like this:

<table>
<thead>
<tr>
<th>COOPERATIVES</th>
<th>SOLE-PROPRIETORSHIPS</th>
<th>PARTNERSHIPS</th>
<th>CORPORATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Marketing</td>
<td>Bargaining</td>
<td>Supply</td>
</tr>
</tbody>
</table>

Note: You may also wish to have a “not known” category. You may place items and labels in this category until further information is gained on the business.

10. Discuss how all types of business structures are important to a healthy economy.

VARIATIONS

- Complete the assignment as a class.
- Provide each student with one name of a cooperative. Have the students research their cooperatives and report their findings to the class.

EXTENSIONS

- Invite a member of a local cooperative to your class to talk about the cooperative’s business structure.
- Many cooperatives can now be located on the Internet. Have the students look on the Internet for information about cooperative organizations.
TYPES OF COOPERATIVES

Reading Assignment

Blue Diamond Growers

Blue Diamond Growers is a large cooperative with approximately 4000 members. Although almonds are the primary commodity promoted, this cooperative also promotes hazelnuts, pistachios and macadamias. The goal of Blue Diamond Growers is to sell the nuts to the consumer at a fair price with reasonable profit for the farmer. Blue Diamond Growers promotes nut consumption in many interesting ways. For example, they are responsible for developing the popular slogan ‘A can a week. That’s all we ask!’ This slogan along with interesting television commercials is part of this cooperative’s purpose. Blue Diamond Growers provides other services to its members, such as grading almonds, packaging nuts in unique ways and providing services like dicing and slicing. What type of cooperative is Blue Diamond Growers?

Calcot, Ltd.

Calcot, Ltd. is located in Bakersfield, California. This cooperative processes and sells lint cotton in bale form to companies which process the fibers into fine fabrics and other products. The cotton it markets is sold worldwide. Other services this cooperative provides include grading cotton and transporting cotton to various locations. Calcot receives its lint cotton from cooperative gins, such as the Tule River Cooperative Gins, Inc. What kind of cooperative is Calcot, Ltd.?

CALAMCO

CALAMCO purchases fertilizers in large quantities and is, therefore, eligible for volume discount purchase prices. In turn, CALAMCO sells the fertilizers to its members at a price much lower than individual farmers could purchase it. CALAMCO stores the fertilizers for its members and provides the necessary services required to deliver the fertilizers to growers at the appropriate times during the growing seasons. CALAMCO has over 1,500 members and is located in Stockton, California. What kind of cooperative is CALAMCO?
California Canning Peach Association

The California Canning Peach Association is California's oldest cooperative of its type. In 1922, it began in San Francisco and was known as the Cling Peach Growers Association. It was formed out of necessity. During World War I, so many peaches were planted for processing the supply was more than the demand. Peach growers could not get a profitable price for their product. The Cling Peach Growers Association was formed so farmers could get a fair price for their peaches and so better marketing could increase the demand for processing peaches. Today, representatives from the California Canning Peach Association meet with the processors to look at facts and figures and to negotiate the price for which farmers will sell their peaches to the processors. What kind of cooperative is the California Canning Peach Association?

California Tomato Growers Association

The California Tomato Growers Association (CTGA) has been serving farmer-owned cooperatives for nearly 50 years. This organization acts as the voice of tomato growers, using its collective strength to ensure that growers get a fair price for tomatoes. CTGA representatives talk with congressional representatives, trade ambassadors and others to make sure the tomato growers are represented fairly in all aspects of agriculture and the economy. Employees of the CTGA are professionals at debating and negotiating and use their skills to ensure that members get the best price for their crop. What kind of cooperative is the California Tomato Growers Association?

CoBank

CoBank is a cooperative bank with members located throughout the United States. CoBank has international offices in Mexico and Singapore. The primary function of this bank is to loan cooperatives money. The only members of this bank are cooperative companies such as California Gold, Sunkist Growers, Tri-Valley, Sun-Diamond and rural utility cooperatives.
CoBank does not handle checking and savings accounts. Rather, it provides seasonal and capital improvement financing. Seasonal financing provides cooperatives with the money for supplies, marketing and processing. The cooperatives pay the money back with interest when the cooperative receives money from the sale of its products or services. Another service CoBank provides is capital improvement loans, which members borrow for projects such as building larger packing plants. CoBank representatives feel their customers benefit from their CoBank membership because of better interest rates, customized services and patronage dividends (refunds). What kind of cooperative is CoBank?

**Fruit Growers Supply Company**

The Fruit Growers Supply Company was organized in 1907 by members of the California Fruit Growers Exchange, now known as Sunkist Growers. This cooperative ensures that the necessary supplies required to grow, harvest, package and ship citrus fruits are available to its members when they need them. This nonprofit cooperative provides these materials at cost-a price much lower than members would pay if they purchased the items individually. What kind of cooperative is the Fruit Growers Supply Company?

**Tule River Cooperative Dryer, Inc.**

Tule River Cooperative Dryer, Inc. is located in Woodville, California. Prune growers join this cooperative to have their prunes processed into dried prunes. The prunes are taken to the cooperative and are dried in large dehydrators. The dehydrated prunes from the Tule River Cooperative Dryer are delivered to a marketing cooperative, Sunsweet Growers, Incorporated, located in Yuba City, California. There the prunes are packaged for sale as whole or pitted prunes, or are processed into prune juice or other products. Sunsweet Growers then sells and distributes the prunes and prune products. What kind of cooperative is Tule River Cooperative Dryer, Inc.?
# Types of Cooperative Labels

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bargaining</strong></td>
<td><strong>Purchasing</strong></td>
</tr>
<tr>
<td>Calcot, Ltd.</td>
<td>CA Tomato Growers Association</td>
</tr>
<tr>
<td>CALAMCO</td>
<td>CA Canning Peach Association</td>
</tr>
<tr>
<td>Blue Diamond Growers</td>
<td>CoBank</td>
</tr>
<tr>
<td>Tule River Co-op Dryer, Inc.</td>
<td>Fruit Growers Supply Company</td>
</tr>
</tbody>
</table>

Calcot, Ltd. CA Tomato Growers Association
CALAMCO CA Canning Peach Association
Blue Diamond Growers CoBank
Tule River Co-op Dryer, Inc. Fruit Growers Supply Company

54 California Foundation for Agriculture in the Classroom 1997
LET'S GET OUR FACTS STRAIGHT
(An Economics Vocabulary Lesson)

PURPOSE

The purpose of this activity is for students to learn the basic terminology and concepts associated with economics.

CONCEPTS

- Economics is the study of how people allocate resources to satisfy their needs and wants.
- Economics is a very complex subject and shows the interconnectedness of people and their actions.
- Economic decisions are based on scarcity.

MATERIALS

For each student:
- *Economics Vocabulary List* (pp. 57-58)
- *Economics Wordsearch*-optional (p. 61)
- *Economics Crossword Puzzle* (p. 65)
- Access to dictionaries and encyclopedias

For the teacher:
- *Economics Vocabulary List* answer key (pp. 59-60)
- *Economics Wordsearch* answer key-optional (p. 63)
- *Economics Crossword Puzzle* answer key (p. 67)

TIME

Teacher preparation ............................................. 10 minutes
Vocabulary lesson .................................................. One 45-minute session, or as homework
Wordsearch or crossword puzzle .............................. One 45-minute session, or as homework
PROCEDURE

1. Distribute the Economics Vocabulary List (pp. 57-58) to each student.
2. Using dictionaries and other references, have the students locate a definition for each word that is associated with economics. This can be done in school or at home.
3. As a class, review the definitions of confusing terms. Provide examples when necessary.
4. Distribute the Economics Crossword Puzzle or Economics Wordsearch, having the students finish at home what they are unable to complete in class.
5. Discuss with the students that these terms are often used in business sections of newspapers. Encourage the students to bring in articles that use these terms.

VARIATIONS

- Have the students work in pairs to complete the Economics Wordsearch or the Economics Crossword Puzzle.
- Assign the Economics Vocabulary List as homework.

EXTENSIONS

- Have the students work in pairs to create one or two cartoons that depict one or more of the words.
- Create a spelling and vocabulary test for your students.
- Watch appropriate videos such as "A Guide to Trade-Offs" (p. 106).
- Have the students create short skits that describe one or two of the vocabulary words.
- Have a 'spelling bee' using the economic terms.
- Encourage students to find articles in newspapers and magazines that relate to the economic terms.
- Have the students write a short story that incorporates the vocabulary words.
ECONOMICS VOCABULARY LIST

Instructions: Write a definition for each word that is related to economics and is meaningful to you.

1. Agriculture – ____________________________

2. Business – ____________________________

3. Capital – ____________________________

4. Cooperative – ____________________________

5. Corporation – ____________________________

6. Cost – ____________________________

7. Division of Labor – ____________________________

8. Economics – ____________________________
Instructions: Write a definition for each word that is related to economics and is meaningful to you.

1. **Agriculture** – The broad industry engaged in the production of plants and animals for food, fiber, shelter and aesthetics; and the processing, marketing and distribution of agricultural products.

2. **Business** – A commercial or industrial money-making enterprise.

3. **Capital** – A term with various meanings; in a financial sense, the excess of assets over liabilities; in the sense of real things, goods (buildings, tools, machinery, factories, equipment) used in producing other goods or services.

4. **Cooperative** – A group of people or businesses who band together to sell more products or buy goods or services for less money. It is an enterprise which acts for the benefits of its members.

5. **Corporation** – A business owned by stockholders.

6. **Cost** – The amount of effort or money required to make something. In terms of money, the amount or equivalent paid or charged for something.

7. **Division of Labor** – The separation, into individual tasks, of the total work required to produce a good or service.

8. **Economics** – The social science of how people choose to allocate scarce resources in order to satisfy their wants.
9. **Labor** – One of the four factors of production; human effort used in making something.

10. **Land** – In economic terms, one of the four factors of production meaning "raw materials." It also can mean the earth's surface.

11. **Partnership** – A business owned by two or more persons, at least one of whom has personal responsibility for the firm's debt.

12. **Price** – The amount one must pay for something.

13. **Productive Resources** – The factors used to produce goods or services. They include land, labor, capital and technology.

14. **Profit** – The amount of money remaining after subtracting the cost of an item from its selling price.

15. **Scarcity** – Lacking; not enough resources to produce all the goods and services people desire.

16. **Sole-proprietorship** – A business owned by one person who is personally accountable for all profits and losses.

17. **Technology** – In economic terms, the application of science to produce goods or services. One of the four factors of production.
ECONOMICS WORDSEARCH

Name __________________________

Instructions: Write the correct word on each line after the definition. Then find the word in the wordsearch.

1. The industry that produces plants and animals for food, clothing and shelter.

2. The application of science to produce something.

3. A business owned by one person.

4. An organization designed to produce or sell goods or services.

5. What you invest in a business.

6. Human effort used to make something.

7. The amount paid for something.

8. Owned by its members.

9. How work is divided up.

10. Raw materials or earth.

11. A business owned by two or more individuals who share responsibilities.

12. The study of how resources are used to satisfy desires.

13. Amount of money earned after expenses are paid.

14. Not enough for all who want it.

15. The amount of effort or money required to make or do something.

16. Owned by the stockholders.

Agriculture  Corporation  Labor  Profit
Business  cost  Land  Scarcity
Capital  Division of Labor  Partnership  Sole-Proprietorship
Cooperative  Economics  Price  Technology
### ECONOMICS WORDSEARCH

**Instructions:** Write the correct word on each line after the definition. Then find the word in the wordsearch.

1. The industry that produces plants and animals for food, clothing and shelter.  
   Agriculture

2. The application of science to produce something.  
   Technology

3. A business owned by one person.  
   Sole-proprietorship

4. An organization designed to produce or sell goods or services.  
   Business

5. What you invest in a business.  
   Capital

6. Human effort used to make something.  
   Labor

7. The amount paid for something.  
   Price

8. Owned by its members.  
   Cooperative

9. How work is divided up.  
   Division of Labor

10. Raw materials or earth.  
    Land

11. A business owned by two or more individuals who share responsibilities.  
    Partnership

12. The study of how resources are used to satisfy desires.  
    Economics

13. Amount of money earned after expenses are paid.  
    Profit

14. Not enough for all who want it.  
    Scarcity

15. The amount of effort or money required to make or do something.  
    Cost

16. Owned by the stockholders.  
    Corporation

<table>
<thead>
<tr>
<th>Agriculture</th>
<th>Corporation</th>
<th>Labor</th>
<th>Profit</th>
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<tbody>
<tr>
<td>Business</td>
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<td>Sole-Proprietorship</td>
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<tr>
<td>Cooperative</td>
<td>Economics</td>
<td>Price</td>
<td>Technology</td>
</tr>
</tbody>
</table>
ECONOMICS CROSSWORD PUZZLE

Across
1. Effort or money used to make something. ________________
2. Human work used to make something. ______
3. Involves stockholders. ______________________
4. Two or more owners. ______________________
5. Not enough of something. ______________________
6. ____________ of Labor. ______________________
7. The scientific advancements used to produce something. ______________________
8. One owner. ______________________

Down
10. Amount made after expenses are paid. ______________________
11. Another name for company. ______________________
12. Owned by its members. ______________________
13. Used to produce a good or service. ______________________
14. Industry that produces food, fiber and other products. ______________________
15. Raw materials or earth. ______________________
16. The amount paid for something. ______________________
ECONOMICS CROSSWORD PUZZLE

Across
1. Effort or money used to make something. cost
2. Human work used to make something. Labor
3. Involves stockholders. Corporation
4. Two or more owners. Partnership
5. Not enough of something. Scarcity
6. Division of Labor.
7. The scientific advancements used to produce something. Technology
a. One owner. Sole-proprietorship

Down
9. The study of business. Economics
10. Amount made after expenses are paid. Profit
11. Another name for company. Business
12. Owned by its members. Cooperative
13. Used to produce a good or service. Capital
14. Industry that produces food, fiber and other products. Agriculture
15. Raw materials or earth. Land
16. The amount paid for something. Price

Answer Key

California Foundation for Agriculture in the Classroom 1997
NUMBERS! NUMBERS! NUMBERS!

PURPOSE

The purpose of this activity is for students to learn and practice math skills that pertain to the real world. The importance of understanding basic math computation skills, as well as averaging, percentages and rounding, will be reinforced.

CONCEPTS

- Arithmetic skills, such as addition, subtraction, multiplication and division, are used in everyday life.
- Profits and losses are shared by all members of cooperatives.
- Working together to solve common problems may benefit a team.

MATERIALS

For each cooperative team of three:

- Numbers! Numbers! Numbers! answer sheet (pp. 76-77)
- Calculators
- Mathematics reference textbooks

For each student:

- Numbers! Numbers! Numbers! activity sheet (pp. 73-75)
- Let's Cooperate activity sheet (p. 81)

TIME

Teacher preparation ............................................... 10 minutes
Student activity ......................................................... Two 45-minute sessions
BACKGROUND INFORMATION

In this activity, students work in a cooperative, yet competitive, educational setting. Small cooperative groups will work together to obtain the highest math score in the class. As well as learning and reviewing math skills using economic concepts, the students will evaluate the cooperative and competitive components of the lesson.

PROCEDURE

1. Divide the students into groups of three or four. Mix the students heterogeneously to have varying math abilities in each group. Review the student worksheets and determine how you will record the points earned and lost for each group.

2. Explain to the students that they will have ten math problems to solve. Discuss that there are two goals to this lesson: 1) to practice math skills, and 2) to obtain the highest group grade in the class.

3. Explain and have the students perform the following procedure:
   a) Distribute the Numbers! Numbers! Numbers! math problems (1 per person) and the Numbers! Numbers! Numbers! answer sheet (1 per group) to the students.
   b) Explain that the students must work together to solve the problems. The correct answers should be written on the answer sheet along with supporting arithmetic that justifies each answer. The groups will earn two points each day they cooperate while doing this project. They will also earn one point for every A-level problem they answer correctly, two points for every B-level problem they answer correctly and three points for every C-level problem they answer correctly. There will be one answer sheet turned in for the group. Consulting the teacher will cost the team one point.
   c) Have the student groups solve the math problems. Emphasize that all students should be able to explain all of the answers. After the worksheets are complete, randomly select one student from the group to explain an answer to a particular problem. If the student cannot explain the answer correctly, no points are gained or lost. If the student can explain the answer properly, the team gains one point. Complete this procedure so all students are required to provide an explanation to one problem.
   d) Have the groups tally the number of points for their team. Determine the highest team score.

4. At the conclusion of the activity, have the students complete the Let’s Cooperate questionnaire. Discuss the responses and feelings the students had about cooperation and competition.

VARIATIONS

- For each problem, have the students select only one question for their group to answer.
- Assign the math problems as family homework.
EXTENSIONS

- Encourage the students to create math problems associated with the product or service they develop in *A Business Adventure*.
- Have the students follow a particular stock in the stock market for one month.
NUMBERS! NUMBERS! NUMBERS!

Instructions: Complete the problems as described by your teacher. Put your answers and work on the answer sheet. Remember, you must be able to explain how you got each answer.

1. You decide to start your own partnership. You and three of your friends each put $20 towards opening your baby-sitting and lawn-mowing business called Baby Lawns, Inc.

   a) How much did you and your friends invest in the business?

   b) You agree to evenly split any remainder of your investment. Your operating expenses included the following: $5 on gasoline; $10 for an ad in the newspaper; $15 for baby wipes and toys, plus $10 for flyers. How much, if anything, will you each get back?

   c) During its first month of business, Baby Lawns, Inc. mowed four lawns at $10 each and baby-sat a total of 44 hours. The babysitting fee is $3 per hour. How much did your partnership earn the first month?

2. California has over 40,000 cooperative members. In one year, they produce a total income of $5.7 billion.

   A) Write 5.7 billion in numerals.

   B) Round 5.7 billion to the nearest billion.

   C) If the $5.7 billion income remained the same for ten years, what would the total income be for ten years?

3. An almond cooperative needs $1.2 million per year to cover its operating expenses. To pay for its expenses, the cooperative withholds (keeps) $3 for every pound of almonds it processes.

   A) How much would be withheld for expenses on 10,000 pounds of almonds?

   B) If a farmer had 20 tons of almonds processed, how much was withheld? (Note: There are 2,000 pounds in a ton.)

   C) How many tons of almonds must be processed to accumulate the $1.2 million needed for expenses?
4. You sold 150 tons of produce (oranges and lemons) and received a refund of $4500 since your cooperative had leftover money at the end of the year.

A) There are 2000 pounds in one ton. How many pounds are in 150 tons?

B) How much per ton was your refund?

C) How much per pound was your refund?

5. Farmer Bill Lewis does not belong to a cooperative. He sold his 20 tons of produce directly to a grocery store chain for $320 per ton. Farmer Susan Celestino sold her 20 tons of produce through her cooperative for $336 per ton.

A) How much did each farmer receive?

B) Who received more? How much more?

C) What price per pound of produce did Susan Celestino get? How about Bill Lewis?

6. An FFA (Future Farmers of America) youth chapter has a large landscape and greenhouse project. Last year, the chapter purchased supplies and materials worth $57,000. The year before they purchased supplies totaling $25,600.

A) How much more did the FFA chapter spend last year compared to the year before?

B) If their total income for the two years was $247,000 before expenses, how much profit did they earn?

C) If $20,000 was spent on purchasing greenhouses during each of the two years, and no new greenhouses needed to be purchased the third year, predict what the expenses for the third year would be if there were no other new expenses. Explain your reasoning.

7. A marketing cooperative allows every member one vote, plus one vote for every 12 tons of citrus fruit each member markets through the cooperative up to a maximum of six votes.

A) How many votes would you get, as a member, if you sold 36 tons?
8. ABC Popcorn Corporation is worth $2 million based upon the value of all of its shares of stock. Currently, there are four million shares of stock.

A) What is the value of one share of stock?
B) Mary Movie Goer owns ¼ of the stock. How many shares does she own?
C) What is the value of Mary Movie Goer’s stock?

9. The New York Stock Exchange daily report showed that the stock of Turf Grass Corporation was 9% on Tuesday and $9.50 on Wednesday.

A) Did the stock go up or down in value?
B) If 9½ means $9.50, what does $9.75 mean?
C) If you owned 150 shares of Turf Grass Corporation, what was your profit from Tuesday to Wednesday?

10. You marketed 250 tons of walnuts and received a patronage fee (refund) of $6,200 from your cooperative.

A) How much money did you receive as a refund per ton of walnuts?
B) If you had to pay a $10 fee per ton of walnuts, what fee did you pay for your 250 tons of walnuts?
C) How much profit did you receive for each ton of walnuts after subtracting cooperative fees?
# NUMBERS! NUMBERS! NUMBERS!

## ANSWER SHEET

Cooperative Members' Names:

---

<table>
<thead>
<tr>
<th>NUMBER OF POINTS</th>
<th>CATEGORY</th>
<th>SCORE SHEET</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 points per day</td>
<td>Cooperation among members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A=1 point; B=2 points; C=3 points</td>
<td>Correct answers on answer key</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 point per correct response</td>
<td>Ability to explain answers</td>
<td></td>
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<tr>
<td>-1 point per request</td>
<td>Help requested from teacher</td>
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<thead>
<tr>
<th>Subtotal</th>
<th>Bonus (if any)</th>
<th>Grand Total</th>
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</table>

1) A.  

2) A.  

3) A.  

4) A.  

---

California Foundation for Agriculture in the Classroom 1997
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<th>A.</th>
<th>B.</th>
<th>C.</th>
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NUMBERS! NUMBERS! NUMBERS!

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</tr>
<tr>
<td>-1 point per request</td>
<td>Help requested from teacher</td>
<td></td>
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</tbody>
</table>

Subtotal

Bonus (if any)

Grand Total

1) A. $80
   B. $10
   C. $172 before paying expenses
      $132 after paying expenses

2) A. 5,700,000,000
     B. 6,000,000,000
        or 6 billion
     C. $57,000,000,000
        or $57 billion

3) A. $300
    B. $1,200
    C. 20,000 tons of almonds

4) A. 300,000 pounds
    B. $30 per ton
       or $30 / ton
    C. 1.5¢ per pound
       or $.015¢ per pound
<table>
<thead>
<tr>
<th></th>
<th>A.</th>
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<th>C.</th>
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</table>
| 5) | Bill Lewis = $6,400  
Susan Celestino = $6,720 | Susan Celestino received $320 more than Bill Lewis | Bill Lewis received $0.16 or 16¢ per pound.  
Susan Celestino received $0.168 or 16.8¢ per pound. |
| 6) | $31,400 | $164,400 | $5,000 — $8,000 since last year only $5,600 was spent on expenses other than the greenhouses. |
| 7) | 4 votes | 300 votes | 60 tons |
| 8) | $0.50 / share  
or 50¢ per share | 1 million shares | $500,000 |
| 9) | Up | 9.875 | $56.25 |
| 10) | $24.80 per ton | $2,500 | $14.80 per ton |
LETS COOPERATE

Name ___________________________

1) What did you like about working in a cooperative group?
________________________________
________________________________
________________________________
________________________________

2) What were drawbacks about working together?
________________________________
________________________________
________________________________
________________________________

3) What did you like about competing with other groups?
________________________________
________________________________
________________________________
________________________________

4) What were you not able to do because you were competing against other groups?
________________________________
________________________________
________________________________
________________________________

5) Explain what you learned about cooperation and competition.
________________________________
________________________________
________________________________
________________________________

California Foundation for Agriculture in the Classroom 1997
A BUSINESS ADVENTURE

PURPOSE

The purpose of this simulation project is for students to experience economic principles and business concepts while developing and marketing an agricultural-based product or service.

CONCEPTS

- There are advantages and disadvantages to each type of business structure.
- An understanding of basic economics terminology, concepts and principles is vital to the successful operation of a business.
- Mathematics skills are important when operating a business.
- Agriculture is the largest business in California and directly affects the economy of the state.

MATERIALS

For each student:

- Parent Letter (p. 87)
- Business Proposal form (p. 88)
- Business License (pp. 89-90)
- Business Cards template (p. 91)
- Agricultural Facts template (p. 92)
- Catastrophic Insurance Contract (p. 96)
- Materials for making a store sign (tag board, markers, scissors, paint, etc.)

For the class:

- Masking tape

For the teacher:

- Situation Cards (pp. 93-94)
- Currency Master (p. 95)
TIME

Teacher preparation ........................................ 1 to 2 hours, prior to the simulation
Simulation student preparation .......................... 2 to 3 class periods, plus time at home
Simulation .......................................................... 2 class periods
Simulation processing, evaluation and clean-up ....... 1 class period

BACKGROUND INFORMATION

Prior to this activity, the students should have completed the other lessons provided in this unit and have a basic understanding of business concepts and economics. The students will now have a first-hand opportunity to experience what it is like to own a business. They will experience various aspects of the business world, such as price determination, the pros and cons of joining a cooperative or purchasing insurance and the feelings associated with selling products.

PROCEDURE

Part A: An Introduction to A Business Adventure

1. Using the parent letter provided or one you create, inform the parents of this activity and the timeline of the project. Have this letter signed by the parents and returned to you.

2. Explain the following key points to the students.
   - Each student is going to develop and sell a product or service related to agriculture.
   - The items or service the students sell may not cost a lot of 'real' money.
   - Each student will choose to have either a sole-proprietorship or partnership business structure.
   - The businesses will become part of a 'city' that is created in the classroom.
   - The city will be open for business on two separate days, one hour each day.
   - The customers will be students in class and students and teachers from other classes. Each customer will have $20 to spend in the city.
   - There will be certain requirements for each business, including obtaining a business license, developing business cards and creating a store front.
   - Each student will have $20 of play money at the beginning of the sales week.
   - Optional items, such as buying insurance or joining a cooperative, will be possible.
Part B: Preparing for A *Business Adventure*

1. Have the students determine whether or not they will have a sole-proprietorship or a partnership business structure. Partnerships should only exist if the students work well together.

2. Have the students determine what item they will make and sell or what service they will provide.

3. Have the students complete the *Business Proposal* form (p. 88). After the proposal is approved, complete and give the appropriate business licenses to the students (pp. 89-90).

4. After obtaining a business license, each business is responsible for developing a business card. This business card must state the name(s) of the business owners and the business address. The cards must be written neatly into the business card boxes provided (p. 91). On the back of each business card should be printed an agricultural fact about the product or service. Pages 99-103 list some agricultural facts. Other facts can be obtained from newspapers and libraries. An optional blackline master is located on page 92 if you are going to duplicate the business cards for the students.

5. If appropriate, invite certain classes to be customers.

6. Duplicate and prepare money for each business and for the potential customers. Each customer will have $20 to spend. Prepare packets of 15 one-dollar bills and one five-dollar bill. Each business owner will also have $20 to spend at other businesses or for insurance.

7. Explain the procedure for situation cards: Each of the two business days, five students, randomly chosen, will each draw a card. Some situations are positive while others will cost owners capital. The students must do what their situation card describes. Prepare the situation cards by duplicating one set of each page (pp. 93-94), cutting them and putting them in a container.

8. Explain the availability of optional insurance. Discuss the prices and insurance types and the pros and cons of insurance.

9. Have a class discussion about how the business days will be organized. As homework, have the students create products to sell and a store-front sign for their business.

Part C: *A Business Adventure* in Action

1. On the arranged date and time, have the students bring in all of their materials for their business including their products and signs.

2. Allow 20 minutes for the students to set up their businesses.

3. Distribute $20 to each business owner.

4. Provide the opportunity for students to purchase insurance.

5. Randomly select five students to pick situation cards and react to the situations.

6. Meet the customers outside of the city. Explain the situation and rules, and distribute $20 to each customer.

7. Open the stores for business. Twenty minutes seems to be an appropriate length of time for each class. Business owners may also shop.
8. At the end of the business day, have the students count and secure their money, merchandise and supplies.

9. As homework, allow students to adjust products, signs, etc. for the next business day.

10. At the end of the last business day, have the students dismantle the city and then write a two-page personal review of their business adventure indicating both positive and challenging experiences.

VARIATIONS

- Using refrigerator boxes, create a city called "Agri-Boxville."
- Have all students work in partnerships, rather than sole-proprietorships.
- Invite parents and school administrators to be customers in the city.
- Have the stores open for business for one day only. Draw situation cards before another class comes in to the city."
Dear Parents,

Our class is preparing for a very exciting and educational week. We are currently discussing economic concepts and are making plans to go into business. We are calling this special week of _______ “A Business Adventure.”

During this week, our classroom will be converted into a “city.” Your student will create a business for this city. This business will sell either a product or service to customers. The product or service they provide must relate, somehow, to California agriculture. The “customers” will be classmates and teachers and students from other classrooms.

Please discuss this project with your student and assist him/her in the following ways:

- Assist your student in determining what product or service he/she would like to sell. Discuss how it is related to agriculture.
- Proof a draft of the Business Proposal form before your student writes it neatly on the final form.
- Provide time for your child to create the products or gather items for a service and determine a price for those items or services. Note: During business hours approximately ____ customers will be able to buy products. Each customer will have $20 to spend.
- Assist your student in making a storefront or sign for the business. Each store will be a desk.
- Assist your student in budgeting his/her time so everything is at school on _______ _______ 6Y _______ a.m./p.m.

Note: It is mandatory that students do not spend any of “real” money on this project.

Thank you for your support and patience on this project. This will be an experience the students will never forget.

Sincerely,


Please sign, detach and return the bottom portion of this Getter and mark the appropriate dates on your family’s calendar. I understand the requirements of “A Business Adventure.”

_____________________________  ________________________________
Student’s Name                        Parent’s Signature

_____________________________  ________________________________
Date                             Daytime Phone Number
BUSINESS PROPOSAL

I/We __________________ / ___________________ wish to apply for a
( Name ) ( Name )

business license on this _____ day of ___________ 19__ / 20__.

Name of Company __________________________

Type of Business (circle one) Sole-proprietorship Partnership Corporation Cooperative

The purpose of the company is to sell an agricultural-based product, service or game.

Describe, in detail, what you will do and how.

I/We agree to abide by the laws of our "city" and understand that I/we are responsible for paying fines and other expenses related to law infractions. I/we understand that insurance is an optional service available to me/us. I/we understand that I/we must create business cards which contain agricultural facts.

Signature of Owner(s) __________________________________ Signature of Owner(s)

OFFICE USE ONLY

☐ APPROVAL

☐ DISAPPROVAL (reason stated on attached sheet)
BUSINESS LICENSE

This certifies that

___________________________

has successfully earned a business license for his/her company

___________________________

permitting this individual to sell products or services.

Date ________________________  City Manager

City Manager
BUSINESS LICENSE

This certifies that

_________________________

and

_________________________

have successfully earned a business license for their company

_________________________

permitting these partners to sell products or services.

________________________________________

Date

________________________________________

City Manager

City Manager
# BUSINESS CARDS

Business Name ____________________________________________
Owner(s) of Business _______________________________________

<p>| | |</p>
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Approved by ________________
### AGRICULTURAL FACTS

<table>
<thead>
<tr>
<th>Business Name</th>
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Approved by ________________
<p>| <strong>SITUATION CARDS (1)</strong> |
|----------------------------------|----------------------------------|
| A crop associated with your business is affected by an uncontrollable virus. You lose $10. | A crop you are dependent upon is destroyed during an unusual thunderstorm. Lose $5, unless you have appropriate insurance. |
| You forgot to pay your utility bill. You must close your store for 5 minutes because you do not have electricity. | A fire destroyed part of your store. If you have fire insurance, you must pay $5 for repairs. If you do not have fire insurance, you must pay $15 for repairs. |
| Your shop is along the coast. You lose windows and some property during a recent hurricane. You lose $10, unless of course, you have appropriate insurance. | You have done such an excellent job of running your business that the local Chamber of Commerce has offered to pay you $10 for a 90-second speech on “How to Succeed in Business.” Collect $10 after making your speech. |
| Your tax accountant miscalculated your income tax. Make a $10 check to the IRS. | A moderate earthquake knocks merchandise off your store shelves. Lose $15, unless you have appropriate insurance. |</p>
<table>
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<tr>
<th><strong>SITUATION CARDS (2)</strong></th>
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<tr>
<td><strong>Your transport van needs new brakes. Pay $5.</strong></td>
</tr>
<tr>
<td><strong>The marketing cooperative of which you are a member is sending you a patronage refund of $10.</strong></td>
</tr>
<tr>
<td><strong>The market price for your commodity suddenly jumped. Collect $5.</strong></td>
</tr>
<tr>
<td><strong>Your cash in your register is $5 short. Lose $5.</strong></td>
</tr>
<tr>
<td><strong>You read the paper and find a coupon good at any store. You can buy any two items for the price of one.</strong></td>
</tr>
<tr>
<td><strong>Ravaging floods have forced water into your store. You lose $10, unless you have appropriate insurance.</strong></td>
</tr>
<tr>
<td><strong>You discover a way to increase production by 15%. More profits to you. Collect $10 from the bank.</strong></td>
</tr>
<tr>
<td><strong>Three stores of your choosing have agreed to buy one item each from your store. Collect $5 each from three of the shopkeepers and give them your product or service.</strong></td>
</tr>
</tbody>
</table>
WE PROTECT YOU

Catastrophic Insurance Contract

(Name or Company of Purchaser)

has acquired the following insurance coverage for the price indicated:

☐ Fire ($2)  ☐ Theft ($5)  ☐ Tornado ($2)
☐ Flood ($2) ☐ Vandalism ($5) ☐ Earthquake ($5)

for the total sum of $ __________

Signature of Purchaser(s) ____________________________________________

Independent Witness ____________________________________________

President, We Protect You ________________________________
What is economics?
Economics is the social science of how people choose to allocate their resources in order to satisfy their needs and wants. The American private enterprise system is based on freedom—the freedom to produce and consume, buy and sell and engage in any type of business activity chosen. Supply and demand are two forces that affect the economy of a society.

What is business?
A business is a money-making enterprise developed to satisfy the almost unlimited number of human wants and needs. All businesses are based on capital that is invested to produce a product or service.

What kinds of businesses are there?
There are four basic business structures. Sole-proprietorships are businesses owned by a single person. Partnerships are businesses owned by two or more people with each person having a role in management and operation. Corporations are businesses treated as legal entities. These entities can own property, borrow money and enter into contracts with others. Those who purchase stock for a particular corporation are part owners of that corporation. The decisions made regarding that corporation ultimately benefit the corporation. A corporation's board of directors determines who will share in the profits and losses of the company. Cooperatives are member-owned business entities which benefit their members. The members are in a business which serves themselves. The amount of benefits received by each member is based on his/her use of the cooperative. Sometimes a benefit can be greater profit due to increased sales from a marketing promotion. Other times the benefit can be savings on supply purchases. These four types of businesses contribute their part to the economy and depend on others for growth and prosperity.

What do businesses do?
Businesses can be involved in one or more of the following activities—producing basic commodities, such as farm products, timber and minerals; manufacturing or processing consumer and industrial goods, such as canned foods, furniture and tractors; marketing products, such as grading, packing, shipping and advertising; or providing services to others, such as repair shops, schools and medical facilities.

What is the difference between a corporation and a cooperative?
Corporations and cooperatives are two types of business structures. Generally speaking, one of the main differences between the two types of businesses is in the people they serve. A corporation usually serves non-owner customers, while a cooperative serves its members.
Cooperatives can become corporations. **Note:** A corporation returns profits to its shareholders, while a cooperative returns its profits to its own members.

**How did cooperatives begin?**

Cooperation among people is as old as civilization. Early on, people instinctively organized their efforts to benefit themselves—protection, hunting, and later, to cultivate the land. The first formal farmer cooperative in the United States was formed in 1810 in **Goshen**, Connecticut. Detailed information on the history of cooperatives is given in the lesson *The History of Cooperatives* on pages 37-41.

**Why would a person or business be a member of a cooperative?**

One of the benefits of belonging to a cooperative is it may provide you with products and services that you might not be able to obtain on your own at a reasonable price. Also, production agriculture continues to become an increasingly technical and specialized field. Few farmers have the time to become experts in the highly skilled professions of advertising, sales promotion, bargaining, processing, and packing—necessary components to any business. Cooperatives are also involved in research. Members benefit from this research that is not practical for individual farmers to do on their own. Marketing cooperatives can assist farmers in obtaining some of these goals. Agricultural cooperatives you may be familiar with are Sunkist Growers, Blue Diamond Growers, Sunsweet, Sun Maid and Naturipe Berry Growers.

**How do cooperatives directly affect me?**

You, as a customer, have the opportunity to belong to cooperatives. Cooperative examples include REI Outdoor Products, the California State Automobile Association (AAA) and your local credit union. You, as a member of a cooperative, have voting rights; many members receive a share of the profits.

**What kinds of cooperatives are there?**

Cooperatives are classified by what they do and generally fit into one of four basic categories. **Marketing** cooperatives perform the function and services required to take a product from the grower to the consumer (packaging, transportation, advertising, selling, etc.). **Bargaining** cooperatives assist farmers with getting the best price for their product. These cooperatives are part of the price-making process of a product or service. **Supply** cooperatives purchase products at volume discounts to reduce operating costs for members. **Service** cooperatives provide services, such as ginning cotton, hulling almonds or financial services.
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AGRICULTURAL FACTS

1. United States Facts and Figures

About four out of ten jobs in the U.S. are associated with agriculture-farm suppliers, agricultural teachers, agricultural salespersons, food manufacturers, agricultural loan officers, farm managers, truck drivers, veterinarians, farm laborers, agricultural mechanics, grocers, restaurateurs, etc.

U.S. farmers are feeding twice as many people on the same amount of farmland as was used in 1960.

It is estimated that each dollar earned from agricultural exports stimulates another $2.59 of output in the economy. Each $1 billion in farm exports creates 27,000 jobs.

2. California Facts and Figures

Farming is a family affair in California. Over 92 percent of California farms are family farms or partnerships.

California has been the #1 ranking agricultural state in the U.S. for nearly 50 years. It is a $20 billion annual industry.

California’s top 20 farm products, 1995 ranking, include: milk and cream, grapes, nursery products, cattle and calves, cotton lint, head lettuce, almonds, hay, processing tomatoes, flowers and foliage, strawberries, oranges, chickens, rice, broccoli, walnuts, chicken eggs, carrots, celery and cantaloupe.

California’s top ten exports are almonds, beef, cotton, dairy, fish, grapes, lettuce, oranges, strawberries and wheat. Beef products are California’s #1 agricultural export.

California’s 30 million acres of farmland accounts for only three percent of the country’s farmland, but produces 55 percent of the nation’s fruits, nuts and vegetables!

California agriculture uses the same amount of water it did 20 years ago, but farmers and ranchers today produce 50 percent more in products.

Each farmer in California produces enough food and fiber for 129 people, including 97 people in the U.S. and 32 abroad.

California produces 100 percent of the nation’s commercial artichokes, pistachios, dried prunes, kiwifruit, shelled almonds, dates, figs, olives and pomegranates.

California agriculture supports 1.4 million jobs, nearly 10 percent of all jobs in the state. Nearly 47 percent of agricultural-related jobs are in Southern California, more than 23 percent are in the state’s Central Coast, and 20 percent are in the San Joaquin Valley.

California agriculture and related industries, the largest single category, directly account for nine percent of the gross state product.
3. Cattle

Virtually all of each beef animal is used for one thing or another. It is said that everything but the "moo" is used from a cow. In addition to meat, cattle are the source of thousands of by-products. Almost 600 pounds of a 1 ,000-pound steer constitute by-products.

A beef steer weighing 1,100 pounds when sent to market will yield about 450 pounds of meat. This includes 180 pounds of hamburger, 126 pounds of steak, 126 pounds of roast, plus other edible parts like liver, heart and tongue.

By-products from cattle are used in producing edible fats, leather, medicine, make-up, synthetic rubber, asphalt, shaving cream, soap, paint, perfume, printing ink, steel rolling solutions, film, china, cleanser and thousands of other industrial and consumer items.

The hamburger meat from a single steer will make about 720 quarter-pound hamburger patties ... enough for a family of four to have hamburgers each day for nearly six months.

A few simple guidelines consumers can follow to help control fat and calories in beef selection:

- Choose lean cuts from the "round" or the "loin."
- Trim all visible fat before cooking.
- Choose a "select" grade of beef.
- Choose ground beef which is >85 percent lean.
- Use the Nutri-Facts label on deli meats and choose those lower in fat.

4. Dairy

A dairy cow gives enough milk to furnish nine families with one half-gallon of milk every day. In order for a dairy cow to give this much milk, she may eat nearly 100 pounds of food and drink about 30 to 35 gallons (about a bathtub full) of water every day!

Two dairy cows produce enough milk to make about three pounds of butter or nine pounds of cheese every day.

Milk is a source of calcium which helps develop strong bones and teeth.

California has more than 50 cheese-processing plants that produce more than 70 varieties of cheese.

Each California dairy cow produces an average of 21,000 pounds of milk per year. California produces about 23 billion pounds, valued at $2.6 billion. Tulare is the #1 dairy county in California.
5. Farm Equipment

One acre of farmland is about the size of a football field. With a large tractor and plow, a farmer can plow an area this size in about 12 minutes.

One large tractor may cost the farmer as much as $200,000.

Mechanical shakers are used to harvest almonds, olives, walnuts and other nuts.

6. Fruits and Vegetables

The average American consumes about 650 pounds of fruits and vegetables each year.

There are over 200 varieties of plums.

When fully grown, one apple tree will produce enough apples to make about 225 apple pies each year.

The average commercial apple tree will bear about 450 pounds of apples per year.

Green Thompson seedless grapes are the most common grapes dried to produce dark-colored raisins.

One cup of fresh strawberries contains about 55 calories and 150 percent of the daily requirement for Vitamin C.

In 1975, an average acre produced six tons of fresh strawberries. Today, the average acre produces over 25 tons of strawberries.

Avocados can stay fresh on a tree for up to two years.

Asparagus was first cultivated about 2,000 years ago.

Lettuce is about 95 percent water and is a member of the composite family (examples include: artichokes, sunflowers, dandelions and thistles).

Processing tomatoes—which are meaty, not juicy, not easy to peel and a bright red color—are used in tomato pastes, sauces and catsup. They are harvested by machine.

Fresh market tomatoes are hand-picked. New genetically-engineered fresh market varieties have improved flavor and shelf life.

California produces 75 percent of the nation’s carrots.
7. Grains

Corn is a type of grass. Popcorn has a thick seed coat while sweet corn has a thin seed coat.

Soybeans are used in such things as candy, margarine, breads, salad dressings, cookies, crackers, potato chips and pizza.

White rice is milled to remove the brown layer of bran that covers it.

Rice grown in California produces 1.8 million gallons of oxygen annually, enough to sustain 14 million people for a year.

Kenaf, which resembles corn, produces a strong fiber that may someday be used to make newsprint.

One bushel of wheat provides about 42 pounds of flour. ., enough for about 50 loaves of bread.

8. Nuts

The walnut tree is the oldest known fruit tree, dating back to 7000 B.C.

Fifty percent of the world's supply of walnuts is grown in California. Walnuts are rich in thiamin, calcium, potassium, protein, dietary fiber and polyunsaturated oil; they are low in sodium.

Walnut shells are an ingredient in an abrasive used for cleaning jet airplane engines.

Crushed nut shells are used in pet litter and asphalt roofing materials.

Peanuts are not actually nuts ... they are underground legumes (part of the bean and pea family).

California is the only place in North America where almonds are grown commercially. California almonds are distributed to more than 90 countries.

Almonds contain important nutrients found in each of the basic food groups.

9. Poultry

A hen will lay one egg a day for about 240 days of the year. ., enough to fill 20 egg cartons.

The color of the yoke of an egg is determined by the feed the hen eats.

The size of a hen's egg is determined by her age. The older she is, the bigger the egg.

It takes 21 days for an egg to hatch and produce a baby chick. Eight weeks later, the chicken is large enough to be marketed for food.
IO. Sheep

Sheep give us food and fiber. The food is called lamb or mutton and the fiber is called wool. Wool fiber is used to make clothes.

Sheep bones and hooves are used to make many useful items such as bone china and piano keys.

Sheep by-products help make paint, instrument strings, chewing gum, medicines, crayons, shampoo, candles, buttons, piano keys, wallpaper and wallpaper paste.

Creams and lotions often contain lanolin, which comes from sheep wool.

One pound of wool can be spun into 20 miles of fine yarn.

11. Swine

Pigs are usually sent to the market when they weigh about 220 pounds. Edible parts of a pig carcass provide pork steak, ham, bacon, chops, spare ribs, sausage and lard.

One pig could furnish your family with 20 pounds of bacon, 30 pounds of ham, 30 pounds of pork chops, 80 pounds of other meat and numerous other by-products.

12. Other Commodities

California’s $1 billion cotton industry produces a premium fiber sought the world over by mills to produce fine linens, dress shirts and other apparel.

Cottonseed is a valuable protein source for livestock poultry.
STUDENT LITERATURE


TEACHER RESOURCES AND REFERENCES

“A Guide to Trade-Offs” videos and lesson plans, Agency for Instructional Television (AIT), Box A, Bloomington, Indiana 47401; (800) 457-4509. This set of videos and lesson plans teaches and reviews basic economics concepts in areas such as setting personal and economic goals, learning about supply and demand and studying the interdependence of these ideas in the world of economics.

Ag Access: Agricultural Book Source, P.O. Box 2208, Davis, CA 95617; (916) 756-7177. Request a catalog of agricultural books.

Agricultural Council of California, 1225 "H" Street, Sacramento, CA 95814; (916) 443-4887; Fax (916) 443-0601. Request the booklet " Exploring Farmer Cooperatives" which has basic, easy-to-understand information about our nation’s business structure, as well as the history of agricultural cooperatives.

California Foundation for Agriculture in the Classroom, P.O Box 15949, Sacramento, CA 95853; (800) 700-AITC. Provides low cost educational resources and activities which incorporate agriculture into existing curricula. Request a Teacher Resource Guide and ask to be put on the mailing list.

Center for Cooperatives, University of California, Davis, CA 95616; (916) 752-2408. This organization has a variety of materials available about cooperatives. Request the Co-op Quarterly newsletter, which lists current publications available for purchase.

“Econ and Me” video and lesson plans, Agency for Instructional Television (AIT), Box A, Bloomington, Indiana 47401; (800) 457-4509. This set of five 15-minute videos encourages students to think their way through economic challenges.

Economics America, National Council on Economic Education, 1140 Avenue of the Americas, New York, NY 10036; (800) 338-l 192. Request this catalog which lists materials and libraries that have economic education programs.

Foundation for Teaching Economics, 260 Russell Boulevard, Suite B, Davis, CA 95616; (800) 383-4335; Fax (916) 757-4636. Request information about economics summer programs available for history and economics teachers and high school students.

National Council of Farmer Cooperatives, Education Department, 50 “F” Street, N.W., Suite 800, Washington, D.C. 20001; (202) 626-8700; Fax (202) 737-6430. This organization has a variety of materials for educators, including an educational teacher’s guide and video titled Taking Care of Business for grades 4-12.

Subject Frameworks for California Public Schools, K-12. Bureau of Publications, Sales Unit, California Department of Education, P.O. Box 271, Sacramento, CA 95812-0271; (916) 445-l 260. These frameworks state California’s guidelines for teaching the various subject matters. Request a catalog of publications.
University of California Cooperative Extension. Refer to your local telephone book under the county government section for address and phone number. Practical and agricultural publications are available.

Weavers of Dreams, Founders of the Modern Cooperative Movement, David J. Thompson, Center for Cooperatives, University of California, Davis, CA 95616; (916) 752-2408. This book gives a detailed history of one of the first modern cooperatives—the Rochdale Pioneers.
GLOSSARY

**Agriculture**—The broad industry engaged in the production of plants and animals for food, fiber, shelter and aesthetics; and the processing, marketing and distribution of agricultural products.

Business—An organization designed to produce or sell goods or services for a profit.

Capital—In financial terms, the difference between what you have and what you owe; in economic terms, what you use to produce a good or service.

**Competition**—In economics, when two or more businesses provide the same service or product to a certain number of people.

Consumer—One that uses goods and services.

Consumption—The use of goods and services.

Cooperation—When individuals work together to benefit from a situation.

Cooperative—A group of people or businesses who band together to sell more products or buy goods or services for less. It is an enterprise which acts for the benefits of its members.

Corporation—A business owned by stockholders.

Cost—The amount of effort or money required to make something. In terms of money, it is the amount or equivalent paid or charged for something.

Demand—The quantity or amount of goods or services that will be bought at a given price at a certain time.

Division of Labor—The separation, into individual tasks, of the total work required to produce a good or service.

Economics—The social science of how people choose to allocate scarce resources in order to satisfy their wants.

Entrepreneur—A person who has an idea, is willing to take risks and is able to combine resources to produce goods or services for a profit.

GDP—Gross Domestic Product; a country’s total annual production of goods and services stated in dollars.

Goods—Any material item that satisfies a human need or want.

Income—The amount of gain (usually money) derived from an individual’s capital or labor.

Labor—One of the four factors of production; human effort used in making something.
Land—in economic terms, one of the four factors of production meaning "raw materials," it also can mean areas of the earth's surface with all its natural resources.

Loss—In economics, when the cost of something exceeds the selling price.

Manufacture—To make or process from raw materials.

Market—The demand for a product; or a place where goods are offered for sale or exchange.

Money—Anything generally accepted in exchange for other things.

Partnership—A business owned by two or more persons, at least one of whom has personal responsibility for the firm's debt.

Price—The amount one must pay for something.

Producers—The makers of goods originated from soil, water, light and air.

Productive Resources—The factors used to produce goods or services. They include land, labor, capital and technology.

Profit—The amount of money remaining after subtracting the cost of an item from its selling price.

Raw Materials—Materials used in manufacturing.

Resource—Anything that can be used to satisfy a human want or need.

Scarcity—Lacking; not enough resources to produce all the goods and services people desire.

Service—Work or a job performed for a price to satisfy someone's wants.

Sole-proprietorship—One person who is entirely responsible for a business and personally accountable for all profits and losses.

Supply—The quantity of economic goods and services available for sale in the market.

Technology—in economic terms, one of the four factors of production; application of science to produce a good or service.

Wants—Desires or needs.