

ANNUAL REPORT READERSHIP: A STUDY OF AN AGRICULTURAL SUPPLY COOPERATIVE

by

Yvonne P. Shanahan, Beverley R. Lord and Alan J. Robb
University of Canterbury, Christchurch, New Zealand

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Abstract

Recent corporate collapses have focused attention on the (un)reliability of financial information. However, although the agricultural sector, which is significant globally, is run primarily using the cooperative form, there is scant research on these users' perception of financial information. Therefore this paper examines members' readership and understanding of the annual reports of a large, fertilizer cooperative. The findings show that there is a lack of readership of the annual report, due to a lack of understanding and a lack of time. A minority of non-readers trust directors to "do a good job". Preparers of information should focus on making reports more user-friendly and evidence suggests that financial information could be released more strategically using other sources of communication, namely other print media and the internet.

Key words: cooperatives, annual reports, readership, understanding.