

# **ROLE OF FINANCIAL VARIABLES IN EXPLAINING THE PROFITABILITY OF NORTH DAKOTA FARM SUPPLY AND GRAIN MARKETING COOPERATIVES**

by

**Gregory McKee, Saleem Shaik**

**Department of Agribusiness and Applied Economics, North Dakota State  
University**

and

**Michael Boland**

**Department of Agricultural Economics, Kansas State University**

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## **Abstract**

This paper examines the profitability of a balanced sample of 58 North Dakota farm supply and grain marketing cooperatives over the period 2003-2007. Our findings reveal that increased liquidity tended to allow farm supply cooperatives to operate more efficiently, but reduced the efficiency of cooperatives which provide farm supply and grain marketing services. These results suggest strategies for cooperatives during times of illiquidity and other credit constraints for achieving profitability objectives.

**Key words:** liquidity, solvency, cooperative, agribusiness marketing.