

Food and Farm Co-operatives



Introduction

The food and farm co-op sector (including agricultural co-ops) is one of the oldest, largest and most developed sectors in the Canadian co-operative movement. From the 1860s onward, Canada has benefitted greatly from this sector's diversity—which has always been, and continues to be, particularly important for rural Canada.

Since then, food and farm co-ops have grown in size and popularity world-wide because they address the need for an improved and sustainable food system that more fairly serves **consumers, producers, workers and/or communities**.

Any (or all) of the above groups can make up the membership of a food or farm co-op. In all cases, the co-op's primary purpose is to fulfil the needs of these members. These needs can vary widely from job creation to stabilized prices, access for remote or isolated communities, loans for start-up costs, a consistent quality and supply of goods or any combination of the above.

The diversity within the sector is most evident in the variety of activities these co-ops perform. Food and farm co-ops

engage in production, processing, distributing, marketing, retail, or food services and vary from three-member worker co-op cafés to multi-million dollar enterprises with hundreds (or thousands) of members. You can find food and farm co-ops in both rural regions and the downtown centres of major metropolitan cities all over the world.

However, all food and farm co-ops share the co-operative model and the seven co-operative principles. This model provides members with the opportunity to invest in a local business, have a voice in its operations and development and to share in its profits.

Because the co-op and its members share a community, they tend to place a higher priority on values where a shareholder of a corporation would prefer to optimize profit. As a result, co-operatives used as a model for food and farm businesses are more likely to result in:

- fair prices and income for farmers;
- ability to spread risk across farm businesses;
- fresh, healthy and quality food for consumers;

- fulfilling work and fair wages for workers;
- community-sufficiency and local investment;
- greater access to market and technical information;
- shortened and transparent supply chains;
- fair trading practices, whether domestic or international;
- greater ability to identify and manage change;
- energy consumption and waste reduction programs;
- maximized financial returns for member products sold through marketing and value added processing; and
- resilient, regenerative local and regional food systems.

Some food and farm co-operatives also offer community engagement and professional development services that are less common in their corporate counterparts, such as: training in administration, governance, and safe food handling; tours of production facilities; education about food security issues; or community outreach and support

RESOURCES

- **Local Organic Food Co-ops Network**
cultivatingfoodcoops.net
The Local Organic Food Co-ops Network is an Ontario-wide network of food and farming co-ops working towards a co-operative and sustainable food system by strengthening the food co-op movement in Ontario.
- **Ontario Natural Food Co-op**
onfc.ca
Ontario's leading natural and organic food distributor.

Canadian Co-operative Association (CCA)
coopscanada.coop/en/orphan/AgriculturalCoops
A collection of helpful guides, case studies and other resources for Agricultural Co-ops

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FACT SHEET

(in Canada and globally). Some co-ops give credit for member labour to reduce the barriers to participation.

How Do They Work?

The driving principle behind all food and farm co-ops is that by pooling capital and resources through membership, a group of people can provide a good or service to benefit themselves and their community. The need may arise from the lack of a current provider or buyer or a need for alternative products, services, or prices. The benefits conferred through membership vary between different types of co-ops.

Producer Co-ops

Producer co-ops are owned by farmers, growers, processors, manufacturers or anyone who creates a food product with the intention of selling it. Producer co-ops are usually comprised of members who all produce the same product (i.e. milk, beef) or complementary products (i.e. garden vegetables & orchard fruit). Members benefit from reduced costs and barriers to entry through collective equipment, distribution, marketing, value added processing, knowledge sharing and/or bulk purchasing.

Worker Co-ops

Worker food co-ops are owned by their staff. Members/ employees benefit from the ability to directly influence the conditions and development of their workplace. This usually results in higher wages, more extensive benefit plans, opportunities for education and training, improvements in health and safety, and/or more flexible working hours. Worker co-ops organize at various points in the food system (production, processing, retail etc.).

Consumer Co-ops

Consumer co-ops are food co-ops owned by people who shop or eat at the co-op. These co-ops can be buyers' clubs, student organizations or retail operations, all of which differ in what they sell, how they sell, to whom and how often. Either way, members of consumer co-ops benefit from improved accessibility, affordability and quality of products as well as a more transparent supply chain. Examples of prevalent needs food and farm co-ops address include:

- the need for better prices (for seeds, food, equipment, etc.)

- the need for improved accessibility in isolated or underserved regions
- the need for greater variety (options for those with dietary restrictions, high processing/ environmental or ethical standards, etc.)

Multi-stakeholder Co-ops

Multi-stakeholder co-ops have membership from two or more of the above groups (i.e. farmers and retailers). Their membership may also extend to other parties, such as community or commercial partners. This form of stakeholdership is becoming increasingly popular in Ontario, particularly within the Local Organic Food Co-ops Network, because it addresses multiple groups' needs simultaneously. In Quebec, these co-ops are known as solidarity co-ops.

Members in every kind of food co-op benefit from the opportunity to develop and maintain ownership and control of their co-operative through democratic participation in meetings, the election of the board and the return of annual surplus to members, community projects, or the co-op's development. These characteristics ensure that wealth—in a variety of forms—continues to be generated and re-circulated in the community.

FOR MORE INFORMATION, CONTACT

Ontario Co-operative Association
30 Douglas Street
Guelph ON N1H 2S9
Phone: 519.763.8271
info@ontario.coop
ontario.coop

More resources are available at:
CoopZone Network
coopzone.coop

This is one of a series of FACTSheets created by OCA providing general knowledge, best practices, and sector-specific information.

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