



# CONSUMER CO-OPS

## DOING RETAIL WITH A DIFFERENCE

In a world dominated by “big box” stores and mammoth retail chains, co-operatives offer an alternative for consumers.

Retail co-ops provide services in food, clothing, agricultural supplies, petroleum products, hardware, lumber, and many other consumer products and services. These co-ops obtain many of their products from wholesale co-op distributors. Retail co-ops vary in size and sophistication from small buying clubs, in which a few families pool grocery orders and buy from wholesale outlets, to large multi-store organizations.



Whatever their size, consumer co-ops benefit their members. These benefits include equity and patronage dividends, personalized service, quality products, and community support. The surplus earnings or “savings” generated by each retail co-op belongs to the members and can be repaid in cash or allocated to members’ equity accounts.

Federated Co-operatives Limited (FCL) provides central marketing services including manufacturing, wholesaling and distribution, as well as administrative services to its member-owners – 280 retail co-operatives located throughout Western Canada. These retail co-operatives and their branches operate in more than 500 communities, providing a variety of products and services to more than 1,200,000 individual co-op members. Together, FCL and its member retail co-operatives are united as the Co-operative Retailing System (CRS), providing employment for more than 18,000 people. FCL is Canada’s largest non-financial co-operative and in 2005, sales reached \$4.8 billion. Over the last 10 years, FCL retail co-operatives paid a combined total of more than \$1.8 billion in patronage dividends to members in cash. That represents a lot of money going back into Canadian communities.

Being responsive to co-op members is also good business. For example, Calgary Co-operative Limited, a member-owner of FCL and owned itself by the people of Calgary and vicinity, has a nearly 40 per cent share of its local market.

Another Western Canada co-op retailer UFA Co-operatives Limited. UFA has 35 farm supply stores throughout Alberta and over 120 petroleum outlets in Alberta, British Columbia and Saskatchewan. In 2005, the co-op had revenue in excess of \$1.4 billion.

Co-op Atlantic is the second largest co-op wholesaler in Canada. Co-op Atlantic provides its member co-ops with a wide variety of services, including merchandising, distribution, marketing, financial management, property management, and technological and human resource development services. Its 135 member co-ops, located throughout Atlantic Canada and the Magdalen Islands, serve over 200,000 member families. In 2006, Co-op Atlantic posted over \$500 million in consolidated sales .



## CONSUMER CO-OPS: REVITALIZING OUR COMMUNITIES

GROWMARK, Inc is a regional co-operative that provides agriculture-related products and services to farmers and rural residents in the Midwest and Northeastern United States and Ontario through local FS member co-operatives and by GROWMARK subsidiaries. FS branded and related products and services include crop inputs, energy products, grain handling, feed and animal health products, as well as consumer related products such as lawn and garden care, work wear, pet care supplies, and hardware. From its Ontario headquarters in Kitchener, GROWMARK supplies and serves 21 local agricultural co-ops, which in turn represent close to 35,500 members, 1,500 employees, and close to 90,000 customers.

One of the most unique retail systems is found in Canada's North. Arctic Co-operatives Limited (ACL) provides leadership and expertise to 33 member co-operatives in the Northwest Territories and Nunavut. These diverse co-op businesses provide their communities with services such as general retailing, hotels, petroleum delivery, taxi and cartage services, commercial and residential rental units, airline ticket agencies, and cable television services. ACL serves its members by providing systems for collective purchasing and distribution, marketing of northern crafts and tourism, training and education, operational and technical support, and management advice and support. Arctic Co-operatives works side-by-side with the Arctic Co-operative Development Fund to support new co-op development.

Specialization in the retail co-op sector is growing, both in terms of operations and consumer targets. Natural health

foods (bulk) co-ops are selling their products in both retail and wholesale markets. Student supply co-ops have gained a strong foothold, especially in Quebec where nearly 85 are active and represent sales of \$134.6 million with more than 454,000 members.



Since the 1970s, Mountain Equipment Co-op (MEC) has been providing a full line of products and services for self-propelled wilderness-oriented activities, such as hiking, mountaineering and kayaking, at the lowest reasonable price and in an informative, helpful, and environmentally responsible manner. MEC has over two million members and in 2006 had annual sales and services totalling \$225 million.

### DO YOU WANT TO KNOW MORE ABOUT CO-OPS?

For more information, please contact the

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