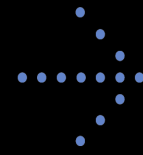




CANADIAN
CO-OPERATIVE
ASSOCIATION



New futures:

Innovative uses of
the co-op model



The Canadian Co-operative Association (CCA) is a national association for co-operatives in Canada, representing more than nine million co-operative and credit union members from over 2,000 organizations. CCA members come from many sectors of the economy, including finance, insurance, agri-food and supply, wholesale and retail, housing, health and the service sector. CCA provides leadership to promote, develop, and unite co-operatives and credit unions for the benefit of people in Canada and around the world.

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INTRODUCTION

As we publish this collection of co-operative profiles in the fall of 2009, Canada is slowly emerging from a global recession. Over the past year, many companies have been forced to cut staff or close their doors, and individuals have watched their savings decline or disappear altogether. Given recent events, what hope do Canadians have to chart their own economic and social destinies?

This collection of profiles provides examples of how Canadians have used the co-operative model in innovative ways. It shows that, far from being powerless, we can, through co-operation, forge new futures for ourselves, our communities and our country.

Co-operatives bring together individuals or organizations to collectively meet common needs that they could not meet alone. That was true when the first “modern” co-operative was formed in Rochdale, England in the mid-19th century to fight the greed of profiteering factory owners, and it is true today. But more importantly, co-operatives can contribute to the rebuilding of Canada’s economy and help restore the fabric of Canadian society.



Co-ops provide a distinct values-based and community-owned and controlled alternative to other business models. They recognize the importance of people and communities, and are a powerful and democratic way to put decision-making into the hands of those who need and use their services. Surplus profits are returned to the members and, therefore, remain within their communities.

These 12 profiles show the flexibility of the co-operative model and how it is being used in a wide variety of situations — providing financial services to First Nations and Muslim communities, buying businesses that were slated to close, creating local sources of food supplies and encouraging healthier, more sustainable lifestyles. The profiles are a fragment of the nearly 9,000 co-operatives in Canada but they illustrate some of the creative uses of co-operative businesses in new and exciting ventures.

As the Canadian Co-operative Association celebrates its 100th anniversary in 2009, we are pleased to present these stories about how the co-operative model is being used to create more sustainable, fairer and people-centred economies.



Name:

Affinity Credit Union

Activity:

Financial services

Type of**Co-operative:**

Credit union

Members:

95,000

Assets:

\$2 billion

Location:Saskatoon,
Saskatchewan (plus 46
branches in 37 communities)**Website:**www.affinitycu.ca

Credit union reaches out to First Nations communities

Affinity Credit Union, based in Saskatoon, is an example of a credit union that is seeking to improve access to financial services for First Nations individuals, families and new businesses — and it's doing so in a way that respects their histories and cultures, and makes them full partners in the process.

"The increasing importance of First Nations communities in the provincial economy, and the young and growing Aboriginal population, make it a priority for our credit union to connect growth meaningfully with First Nations," says Affinity CEO George Keter.

A recent Statistics Canada study forecasts that the Aboriginal population in Saskatchewan will grow from 155,000 in 2006 to 203,000 in 2017. Projecting further, it suggests that the population will be 40% Aboriginal by 2025.

The number of First Nations and Métis businesses is also growing. But there are distinct differences in a First Nations approach to business versus a traditional Canadian approach.

"About four or five years ago, the executive of Affinity Credit Union realized that in order to be full participants in Saskatchewan's economy, it needed to include the participation of First Nations people," explains Wilfred Jimmy, Affinity's Aboriginal Business Development Manager. While other financial institutions viewed First Nations as clients, Affinity's solution was to invite First Nations people to become full partners, equal members, in the credit union.



Ribbon cutting ceremony, as Affinity Credit Union opens its' first branch on the Cowessess First Nation reserve, February 2009

Affinity approached eight First Nations communities from across the province and worked with them to create a First Nations District within the credit union. (Affinity's eight other districts are established along geographical lines.)

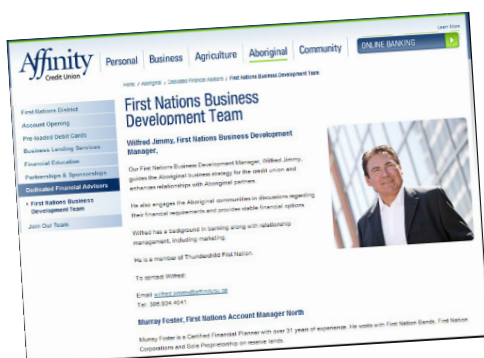
"Our goal is to redefine First Nations' banking."

The communities selected varied in size in order to provide a more balanced contribution. They were the Beardys Okemasis Nation (2,881 members), Cowessess First Nation (3,500 members), Little Pine First Nation (1,674 members), Lucky Man First Nation (102 members), Mosquito First Nation (1,199 members), and Poundmaker First Nation (1,409 members), Thunderchild First Nation (3,000 members), and Wahpeton Dakota Nation (458 members).

The First Nations District has the same powers and responsibilities as the credit union's other districts. Band members who own a membership with Affinity elect eight District Council Delegates to represent them locally. From these eight delegates, two Affinity Board of Director members are chosen to represent the voice of the First Nations people centrally.

"Our goal is to redefine First Nations' banking," says Jimmy. "Together we've created an operational and business plan that empowers members to take charge of their financial future while respecting their histories and cultures."

By all accounts, the First Nations District has been a success. On February 2, 2009, Affinity Credit Union opened its first full-service branch on the Cowessess First Nation reserve. A number of other First Nation bands have indicated their desire to become involved, and there has even been interest from outside the province.



"Co-operatives were started by people Sharing and working together. These are important aspects of First Nation's culture," Jimmy says. "With this partnership, we've come full circle to make the province and our communities more economically viable and vibrant."

Name:

Ansar Co-operative
Housing Corporation

Activity:

No-interest home
financing

Type of Co-operative:

Financial co-operative

Members:

4,000 individuals

Employees:

4 full time; 2 part time

Location:

Toronto, Ontario

Website:

www.ansarhousing.com

Co-op creates model for Muslim home financing

In the co-operative model, the founders of the Ansar Co-operative Housing Corporation discovered a way for Muslims living in Canada to purchase homes and make investments in a way that wouldn't contravene their religious beliefs. Now the model is being adopted around the world.

Paying or receiving interest (Riba) is forbidden in the Quran. For Muslims, that means a tough decision: to buy a house and indulge in interest or to forget buying a house altogether to avoid interest with a traditional mortgage.



Pervez Nasim, Chairman, the
Islamic Co-operative Housing
Corporation Ltd.

For Pervez Nasim that wasn't good enough. In 1980, he and a few others from the Muslim community created a solution: the Islamic Co-operative Housing Corporation Ltd., North America's first Islamic financial institution that provides interest-free housing and investment opportunities for Muslims.

It was so successful, the co-op soon reached its authorized capital limit and a new co-operative, Ansar Co-operative Housing Corporation Ltd., was incorporated. Ansar functions in exactly the same way and is managed by the same Board, with Nasim as its Chair, and operates out of the same office. There is no maximum limit on the sale of Ansar shares.

To join the co-op, individuals pay a onetime \$75 membership fee and annually must purchase a minimum of six shares (\$600) from the equity pool. Once a member accumulates enough shares, the co-op buys a house on behalf of the member and his family to live in while paying a proportional rent to the co-op.

For example, if the member has contributed one-quarter to the price of the house and the co-op contributed three-quarters, the homebuyer pays three-quarters of the value to the co-op in rent. Members increase their ownership by purchasing more shares and the rent goes down in the same ratio until it is phased out completely.



Directors and Officers of both Co-ops: (L-R)
Hussain Siddiqui, Treasurer; Pervez Nasim,
Chairman; Mohammed Jalaluddin, Vice
Chairman

At that point, the homebuyer surrenders the equity shares to the co-op and the co-op transfers the title to the homeowner. Any capital gain or loss is shared between the homebuyer and the co-op as per agreed ratio.

Since 1981, Ansar has sold more than 700 homes and although it only deals with Canadian homes, it has members throughout the world.

And rather than putting their savings in banks, members can invest in the co-op and earn Halal (lawfully permitted) income. The co-op shares pay dividends from rental income, which is calculated quarterly and paid annually. Ansar has been so successful it regularly receives calls from financial institutions around the world looking to copy it.

Today, there more than 250 Islamic financial institutions are operating worldwide, managing in excess of \$200 billion USD. Many western banks, including several in Canada, have also developed Islamic units hoping to meet the financial needs of Muslims.



Chairman Pervez Nasim presents an appreciation award to Justin Trudeau at a Charity Gala Dinner sponsored by the co-op



Mohammed Jalaluddin, Vice Chairman of Ansar Co-operative Housing Corporation, says the global financial crisis has brought renewed vigour to the co-operative models as well as other alternative methods, such as Islamic banking, finance and insurance.



"Maximizing the profit is not the most important aspect of business," Nasim says. "Charity and social responsibility are part and parcel of the bottom line."

Name:

Bleecker Street
Co-operative Homes

Activity:

Housing

Type of Co-operative:

Housing co-operative

Members:

254 units (home to
more than 600 people)

Employees:

10

Location:

Toronto, Ontario

Website:

www.bleecker-street.com

Housing co-op creates oasis in “at risk” neighbourhood

Toronto’s Bleecker Street Co-op is an example of a housing co-operative that respects the vast diversity of its membership, and places inclusivity at the forefront of co-operative innovation and community integration. By scrapping the traditional committee structure and focusing on inclusion—traditionally marginalized groups and youth—the co-op has created an oasis in a neighbourhood considered to be “at risk.”

Located in a diverse area of downtown Toronto, the 254 units of Bleecker Street Co-op are home to over 600 people. From the very beginning, the co-op stood out for its social awareness. Prior to 1990, the units had been part of the City of Toronto’s non-profit housing. After the co-op was formed, the goal of the founding board was to provide 25% of its subsidized housing units to people living with AIDS, says Diane Frankling, who was hired as the co-op’s manager. At that time there was a serious housing crisis for people with AIDS.

That sense of supporting and including the underprivileged hasn’t wavered. The co-op later negotiated with the Ministry of Housing to increase the number of subsidized units from 25% to 50%, providing a mutually beneficial income mixing. The co-op also instituted a special needs by-law, giving priority-housing to people with AIDS,

adults and children leaving domestic violence, and individuals with psychiatric histories. Change comes slowly, Frankling concedes, however, she says the co-op has grown into an integrated supportive community, reflecting its diverse downtown neighbourhood. Bleecker’s philosophy is that everyone deserves the opportunity to be part of the co-op. So rather than a committee of co-op members deciding, by interview process, who can join, it is staff that handles membership selection, with the Board giving final approval.

In fact, aside from the Board of Directors, there are no traditional committees at Bleecker Street. *“We realized very quickly that the old committee structure wouldn’t work here,”* Frankling says. Instead, it is the members themselves who take the initiative to do things. *“We engage our members through social action, and social events, rather than committees and mandatory maintenance.”*



Members are involved in a variety of community and co-op activities, such as holidays and social gatherings, HIV/AIDS awareness, and also fundraised for the Ladybug Foundation to help the homeless in Canada. The co-op has initiated an energy conservation challenge to encourage co-op members to make Bleecker Street greener, lower utility expenses and become more environmentally aware.

Co-op members also established *Pete's Pet Fund*, which uses donations to support members who are faced with unforeseen or emergency pet expenses.

Another example is the Rwanda Project, which was spearheaded by Bleecker Board member Brian Finch, and for which the co-op received the *Jim MacDonald Award for Social Change* from the Co-operative Housing Federation of Canada (CHF Canada) in 2008. A long-time HIV/AIDS activist, Finch wanted to raise public awareness and donations for the Ineza Women's Co-operative, which supports HIV-positive women and children—many of whom are survivors of genocidal rape and sexual violence. Bleecker Street members threw their full support behind the initiative and raised more than \$5,000 through raffles, member and corporate donations, a bake sale and car wash. But it was more than just about raising money, Frankling says. The project allowed co-op youth and the larger community to talk about HIV and AIDS on a personal level.



Preparing for World AIDS day at Bleecker Street Co-op

"Bleecker Street does community development in a way nobody else does."

with young people in order to avoid the vandalism that comes with boredom," Frankling says. *"Today, kids are included in everything and the community benefits tremendously."* The co-op employs a part-time child and youth co-ordinator and summer counsellors to run a variety of programs including arts and crafts, drama and music appreciation, literature, sports and athletics, computers, science and cooking.

And it's paid off. Frankling says the respect residents have for their co-op provides a protective effect—there is very little vandalism and crime at Bleecker Street. And when members join the co-op, they rarely leave. She says the total annual vacancy loss is less than \$5,000 per year.

When the co-op was initially formed, residents believed it was important to bring the physical property to a respectful level of maintenance. Although it had won an award for its design when it was built in 1978, the Bleecker building itself had deteriorated due to poor maintenance. After its inception as a co-op, Board and staff worked together to first of all provide a safe and well-maintained physical structure. Today, the co-op is once again winning awards for its facilities (which include an international vegetable garden featuring features the herbs and vegetables used by the ethnic groups living there, a computer learning centre with 15 computers and a on-site technician, a pottery studio, a fitness centre, community rooms, and an accessible room). What followed from the early focus on maintenance and 'dignified housing' is a stronger and more connected community. The co-op has also been recognized for its programs, management, and member engagement. *"Bleecker Street does community development in a way nobody else does,"* says Nick Sidor, CHF Canada's Director of Corporate Affairs. *"It's a shining example in the housing co-op community of going beyond simply providing housing."*

Diane Frankling attributes much of the community's success to member integration and mutual respect. *"This inclusive environment didn't just happen; it developed as a result of purposeful intent towards bettering the lives of everyone who shares this home."*

Name:

Co-operative Auto
Network (The Car Co-op)

Activity:

Car sharing

Type of Co-operative:

Consumer co-operative

Members:

5,000

Employees:

23

Vehicles:

225

Location:

Vancouver,
British Columbia

Website:

www.cooperativeauto.net

Saving money and the environment one vehicle at a time

Vancouver's Co-operative Auto Network (The Car Co-op) is an example of how a consumer co-operative can save money for its members and save the environment. It has succeeded so well, that the co-op has spun off a second enterprise to allow businesses, NGOs, and government departments to do the same.

It was 1995 when Tracey Axelsson decided to take her old, polluting MGB off the road. She and her husband were convinced they could walk or use the bus to meet all their needs. However, they quickly discovered that wasn't the case; they would occasionally require a vehicle. Still, they couldn't convince themselves that incurring the expense of purchasing a car was justified for their limited use. When a friend mentioned hearing about a car sharing co-operative in Cologne, Germany, Axelsson's interest was piqued. And when she needed a project to complete her degree in community economic development, starting a car sharing co-op seemed the natural choice.

Axelsson secured a \$20,000 grant from Vancity, Canada's largest credit union, and another \$200,000 grant from The Co-operators Group to set up operations. But to purchase the vehicles, she and her husband had to personally guarantee

the car loans. Nevertheless, in January 1997, The Car Co-op was launched with two cars, 16 members, and Axelsson as the only employee. Today, the co-op has 225 cars, more than 5,000 drivers, and 23 employees.

The Car Co-op is part of a growing trend. Car sharing now operates in 22 countries and four continents, accounting for an estimated 650,000 members sharing approximately 20,000 vehicles. As of July 2008, 39,664 Canadians shared over 1,650 cars between 14 car sharing organizations, equating to a 23:1 member to vehicle ratio in Canada. Seven of these organizations are co-ops, and three more car sharing co-ops are in the start-up phase.

Car Co-op members pay a one-time, refundable \$500 share purchase, and a monthly administration fee to cover some of the fixed costs of the cars. When they use a car, they pay low fees by the hour and by the



kilometre to cover the cost of gas, insurance, and wear-and-tear.

The co-op stresses to its members that they co-own as opposed to mutually-use the vehicles. This shift in thinking is a cornerstone to the environmental goals it strives for.

***20% of members
gave up a vehicle
after joining.***

According to its *2008 Social and Environmental Report*, 87% of members cite concern for the environment as their reason for car sharing, and 41% report they would be likely or very likely to purchase or lease an additional vehicle if they didn't belong to the co-op. Almost 20% say they gave up a vehicle after joining. On average, members reported that they reduced their driving by 500 kilometres a year.

The Car Co-op has worked so well for individuals, in 2003 it responded to demand and launched The Company Car to provide car sharing for businesses, NGOs, and government departments using the co-op's network of vehicles.

In 2005, the City of Vancouver introduced a by-law enabling developers to reduce the ratio of parking required in multi-residential applications where car sharing is a featured amenity to the building. The cost savings potential for a building are potentially high—especially if it can do away with the lowest floor of required parking stalls. For The Car Co-op, the savings are measured in the reduction of energy used to dig down into the earth, earth displacement, and groundwater preservation.



For members of the co-op, the money they save by not having to purchase and maintain their own vehicles translates into less noise and congestion, better air quality, healthier green spaces and fewer non-point sources of pollution. Less really is more for The Car Co-op.

Name:

Coopérative de
solidarité en
environnement la
Maison verte

Activity:

Retail store &
education centre for
sustainable living

Type of Co-operative:

Environmental
Multi-stakeholder

Members:

7,000

Employees:

12

Location:

Montreal, Quebec

Website:

www.cooplamaisonverte.com

Co-op aims to take community from adversity to sustainability

Coopérative de solidarité en environnement la Maison verte is an example of how a diverse community is working together to provide ecological solutions for the home as well as resources for responsible consumption. The co-op offers both a retail store with more than 1,000 ecological and fair trade products and it works with other groups to promote and educate community members with the goal of inspiring environmentally healthy and sustainable practices.



For a group of young people living in the Notre-Dame-de-Grâce district of Montreal, the Great Ice Storm of 1998 was the impetus for the creation of Coopérative de solidarité en environnement la Maison verte. Helping people develop more self-sufficient, sustainable lifestyles was their answer to the isolation and vulnerability they witnessed in their neighbourhood during the weeks electricity and telephone service was lost.

Through its structure of worker, community and support membership, Coop la Maison verte is the first environmental multi-stakeholder co-op in Canada, and one of the first in North America. Multi-stakeholder co-ops unite the efforts and

interests of a variety of groups to meet a community need. Jason Hughes, one of the co-op's founders, says the model made sense. The co-op was started by a diverse group of people with a lot of different experiences in the community, and it was important for all the partners to be represented in the enterprise.

Financed initially by the nine cofounders and the first 200 members who had faith in its potential, a grant from the Côte-des-Neiges/Notre-Dame-de-Grâce Community Economic Development Corporation enabled the Coop la Maison verte to start up activities in November 2000. Since then, membership has grown to over 7,000 individuals. The co-op has launched an on-line store, is in the process of purchasing its own building for the store and café, and holds upwards of 60 community events a year.



Creating a sense of community and being the hub of the neighbourhood has been a key to the co-op's success. Hughes estimates that about 65% of the members live within a 10-minute walk from Coop la Maison verte's current store on Sherbrooke Street West. In 2007, the co-op served an average of 127 customers each day, and that doesn't include those who just dropped by to say hello.



In addition, the co-op houses a café, holds workshops for adults and kids, offers film screenings on topics related to the environment and sustainability, and hosts a variety of community events such as tree give-a-ways and Buy Nothing Day. It also makes its space available to community groups wanting to hold meetings or events. When

the building purchase is completed, the co-op is planning some renovations to make the building "greener" and more energy-efficient.

About 10 per cent of members live outside the island of Montreal, and it was this group that the co-op was targeting when it launched its online store last December. The online store is doing well and orders have been received not only from Quebec, but also from Ontario and the Atlantic provinces.

Despite the recession, Coop la Maison verte continues to prosper, surpassing what the founding members had hoped for following the dark days of the 1998 ice storm.



Its small team works hard, supported by many from the neighbourhood and further afield, to keep it at the centre of community life in Notre-Dame-de-Grâce, and to provide its members with a range of products and services to help them to be responsible citizens.

Name:

Just Us! Coffee
Roasters Co-op

Activity:

Fair Trade
Importer/marketer

Type of Co-operative:

Worker co-operative

Members:

13

Employees:

81

Sales:

\$6.5 million (2008)

Location:

Wolfville, Nova Scotia

Website:

www.justuscoffee.com

Fair Trade pioneer combines values with successful business

Just Us! Coffee Roasters Co-op is an example of a visionary worker co-operative that was the first to bring Fair Trade products to Canada and continues to prove that combining values with business makes good economic sense.

Just Us! was founded in the fall of 1995 and, in March 1996, was formally incorporated as a worker-owned co-operative to import, roast and market organic Fair Trade coffee. At the time, there was very little information about Fair Trade available in Canada. Just Us! co-founder Jeff Moore travelled to Chiapas, Mexico, to connect with local coffee farmers. Ironically, the region was in the midst of a civil war over who should profit from coffee production. As he describes it, he came home with “good news” and “bad news.” The good news was that he had found a great Fair Trade co-op that would be thrilled to sell its coffee to Canada. The “bad news” was that he and his wife Debra would have to put their house up as security to finance a minimum shipment of 10 tons of coffee without having a single customer. They



Just Us! Employees Juliet Morris and Ned Zimmerman, de-pulping coffee cherries at UCIRI co-op in Mexico in 2008

made the leap and never looked back.

Just Us!, Canada's first Fair Trade coffee roaster, now imports and markets organic Fair Trade coffee, teas, sugar and chocolate across the country, and operates coffee shops in Halifax, Grand Pré, and Wolfville. Sales in 2008 were \$6.5 million, up 12% from the previous year.

Despite a worldwide economic recession, a survey released April 17, 2009¹ found that support for Fair Trade is on the rise. Consumers increasingly expect companies to be more accountable and fair in dealing with producers in developing countries.



Jeff Moore (Co-founder & CEO) and Tom Walsh (Development Manager) met with the Ngobe Bugle people of Panama in 2008

¹ The survey by GlobeScan was commissioned by Fairtrade Labelling Organizations International (FLO) with a sample size of 14,500 in 15 countries.

The Fair Trade business model empowers producers and gives them greater dignity and a fairer price for their products and it provides consumers with high quality products that they know are more sustainable from a social and ecological point of view.



Jeff Moore (Co-founder & CEO) participating in a traditional Ethiopian coffee ceremony, while visiting producers (2008)

In Nova Scotia, the provincial government offers an equity tax credit for investing in a Community Economic Development Investment Fund (CEDIF) that helps finance co-ops and other businesses. In large part, this is how the Just Us! co-op financed its start up.

The only problem was that soon the investors started to outnumber the workers and according to equity tax credit legislation, both had to be given equal votes in the co-op. The

solution was to set up a second co-op for investors (which includes workers) called the Just Us! Fair Trade Investment Co-op (JUFTIC) in 2002. This allows the two Just Us! co-ops to set up a public offering every year to raise capital as required. It also gives workers a vehicle for RRSP investments that actually benefit the co-op.



Each co-op has its own board elected by and from its membership. To facilitate collaboration between the two co-ops, three of the JUFTIC board members are appointed to the Just Us! Coffee Roasters board. The two co-operatives work closely together to promote Just Us! as a Nova Scotia business, and Fair Trade as a model for doing business.



Over the years Just Us! has received many honours, the latest on May 1, 2009. Co-founders Jeff and Debra Moore were given honorary doctorates from Dalhousie University and the Nova Scotia Agricultural College in recognition of their efforts to establish Fair Trade in Canada.

Name:

Organic Meadow
Co-operative Inc.

Activity:

Production and
marketing of organic
products

Type of Co-operative:

Producer co-operative

Members:

100 farm families

Employees:

Not available

Location:

Guelph, Ontario

Website:

www.organicmeadow.com

Farmer co-op takes organics local

Organic Meadow Co-operative Inc. is an example of an Ontario-based producer co-operative that has successfully grown the organic market. It is now working to create pools of producers and production facilities to provide certified organic products to their own local and regional markets.

Organic Meadow was formed in 1989 when about 30 growers of certified organic grains formed OntarBio Organic Farmers Co-operative to market their grain after the local elevator in Durham, Ontario, ran into financial trouble. In 1995, members of the organic dairy industry, who had joined the co-op, launched one of the first organic dairy products in Canada: Country Meadow cheese. A year later came Organic Meadow milk. In 2007, OntarBio changed its name to Organic Meadow Co-operative Inc. to reflect the desire to have organic farmers across the country supply locally raised organic products to Canadians.

The confidence the co-op's founders had in a future market for organic products has been vindicated. No longer a small-scale, niche market, organic food is now a \$28 billion global enterprise. In Canada, certified organic

products are now squarely in the mainstream, with retail sales surpassing \$1 billion—40% through the large supermarket chains. Organic Meadow produces more than 50 certified organic products, including butter, cheese, sour cream, ice cream, yogurt, and frozen vegetables. The co-op has a commanding 75% of the organic market in Ontario, is the leading organic dairy brand in eastern Canada, and is rapidly expanding across the country.

But for Organic Meadow, the future isn't just organic, it's local, too. Its mission statement calls for the co-op to "strive to decrease the distance both physically and psychologically between farmers and customers." And that's why it's working to create pools of organic producers and production facilities across the country that are able to supply their own regional and local markets.



Members of Organic Meadow taken at July
2008 Annual General Meeting

"We're an Ontario-based group," explains Organic Meadow Chair Ted Zettel. "We never planned to ship all over the country. But given the nature of the retail market, our products are consumed from St. John's, Newfoundland, to Vancouver, B.C."

With the exception of British Columbia and Quebec, Organic Meadow is working with producers across the country to educate them on the potential of organic farming and helping them through the comprehensive organic certification process. (Both British Columbia and Quebec already have established organic certification systems, Zettel says. Organic Meadow has used organic milk from Quebec in the past and is currently negotiating to have an allocation in B.C.) The co-op uses an independent third party certification agency, Organic Crop Producers & Processors, to ensure that all of its products are certified.

"Our goal is to unite as many farmers as possible under the one brand, letting them share in the benefits of a national marketing effort without starting from scratch as we did in 1989. Soon the Organic Meadow label will apply to products made from milk from local farmers for local consumers in various regions across Canada," Zettel says.

In December 2008, Organic Meadow introduced local Manitoba certified organic milk following the certification of two local farms and a production facility in the southern part of the province. Over the longer term, Zettel expects that Organic Meadow will expand its local pools of certified organic producers to include other products, such as grain and eggs.

**"We're motivated
by a belief that
farmers, working
together, can have
control over their
markets"**



"We are working to encourage the family farm to continue against the tide, assuring them that by banding together and holding fast to our values we can not only survive but flourish," Zettel says. "We're motivated by a belief that farmers, working together, can have control over their markets."

Name:

Ottawa Valley
Food Co-operative

Activity:

Online farmers' market

Type of Co-operative:

Not-for-profit
Multi-stakeholder

Members:

208 (32 producers/
176 consumers)

Employees:

2 contractors,
25 volunteers

Location:

Pembroke, Ontario

Website:

Consumers and producers create a virtual farmers' market

The Ottawa Valley Food Co-operative is using the Internet to allow local consumers to connect with local producers and re-establish a credible and consistent food retail and distribution system. The co-op has established a monthly customized ordering system of local food in the Upper Ottawa Valley.

The idea of forming a co-operative was sparked in February 2006 when Robert Waldrop made a presentation on the success of the Oklahoma Food Co-operative's online marketplace for local food. Local producers and consumers formed a steering committee to begin the planning process for a similar co-op in the Ottawa Valley that would provide an easy method for local producers and consumers to buy and sell food. The Ottawa Valley Food Co-operative incorporated as a not-for-profit co-operative in December 2007 and began operations in March 2008. The co-op has 208 members, with 32 producers and 176 consumers.



First elected Ottawa Valley Food
Co-operative Board, 2003

The co-op aims to ensure that "much of the food eaten in the Ottawa Valley is produced close to home on small farms," where "farmers receive fair incomes for their work stewarding the land and providing quality food." The creation of an Internet-based marketplace allows producers to post available products and consumers to order the food they desire. "Local" is defined by the boundaries on the Ottawa Valley Tourist Map.

To join the co-op producers pay a lifetime membership fee of \$100 and consumers pay \$50. The first week of each month, producer members post what they have available on the co-operative's website and consumer members have one week to place orders. Then, on the third Saturday of each month, member farmers and producers bring orders to a designated depot in Pembroke, where 12 volunteers sort everything into the customer orders for redistribution to pick-up sites in 10 towns throughout the Ottawa Valley. Volunteer drivers are paid for their mileage and use five separate delivery routes. As the co-op continues to expand, it hopes to give "food credits" to the volunteers who provide their time to distribute the food.



Delivery Day sorting, August 2008

The Oklahoma Food Co-operative provided the online ordering software for free; however, the Ottawa Valley Food Co-operative modified it extensively to suit its local needs. The software allows consumers to log on to an account and browse all the food posted by the producers and then place an order. Consumers can search the database of products by type, producer, and new or old products from previous ordering cycles. The co-operative has found that two thirds of the producers list products each month and one third of the consumers place orders monthly.

Volunteers at the designated drop-off depots collect payments in cash or cheque; the co-operative is now looking into an online payment option. The co-op collects 10% of final sales from producers and 5% from consumers to generate revenue used for operating expenses. The membership fees pay for any capital expenditures the co-op may have. *"The co-operative is acting as an agent between the producer and consumer,"* explains Christina Anderman, one of the founding members.

Paul Gallagher of Good Cheer Gardens, a fourth generation farm, experienced a considerable increase in the farm's income per hectare after joining the co-operative. *"I have concluded that potatoes give me the best yield and profit on a percentage basis of any crop that I ever grew. Five acres of that crop would provide a handsome income,"* he says.

And he's not alone. Other local producers have also experienced increases in sales since joining the co-op. Bob Dobson of Dobson's Grass Fed Beef has been able to stop his off-farm job because enough income has been generated by the sale of bulk orders of beef through the co-op's ordering system. The Algonquin Tea Farm has also seen substantial sales of its certified organic vegetables and herbs through the co-operative. *"Consumers are communicating with producers,"* says Anderman. *"The local community has made this co-operative thrive."*

The co-op also promotes local food through education, presentations, networking and special events in the Upper Ottawa Valley. Through initiatives such as local buying guides, consumer and producer workshops, and local lunch events, the co-operative has taken a leadership role in educating the community about the importance of supporting local producers. Since its inception, the Ottawa Valley Food Co-operative has brought the local community together by providing a forum where diverse people share a common interest in locally produced food. Anderman is pleased to see people of all philosophical, political, religious, and economic backgrounds actively participating and communicating with each other.



"Interest from both consumers and producers has been steadily increasing and I expect will continue as word spreads through our events and word of mouth, spurred on by the continually increasing interest in local organic food and food safety concerns," Anderman says.

Name:

Parkland Agricultural
Resource Cooperative

Activity:

Economic & social
development

Type of Co-operative:

Multi-stakeholder

Members:

Nine municipalities

Employees:

One

Location:

Grandview, Manitoba

Website:

www.parklandmanitoba.ca

Municipalities co-operate to encourage economic development

The Parkland Agricultural Resource Cooperative (PARC) is a co-operative of nine municipalities in the Parkland region of Manitoba that have chosen to work together to provide whatever assistance is necessary to create successful businesses in their region and ensure healthy, sustainable communities.

Facing both population and economic decline, the rural municipalities of Dauphin, Ethelbert, Gilbert Plains, and Hillsburg, the Village of Ethelbert, and the towns of Gilbert Plains, Grandview and Roblin began to work together in the late 1990s to encourage development throughout the whole area. It was in this climate of co-operation that they formally incorporated, in 2001, as the Parkland Agricultural Resource Cooperative Ltd. (PARC) to provide a single access point for resource development in the region. The co-op's Board of Directors consists of the mayors and reeves from the member municipalities and agricultural producers representing the region.

Located in the western part of Manitoba, on the border with Saskatchewan, the PARC region consists of over 6,000 square kilometers rich in natural resources, and with easy access to CN rail, commercial highways and the prairie's only seaport at Churchill. The trading area population exceeds 45,000 people and about 85% of the region's employment is directly related to agriculture.



Inky Mark, MP (centre, red tie) & PARC Board members and other representatives from the member municipalities.

"It's a different philosophy for communities," concedes PARC Executive Administrator Marnie Kostur. The municipalities share ideas, problem solve on municipal issues and look for ways to work together. Rather than competing to attract individuals and businesses to their own municipalities, PARC members focus on the region as a whole. The municipalities have formed a tax-sharing agreement, which means that it really doesn't matter if a business sets up in Roblin or in the Regional Municipality of Dauphin; all of the member communities within PARC benefit.

In addition to PARC's original mandate to promote development opportunities that add value to the agricultural and forestry resources in the region, the group is actively working on other economic strategies such as industry attraction and socioeconomic infrastructure improvements.



Town of Gilbert Plains with the Riding Mountain National Park foothill in the background

PARC partners with its member municipalities to learn about local needs and how it can collectively work to encourage sustainability in the region. The group can help potential project developers with property selection; assist with negotiating incentives for development, infrastructure and coordinate employment training partners where appropriate; and work with community leaders to ensure transportation, raw materials and infrastructure needs are met.

Reflecting its co-operative nature, PARC has initiated several value added agricultural opportunities, which include wheat-based ethanol, canola crushing, biodiesel, fibre for textiles (industrial hemp) and socio-economic infrastructure projects. The group advances the projects then spins them into the communities and provides on-going support to make sure they have the support necessary to succeed. These projects are intended to build regional capacity through co-operative development and are suited for regional market development of raw resources. Other opportunities in agriculture, forest products, aquaculture, industrial hemp, industrial processing and asset promotion are being explored.

With support of the Agricultural Co-operative Development Initiative (Ag-CDI) – a former funding program co-managed by Canada’s two national co-op associations – PARC recently undertook a strategic planning process to confirm the appropriate structure as a municipal organization and how it could strategically grow as a co-operative. The group met with stakeholders from across the region to learn about their opportunities, challenges and gaps, and where there was a need for regional partnering with PARC. One of Canada’s leading co-op developers created a development plan.

In order to attract business to the region, PARC members know that a stable, reliable pool of skilled labour is required. The co-op is attempting to attract families by touting a quality of life ripe with schools, a variety of recreational opportunities, playgrounds, libraries and a choice of housing to meet every lifestyle. A 2006 study found that investing in childcare would bring significant benefits to children, families, communities and Parkland’s economy. For every \$1 spent on childcare in the region \$1.58 in benefits is generated for the communities. With the development of industry, a low employment rate and approximately 62% participation rate in the workforce, PARC believes it is imperative that communities review and improve their childcare infrastructure to provide basic services to attract and retain working families.



Under the banner “Industry-Ready, Family-Friendly” PARC is launching a campaign to more aggressively market its vision of Parkland as a strong and vibrant region of unified rural communities pursuing sustainable economic development through co-operation.

Name:

Pollock's Hardware
Co-op Ltd.

Activity:

Retail store

Type of Co-operative:

Consumer co-operative

Members:

1,200

Employees:

10

Location:

Winnipeg, Manitoba

Website:

www.pollockshardwareco-op.ca

From private ownership to consumer co-op... with community support

Pollock's Hardware Co-op Ltd. is an inspirational example of how a community mobilized to restore a North End Winnipeg institution. Less than a year after re-opening as a consumer co-op, membership is more than 16 times what was originally expected and business has never been better.

Ready to retire and unable to find a buyer, the owners of the 85-year-old Pollock Hardware simply closed its doors in December 2007. That left a huge void in the neighbourhood, says Mike Wolchock, who put his career on hold to become General Manager of Pollock's Hardware Co-op. *"It was the residents of the adjacent area that refused to let it go"*, he says.

The move to form a co-op was driven by John Loxley and five other individuals who were strong believers in the values of social and economic support for their neighbourhood.

The business plan that was developed for Pollock's Hardware Co-op was based on raising equity capital through investment shares from interested community residents and former customers. Memberships were sold to raise working capital for the co-operative and the Assiniboine Credit Union along with the Jubilee Fund agreed to provide financing. The co-op's business plan had optimistically hoped that by the end of its first year in operation it would have 200 members, and 500 members by its third year. When the store opened in June 2008, it already had 300 members and in only 10 months it had climbed to over 1,200 members.

Customers of the co-op do not have to be members but the \$25 membership entitles them to vote at annual meetings and to receive a portion of patronage dividends based on personal purchases throughout the year.

Members are also eligible to purchase investment shares in the co-op. The \$100 share units are eligible for a 30% personal income tax credit under the Manitoba Community Enterprise Development Tax Credit Program. The tremendous success of the membership and investment share plans has meant Pollock's has had to borrow less to purchase and stock the store.

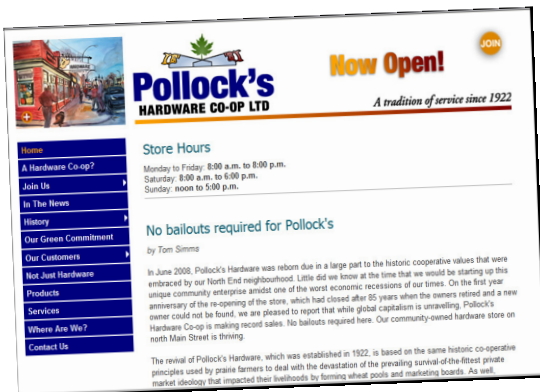


“The community has really come together to make sure they support the co-op,” says John Latham, a long-time employee of Pollock Hardware who came out of retirement to work at the co-op. He and Wolchock were among the co-op’s first members.

“When we were getting the store going the membership was helpful in patronizing it. Now a lot of the old customers that went elsewhere when the store closed are returning,” says Wolchock. He estimates that about one-third of customers are co-op members.



Pollock’s was always one of those stores that stocked the unusual or hard-to-find. But now, instead of being the destination of last resort, Wolchock says the co-op is the first stop for people.



“We have twice the selection we had before. And I think people find it less frustrating to shop at than the larger hardware stores. We’re like a small-time general store — without the groceries.”

Name:

Team Werks
Co-operative

Activity:

Provides supported
employment to
individuals with
psychiatric illness

Type of Co-operative:

Worker co-op / Social
co-op

Employees / Members:

28 survivors of mental
illness and addiction

Location:

Thunder Bay, Ontario

Worker co-op provides opportunities for people living with mental illness

Team Werks Co-operative is an example of how the co-operative principles can be successfully merged with the best practices of psychosocial rehabilitation to provide meaningful employment opportunities for individuals with a serious psychiatric illness.

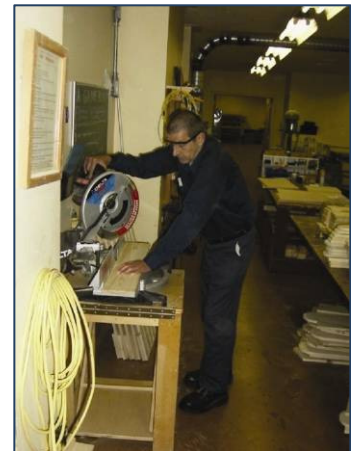
Operating out of Thunder Bay Ontario's Lakehead Psychiatric Hospital, Team Werks Co-operative is a worker co-op that provides employment opportunities and services to clients living with mental illness. The co-op was established in 1998, in partnership with the St. Joseph's Care Group, and is now part of a larger outpatient vocational program, Employment Options.

Team Werks is comprised of six distinct business ventures: Wood Werks (bare wood furniture), Water Werks (car wash), Rag Werks (manufacture and sale of rags), Paper Werks (confidential paper shredding services), Piece Werks (item assembly and packaging services), and Good Times Cafe (coffee shop within the hospital). But job creation is only one

component of the program. Assessments, work placements and job coaching services form the basis for the program, which is geared to employment within the community as well as the co-op itself. In addition to the 28 worker-owners, the co-op acts as a training site for up to 30 additional clients who are accessing its employment/vocational services.

The individuals are on a paid placement within one of the business ventures. The placements are up to one year after which some clients move on to community employment, volunteering, or educational pursuits, while others become full-fledged members of the co-op.

Members have a part-time position and are provided work accommodations and support when and where required based on their individual needs. Through the co-op, many of them are able to maintain their social benefits in addition to earning a modest wage, patronage returns and a quarterly bonus, depending on the financial position of the co-operative. And once they have gained the necessary confidence, skills and experience, member-owners have the opportunity to move on to other employment in the community, if they choose.



“The worker co-operative is a good fit because it encourages a team approach to running the enterprise,” says Doug Dowhos, Supervisor of Employment Options for St. Joseph’s Care Group. Team Werks provides the added benefit of giving members control in their own enterprise and their employment goals. He notes that self-direction is a best practice in psychosocial rehabilitation and recovery. In fact, the compatibility of the co-operative principles with the best practices of social rehabilitation is at the core of the co-op’s success. (See table, below.)

MERGING THE CO-OPERATIVE PRINCIPLES WITH PSYCHOSOCIAL REHABILITATION BEST PRACTICES	
Co-operative Principles	Psychosocial Rehabilitation Best Practices
Voluntary and open membership	Consumer choice
Democratic member control	Respect and dignity
Member economic participation	Actively engage
Autonomy and independence	Individualized
Co-operation among co-operatives	Service integration
Concern for community	Community integration

Source: Doug Dowhos’ presentation to On Co-op, 2008

As with all co-ops, Team Werks is focused on a unified bottom line that addresses both financial and social objectives. Financially, the co-op is looking to be self-sustaining and integrated within the community. Socially, it aims to develop work and life skills and aid in the recovery goals of its members.

The unique objectives of all six of the Team Werks’ business units are tied to the co-op’s overall mandate. And in keeping with its financial mandate, the co-op’s structure is flexible so that new ventures can be added and poor performers eliminated. At the same time, the diversity of its operations means that initiatives with high social value but low business value can be maintained.

The innovative strategies of Team Werks empowers individuals dealing with mental illness, enabling them to gain a measure of control over their lives while still receiving individualized employment supports and services.



Name:

Westlock Terminals
(NGC) Ltd.

Activity:

Grain Handling

Type of Co-operative:

New Generation
Co-operative

Members:

230 farmers and
community members

Employees:

11

Revenue:

\$500,000

Grain handled:

160,000 tonnes

Location:

Westlock, Alberta

Website:

<http://westlock.aghost.net>

A small town rallies to prevent grain elevator from closing

Westlock Terminals (NGC) Ltd. is a good example of a co-operative that was formed very quickly to buy an existing grain elevator that was essential to the area's grain farmers and the local economy. There is much to be learned from the way the grain farmers involved the community by selling investment shares to non-grain farmers in order to make the original purchase and then to further expand the elevator.

At the end of 2001, things looked bleak for the old Westlock elevator. The two grain handling companies in the area, Agricore and United Grain Growers, had merged, which meant one company now handled all the grain in the greater Edmonton area. Following a complaint to the federal Competition Bureau, Agricore United² was ordered to divest itself of five of its holdings, but was allowed to decide for itself which five it would be.

Dave Felstad, then an Agricore United delegate, says he learned that the old Westlock elevator was up for sale from an article in the local newspaper. He says it was imperative that a buyer be found quickly as Agricore United had one year to sell the elevators otherwise it would simply close them. Unfortunately, the elevator was old and not in the best shape, and its location, within the town of Westlock, was a problem.

After two months, when a buyer still hadn't come forward, producers in the area decided the only way to save the elevator was to buy the facility and run it themselves. They

opted for a new generation co-operative structure with both membership capital and investment capital, and called it Westlock Terminals. Memberships in the co-op were sold to local producers. This ensured a market for their product.

However, membership shares alone could not raise the total funds required by the new co-op, so it turned to the community.



² In 2007, Agricore United merged with Saskatchewan Wheat Pool, and rebranded as Viterra.

The first funding drive netted \$1.25 million, approximately two-thirds of which came from investors purchasing investment shares. A second investment share offering four years later brought in \$1.25 million in six weeks. *“The first time we really had to beat the bushes,”* says Felstad, who until recently served as Board Chair. *“The second time we never left the office; they were lining up out the door.”*



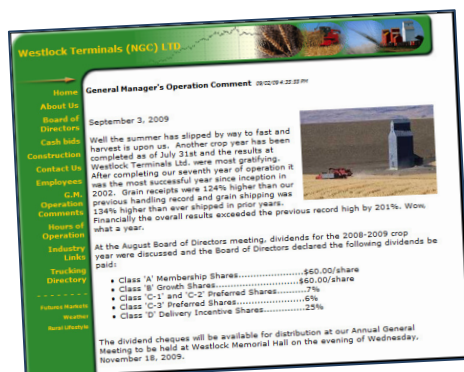
And it's no wonder. Since it began operation in December 2002, Westlock Terminals has grown 10% to 15% each year. It began by handling 40,000 tonnes of grain and six years later is handling 160,000 tonnes of grain, and has in excess of a half-million dollars in earnings before taxes and dividends.

The co-op's 230 members are a blend of farmers and business people. Of the outstanding investment shares, approximately 80% are owned by members of the community. Four out of five businesses along Main Street have a share in the terminal, Felstad says.



It's a win-win situation for the town of Westlock. Although the terminal only employs nine staff, the spin-offs from the terminal are huge. In addition to providing tax revenue to the town and dividends to members and shareholders, the terminal brings in people from all over the region, who spend money at other businesses in the community.

And Westlock Terminals, itself, is reinvesting money back into its business, something not done by the previous owners. The overhaul of the terminal's facilities that should have been done six years ago is being undertaken now. When it's completed next year, it will increase the terminal's capacity a further 20% to 30%. This time, rather than go back to the community for more investment capital, Westlock Terminals decided to seek financing from the banks. It had no trouble securing the \$4 million loan it needed.



“It helps to have the confidence of the community,” Felstad says.

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