

Solidarity Economy Briefs: FOOD COOPERATIVES

The U.S. Solidarity Economy Network stands in solidarity with the Occupy Wall St. movement. As a network of groups, activists and solidarity economy practitioners, we seek to transform our economic system into one that *puts people and planet front and center – an economy for the 99%*. *Another World* is not only possible, it already exists, in many, many forms. The solidarity economy, grounded in principles of solidarity, participatory democracy, sustainability, equity in all dimensions, and pluralism (not a one-size-fits-all model) is a fast growing global movement. We offer these Solidarity Economy briefs to provide a glimpse into some of the aspects of the solidarity economy that exist all around us.

WHAT DO FOOD COOPERATIVES OFFER?

The production and distribution of food in the United States is currently dominated by large agribusinesses and large supermarket chains. This food system is organized around the maximization of corporate profits and the maintenance of corporate hierarchies. The large scale and standardization inherent in this system means that food decisions are being made at a far remove from the communities most affected. Ironically, this system generates shelves overflowing with a dizzying variety of processed foods even as the options for healthy, affordable, and sustainably produced food remain limited. Food cooperatives, by contrast, offer a community-centered, collectively owned, and democratically governed alternative. They are characterized by their strong support for natural and organic foods, environmental sustainability, local economies, and family farms.

HOW DO THEY WORK?

At its most basic, a cooperative is a voluntary and autonomous association of persons who unite to meet their common needs and aspirations through a jointly owned and democratically controlled enterprise. Food cooperatives are *consumer* cooperatives organized around the provision of food. This means that membership is geared towards the consumers who buy groceries at the store. Food coops come in many shapes and sizes. Some operate as full-scale supermarkets. Others are small specialty or natural foods stores. What they share is a commitment to a broader set of social and community concerns. This is reflected in the seven cooperative principles at the core of the cooperative business model:

- 1) *Voluntary and Open Membership*
- 2) *Democratic Member Control*
- 3) *Member Economic Participation*
- 4) *Autonomy*
- 5) *Education and Training of Members and the Public*
- 6) *Cooperation Among Cooperatives*
- 7) *Concern for Community*

These principles have been developed and modified over time and are generally accepted by cooperatives worldwide.

Typically, in order to become a member of a food coop, individuals must pay a small joining fee. In some cases, it is also necessary to pay an annual fee or to invest a set amount of money in the coop to purchase a share. Many food coops offer reduced fees to people of low income, or allow people to trade work for membership. In the past, most food coops required members to contribute labor to the running of the coop. Increasingly, such labor contributions are being made optional as a way for interested members to secure further discounts. Some



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food coops have adopted a hybrid governance structure in which workers and members share decision-making. This is regarded as a way to prevent the exploitation of paid workers.

Membership carries numerous benefits. Profits from sales are returned to members in the form of discounted prices and rebates. Most coops allow both members and nonmembers to shop at the store, although only members benefit from discounted prices. Because cooperatives are, by definition, democratically controlled, members (as co-owners) are entitled to participate in coop decision-making, with voting organized around the equality of members rather than around the size of a member's capital contribution. In order to prevent

For communities that lack the resources and demand to maintain a retail food cooperative, buying clubs provide a different, yet related alternative. Buying clubs involve groups of families or individuals who combine their buying power and labor to buy in bulk and thereby benefit from lower prices and greater control over where their produce is sourced from. But whereas buying clubs involve group pre-ordering of food, food cooperatives typically involve a retail store where individuals can shop without having to coordinate with other families. With the availability of new technologies, however, a growing number of food coops have been established virtually, as on-line groceries. In such circumstances, the produce for the coop is supplied by producer members and delivered to a drop-off location for consumer members to pick-up, without the need for physical retail store.

Because of the democratic character and community-focus inherent in the cooperative principles, most food cooperatives become much more than grocery stores. Most find new ways to reinvest in the community beyond the provision of groceries. Many provide public spaces for dialogue and offer classes and community event space, along with newsletters for members. Food coops thereby stimulate civic education while encouraging democratic empowerment.

SUCCESSSES

The size of the food cooperatives sector has fluctuated over time, with major waves of expansion taking place in the early 1900s, the 1930s, the 1970s, and today. There are approximately 325 food cooperatives in the U.S. today, generating over \$2.1 billion in sales, more than 15,000 jobs, and an estimated \$4 million in dividends paid back to members each year. There are hundreds more food cooperatives now in development.

Examples:

Park Slope Coop <http://foodcoop.com/>

Weavers Way Coop <http://www.weaversway.coop>

People's Food Coop <http://www.peoplesfood.coop/>

Iowa Food Coop <http://iowafood.coop/>

Further Resources

- Deller, Steven, Any Hoyt, Brent Hueth and Reka Sundaram-Stukel (2009), "Research on Economic Impact of U.S. Cooperatives," University of Wisconsin Center for Cooperatives.
- The National Cooperative Grocers Association (NCGA) <https://www.ncga.coop/>
- The Cooperative Grocer <http://www.cooperativegrocer.coop/>
- Cooperative Grocers Information Network (CGIN) www.cgin.coop
- Food Coop Initiative <http://www.foodcoopinitiative.coop/resources>
- Coop Directory <http://www.coopdirectory.org/directory.htm>

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