

TYPES OF CO-OPERATIVES

Co-operatives are as diverse in their structure as they are in members. It is impossible to create categories and expect every co-op to fit into only one. In reality, many co-ops include aspects of several types of co-ops. The following list describes some of the general types of co-ops that exist.

A **consumer co-op** is usually a retail outlet that buys products in bulk, sells at market prices and passes on the savings to the members. Unlike big box stores that also buy in bulk, the members of consumer co-ops own their store and make decisions about what products to sell, whether to expand and other important issues. Examples of consumer co-ops are **Mountain Equipment Co-op** and the **Calgary Co-op**.

A **worker co-op** provides employment for its members and could be a bakery, food store, printer or sawmill – virtually anything. The member-owners operate their business together and make decisions about all the important issues including wages, production methods and finances. An example in Winnipeg is the **Mondragon Bookstore and Café** whose members both own and are employed by the cooperative. In Edmonton the **Multi-Cultural Health Brokers Co-op** is a ground-breaking enterprise owned and operated by newcomers providing myriad health programs and other services.

A **producer or marketing co-op** sells the products of members who may be farmers, fishers, artisans or other producers. It allows members to share processing and packaging equipment and pool their marketing efforts to reach more customers, perhaps through a retail outlet or website. The most familiar producer marketing co-ops are those that process and market agricultural products for their farmer members. In BC, **Circle Craft Co-op** located on Granville Island in Vancouver has been successfully marketing members' products for more than thirty-five years. A producer co-op can also market the *services* of individual members, such as those provided by musicians or designers. A producer co-op can also market the *services* of individual members, such as those provided by musicians or designers. An example is **The Taxi Co-op** in Calgary which provides cars and a dispatch office to its member cab drivers.

A **multi-stakeholder co-op** includes different types of members within one co-op, with the rights of each class of membership set out in the co-op's rules: **Wild Island Food Co-op** in Sointula, BC brings together workers, community members (consumers) and producers who process and sell food products within one co-op. The members of **PACE** (Penticton & Area Co-operative Enterprises) are mainly people with a history of mental illness who operate a number of businesses but supporters are also eligible as members and can be on the board of the co-op. The **Aromatic Farm Co-operative** owns and operates a distillery in the Cowichan Valley on Vancouver Island for its members who grow, promote, use or sell the products.

A **financial co-op** provides financial services such as insurance, loans, savings plans, and marketing services to their members who may be individuals or organizations. *Credit unions* are financial co-ops that provide a full range of financial services to members.

A **social co-op** provides access to essential community services. This kind of co-op is involved in distributing services such as childcare, utilities, transportation, recreational facilities and health care. For example, a *housing co-op* is a social co-op that gives members secure access to apartment units and houses, which they own co-operatively. Another type of social co-op provides employment or training for people who have been generally excluded from mainstream society.

A **shared services co-op** is one in which individuals and/or organizations join together to purchase a service they all need or to promote their common interest. **United Community Services Co-op** in Vancouver BC maximizes the purchasing power and leverage with government of the non-profit societies that form its membership.

A **new generation co-op** is differentiated by its capital structure and the mutual obligations that members and the co-op take on through the membership agreement. These are most often producer co-ops that provide processing services to its producer members, usually up to a fixed capacity. The unique feature is that each member **subscribes** to a specific portion of the overall capacity of the co-op: the *member* is then contractually obliged to provide enough raw material to fulfill that portion of the capacity, and the *co-op* is contractually obliged to purchase that amount from the member. The member is also obliged to provide an amount of capital commensurate with the amount of the co-op's capacity that he/she has contracted for. The **Alberta Rhodiola Rosea Growers Cooperative** is a new generation coop dedicated to producing excellent quality, western-Canadian grown *Rhodiola rosea*, a very effective medicinal herb suited for the Alberta climate and farmers.

Co-ops of a particular type (worker co-ops, retail co-ops) often form together into **federations of co-ops** to meet their common needs. These **second tier** organizations, often organized as co-ops themselves provide sector-specific services such as training opportunities, common purchasing of goods or services, and even financing for development. **Federated Co-operatives Ltd.**, the **Co-op Housing Federation of Canada**, and **Co-op Atlantic** are examples of federations.

Whatever the form of co-op, all are democratically organized and adhere to the internationally accepted seven principles of co-operation.