



What are Cooperatives?

Cooperatives are Businesses

Cooperatives are businesses that are owned and democratically controlled by their members—the people who buy their goods or use their services—not by investors.

They operate on the principle of “**one member, one vote.**” That is, unlike investor owned businesses where voting rights are based on ownership share, each member of a cooperative has the same voting power. And unlike investor-owned businesses, they return profits to their members proportionate to their use of the cooperative, not proportionate to ownership share

Seven Cooperative Principles

Cooperatives follow seven internationally recognized principles:

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Cooperation Among Cooperatives
- Concern for Community

For more information, go to <http://www.ica.coop/coop/principles.html>

Cooperative Facts

Cooperatives are businesses that operate in virtually every industry.

- More than 750,000 cooperatives serve some 730 million members in more than 100 countries.
- More than 40,000 cooperatives in the U.S. serve 150 million members
- Cooperatives operate in every industry including agriculture, childcare, energy, financial services, food retailing and distribution, health care, funeral care, insurance, housing, purchasing and shared services, telecommunications, and others.
- Cooperatives range in size from Fortune 500 companies to small local storefronts.

Why Do Cooperatives Form?

Cooperatives are formed by their members when the marketplace fails to provide needed goods or services of acceptable quality or at affordable prices. Cooperatives empower people to improve their quality of life and enhance their economic opportunities through self-help.

Consumer Cooperatives	<p>Consumer cooperatives are owned by the people who buy the goods or use the services of the cooperative. They operate worldwide in areas of retailing, energy and other utilities, financial services (i.e. credit unions), health care, housing, insurance and others. Examples:</p> <p>Kooperativa Forbundet, Sweden: A network of consumer-owned cooperative retailers that enjoy 25 percent of the national retail market.</p> <p>Der Deutsche Genossenschafts- und Raiffeisenverband (Germany): A federated system of credit unions and other consumer cooperatives throughout Germany.</p> <p>Midcounties Co-operative Society (UK): The Midcounties Co-operative is the third largest consumer co-op in the UK with a turnover of £712 million.</p> <p>Co-op Atlantic (Canada) The second largest regional cooperative wholesaler in Canada with a membership of 136 cooperative enterprises and stores that serve over 200,000 member families.</p>
Producer Cooperatives	<p>Producer cooperatives are owned by producers of farm commodities or crafts and band together to process and/or market their products. Examples:</p> <p>Land O'Lakes, SunKist, SunMaid, Blue Diamond and Ocean Spray, (US): All farmer owned cooperatives with strong brand recognition and market power.</p> <p>Gujarat Cooperative Milk Marketing Federation (India): A federation of 12 milk cooperatives with 2 million farmer-members that is now the country's largest food products marketing organization.</p>
Worker Cooperatives	<p>Worker cooperatives are owned and governed by the employees. Examples:</p> <p>Mondragon (Spain): A major global producer of food and industrial products, owned and governed by some 50,000 worker owners. It is the eighth largest corporation in Spain</p> <p>Equal Exchange (US): The oldest and largest for-profit Fair Trade company in the US and sells coffee, tea, chocolate, sugar and cocoa.</p>
Purchasing Cooperatives	<p>Purchasing cooperatives are associations of for-profit businesses who band together to enhance their purchasing power and competitiveness. Examples:</p> <p>ACE Hardware (US): A national cooperative of independent hardware store owners that pools purchasing power and builds the national co-op brand.</p> <p>Carpet One (US): A national cooperative of independent floor covering retailers that now make up the largest seller of floor covering in the world.</p>