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"Food Co-Operatives ... Meeting People's Needs"

Presentation by the Co-ordinating Committee

for

Michener Co-op

Scona Co-op

Incredible Edibles Co-op

S.A.C.K.

Sturgeon Valley Housing Co-operative

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## FOOD CO-OPERATIVES -- MEETING PEOPLE'S NEEDS

In order to better understand the value of member-run food co-operatives, it is important to examine the reasons why they were originally formed, as well as the purposes and raison d'etre that have developed since the co-ops were first organized.

We feel there are five main reasons for the formation of food co-ops. They are:

1. Economic Savings
2. Developing Community Consciousness and Awareness
3. Consumer Education
4. Environmental Awareness - Recycling
5. Supporting Canadian Products and Local Producers

### ECONOMIC SAVINGS

The co-op proposes to make the best possible food available to people at the lowest possible price. Consumers, especially those with lower incomes, are finding it increasingly difficult to make their dollar stretch as far as it use to. Because the co-op is a volunteer effort, there are no wages to pay. Working on a pre-paid order and distribution system, turnover is quick; there is no need to spend money renting large storage space to have large amounts of stock on hand. Distribution sites are only needed one day a week, and costs for rental for such places are either very minimal or, as in most cases, free.

Subtract these major operating costs from the usual price charged for food, and the members save themselves precious pennies on their dollar. The dollar can stretch farther. Average savings are usually in the area of 10 - 15%.

### DEVELOPING COMMUNITY CONSCIOUSNESS AND AWARENESS

The strongest working unit on which the co-op is based is the neighbourhood group. It is hoped that a stronger sense of community will develop as people begin to get acquainted and start working beside people in their neighbourhood. People are developing a feeling that what they are doing is benefiting not only themselves, but their friends and neighbours as well; it feels good working with someone to provide food for yourselves. There is a feeling of responsibility and assuredness that is lost when one enters the doors of a large and impersonal super-market.

This co-operative spirit can easily be seen as a basis that could extend from supplying our own food to many other community services -- the list is as long as people's needs. Once people start working together in a co-op around a problem as basic as food, the seed will have been planted, helping to create greater community feeling and awareness.

### CONSUMER EDUCATION

Connected with raised consciousness and greater awareness of people's needs is the importance of consumer education. The co-ops hope to undertake a program of consumer education among their members, providing people with important facts on nutritional meals and getting the best food value for their money. People generally end up eating more healthy,

balanced meals when they have to plan a week ahead of time what they will want to be eating. They also tend to save money and work within budgets better.

The co-ops have taken a first step towards consumer education, by publishing a co-op newsletter that is circulated to members every week.

#### ENVIRONMENTAL AWARENESS - RECYCLING

Recycling, one aspect of consumer education, is greatly stressed by the co-op. Plans are being made to set up depots every week at the pick-up and distributions sites, making it convenient for people to recycle their tins, paper and glass, when they come to pick up their orders. Recycling or environmental awareness is built into bulk buying co-operatives, as they require the re-use of paper products (e.g. egg cartons, and paper bags), glass and plastic. Hopefully as the co-op expands, people will help in educating new members and other neighbourhoods and communities in recycling practices, and help interested co-operators to set up recycling depots in their own neighbourhoods.

#### SUPPORTING CANADIAN PRODUCTS AND LOCAL PRODUCERS

Another important direction which Edmonton co-ops are gradually incorporating is the support of Canadian products and local producers, whenever possible. In this, co-op members feel they have an ally in their provincial government, for its recent statements on such plans as helping to develop Alberta dairy processing plants and the like throughout Alberta. We applaud these moves, and would like to assist by supporting local producers as much as possible.

Hand in hand with this is the co-ops desire to establish a better consumer-farmer (or producer) relationship. Through being closer to our sources of food, we hope to be able to pick and choose more closely the quality of our food, become aware of the problems small independent farmers are facing, and hopefully educated enough to eventually be able to help out and give a hand in putting food into our own mouths. We can cut down on prices by eliminating the mark-up charged by stores to cover original cost, wholesale charges, plus operating costs, labour, and profit AND will probably still be able to give the producer a better price for his goods. The consumer and farmer can both benefit.

#### SIZE AND COMPOSITION

The various direct charge food co-operatives in Edmonton are located in different parts of the City. Their membership roles include people of all ages and incomes, who make their homes in virtually every part of Edmonton, including St. Albert and Sherwood Park. The following is a rough listing of our co-operatives, the areas they serve, the size of their memberships, and the nature of this membership:

<u>CO-OP</u>	<u>AREA SERVED</u>	<u>MEMBERSHIP</u>	<u>NATURE OF MEMBERSHIP</u>
Michener Park	Whitemud Region	150 households	80% married students 20% homeowners
Incredible Edibles	Whitemud, University & elsewhere throughout the City	70 households	70% homeowners 30% students and non-permanent residents

(Continued)

<u>CO-OP</u>	<u>AREA SERVED</u>	<u>MEMBERSHIP</u>	<u>NATURE OF MEMBERSHIP</u>
Scona	Garneau and Scona areas and elsewhere on the South side of the City	70 households	65% students 35% homeowners
S.A.C.K.	University and Boyle Street areas	130 households	60% lower and fixed-income people 40% students
Sturgeon Valley Housing Co-op	Mill Woods	50 households	17 fixed-income families 33 homeowners

#### LEGAL POSITION OF DIRECT CHARGE CO-OPERATIVES

Pursuant to the Licensing of Trades and Businesses Act, regulations have been passed which state that everyone who carries on a retail business is required to be the holder of a license issued under the regulations. (Retail Business Licensing Order 369/68) A retail business is widely defined and would encompass all direct charge Cooperatives. Direct charge Cooperatives have had difficulty obtaining a retail business license as a result of the interpretation of regulations found in the General Licensing Regulations (355/68) and consequently cannot legally operate at present. The regulations which have caused these difficulties are as follows:

13. Every licensee shall conduct his business in such a way having regard to all the circumstances as will reasonably serve public need and convenience.
14. Every licensee shall furnish services and facilities that are reasonably adequate.
15. Every licensee shall keep on hand at all times having regard to the usual demands for his business a supply of goods wares and merchandise reasonably sufficient to supply adequate needs and demands of the public.

Those who administer the licensing regulations have interpreted these to mean that direct charge Cooperatives cannot qualify for a retail license unless they keep regular store hours with the regular stock. We feel this is an unjustifiable interpretation of the regulations and would ask that the Minister either:

#### Alternative 1.

Instruct the civil servants who administer the Regulations that the regulations should be interpreted in such a way that retail licenses can be issued to direct charge Cooperatives. Upon looking at the regulations it is quite clear that this does not involve assigning to the regulations an undue meaning. It is quite clear that for example having regard to the usual demands of the people who shop at direct charge Cooperatives it is quite reasonable not to expect a steady supply of wares or the keeping of regular business hours.

## Alternative 2.

Using the authority granted to him under the Licensing of Trades and Businesses Act 1970 R.S.A.c. 207 5(1) (b) the Minister exempt from the retail businesses which need a license the direct charge Cooperatives. This simply involves an order from the Minister and is quite justifiable given that we are not a normal retail business.

If Alternative 2 is acceptable to the Minister we would ask that the Order specify that in fact, direct charge Cooperatives are retail sellers. This is necessary since under the Wholesale Business Licensing Order 370/68 a wholesaler can only sell goods to retail sellers. In order to survive, the direct charge Cooperatives must of course purchase from wholesalers. There is no requirement that the retail sellers be licensed to purchase from the wholesalers. The permissibility of sales to direct charge Cooperatives can be made clear to wholesalers either in the Order or by separate instructions to the administrators of the Wholesale Business Licensing Order.

## EDMONTON CO-OPS -- PART OF A GROWING CONCERN

The Edmonton Co-ops do not stand alone in their efforts to establish food co-operatives in the community.

In 1971, Amor de Cosmos Food Co-operative in Victoria, B.C., received a grant to spread the idea of food co-operatives throughout British Columbia. Since then, the number of member-run co-ops in British Columbia has grown steadily, with now over 45 co-ops involving over 10,000 people in operation throughout British Columbia and the Yukon Territories. Co-ops there are in the process of forming their second co-operative wholesale outlet.

The idea has spread to the Prairies in the past year. In Calgary, Open Mouth Food Co-op started operating last spring, with Mount Royal College starting one this fall. People are trying to start up a third one also. These co-ops involve over 150 people.

Regina has just started up a co-operative, and the Edmonton co-ops have received requests from people in Lethbridge, Red Deer and the Fort MacMurray region to help start up food co-ops in those cities. Through correspondence, people in Winnipeg are also taking steps towards forming member-run food co-operatives.

With this rapidly growing support from people across western Canada for member-run food co-operatives, one can recognize that co-ops are the viable alternative that many people are choosing, offering a cheaper, more community-oriented way of providing themselves with the food they eat.