

Cooperatives in British Columbia’s Agricultural Sector

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Cooperatives have an integral role to play in sustainable food systems. Mimicking a healthy agricultural system, producer co-ops form “closed loops,” where revenues are directed to farmers rather than external shareholders; this fertilizer of continuous reinvestment into farmers makes agricultural land more economically viable and sustainable in the face of pressures for alternative use. It also helps to keep money circulating within the local community, while allowing farmers to build equity in the organizations that have provided them services during their careers. Together with other co-ops providing inputs, distribution, value-added and consumption, the result is a coherent system that values agriculture and food as community equity, a common wealth that benefits many.

While co-ops participate in BC’s food system, the system itself is not cooperatively oriented. With too few co-ops involved, the potential economic and social benefits are not being realized and distributed. Nonetheless, there is significant potential to use cooperatives to help farmers access land, to develop processing capacity in the sector and to achieve economies of scale to better supply larger buyers, while supporting farmers’ ability to earn a livelihood.

Issue	Challenge(s)	Current Co-op Presence	Co-op Opportunities
Agricultural land	<ul style="list-style-type: none"> • High cost of land • Foreign ownership • Fragmentation of land • Short term leases undermining necessary long-term planning 	<ul style="list-style-type: none"> • Few co-op farms (Fraser Common Farm Co-op, Horselake Community Farm Co-op, Glen Valley Organic Farm Co-op) • Foodlands Cooperative of BC 	<ul style="list-style-type: none"> • Inclusion of additional properties in the Foodlands Cooperative of BC. • Using the Cooperative model to pool capital and collectively hold farmland. • Making resources available to groups seeking to establish new farm co-operatives
Inputs	<ul style="list-style-type: none"> • Limited purchasing power of individual farmers • Inappropriate supplies (eg. monocrop seeds) 	<ul style="list-style-type: none"> • Otter Co-op • BC Eco Seed Cooperative • Growers Supply Co. (owned by BC Tree Fruits Co-op) • Stockman Supplies (owned by the Canadian Cooperative Wool Growers) available through mail order to BC Sheep Producers 	<ul style="list-style-type: none"> • Additional coordination for bulk ordering of inputs. • Collective acquisition of supply companies. • Vertical integration of grower supplies, providing better advice to growers and financial return to their co-operatives.
Farming	<ul style="list-style-type: none"> • No ongoing education for farmers (cancellation of Extension Agents) • Limited business capacities • Aging farmer population • Lack of succession planning • Millennials access agricultural education at KPU, TRU, UBC and UFV and farm school programs (UBC Farm, KPU Farm schools), but don’t have the resources to acquire farmland • Insufficient supply of workers • Poor conditions for workers • Cost pressures force farms to abandon crop diversity in favour of more lucrative monocrops 	<ul style="list-style-type: none"> • Co-op farms such as Glen Valley Organic Farm Co-op and Fraser Common Farm Co-op serve as multigenerational assets that transfer skills, access to land and encourage diversity of production • Worker co-ops such as Farmship Growers Co-op, Glorious Organics, and Vancouver Food Pedalers Cooperative • Umbrella Multicultural Health Co-op, providing healthcare services to temporary foreign farm workers in the Fraser Valley 	<ul style="list-style-type: none"> • Additional co-op farms supporting cost efficiencies, crop diversity, and land access for young farmers • Worker co-op farm succession • A “back office” farmer co-op to provide business support services to farmers (bookkeeping, accounting, financial analysis, foreign exchange purchasing, peer group facilitation)

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Distribution	<ul style="list-style-type: none"> Local product dedicated for export Difficulty for farmers in more remote areas to access markets Duplication of efforts (many farms doing the same delivery route when they could pool product) Risk to supply-managed sectors if supply management is eliminated and price guarantees are removed 	<ul style="list-style-type: none"> Agrifoods BC Tree Fruits Island Farms (Agropur) Ocean Spray Lower Mainland Herb Growers Co-operative Merville Organics BC Livestock Co-op provides marketing (auction) services to ranchers Canadian Cooperative Wool Growers (market for wool growers) 	<ul style="list-style-type: none"> Common investment in shared distribution system to reduce costs, stabilize market access and avoid dumping of crops Potential for cooperative presence in supply-managed sectors if supply management is removed (farmers maintain control over processing and distribution)
Value added	<ul style="list-style-type: none"> Limited processing facilities; access is cost-prohibitive 		<ul style="list-style-type: none"> Collective learning to support mutual success in certifications Common investment in shared infrastructure (ie. abattoirs) to secure Food Safety or Organic certifications and realize efficiencies Add value to commodities, returning a greater potential return to farmers from high-value products
Consumption	<ul style="list-style-type: none"> Dominance of vertically integrated food giants with little interest in supporting sustainable local food systems 	<ul style="list-style-type: none"> Kootenay Co-op (Nelson) East End Food Co-op 	<ul style="list-style-type: none"> Additional consumer co-ops directly tied to local food supply Building stronger relationships with food suppliers/producers and vendors
Financing an Business Planning	<ul style="list-style-type: none"> Agricultural lending is deemed high-risk by FICOM, meaning many credit unions (financial co-operatives) are unable to provide agricultural lending. Lack of knowledge about co-operatives in the financial services sector (private banks and credit unions). BC Securities Act makes raising capital difficult for co-operatives. 	<ul style="list-style-type: none"> Credit Unions are financial co-operatives. Some have a specific interest in working with co-operatives 	<ul style="list-style-type: none"> Community Investment Co-operatives could fill a financing gap in some communities. Resources an Regulatory framework to support BC Credit Unions to better understand and support the agricultural sector. Allowing Co-op Startups to access BC Farm Business Advisory Program services an funding.