Challenges and Opportunities

for Canadian Co-operatives in the New Millennium

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INTRODUCTION

The contribution of the co-operatives sector to the Canadian agriculture and agri-food sector is significant and important. This paper is an attempt to synthesize relevant literature and the results of a recent national co-operative symposium in Canada, "Agri-food Cooperatives Into the Next Millennium". As national agricultural co-operative organizations do not exist in Canada, the symposium filled a gap by bringing co-ops together to share experiences and ideas regarding the challenges facing co-operatives entering the new century. It provided an opportunity for leading co-operators from all agriculture and food sectors to meet each other and to meet federal officials and it demonstrated the importance of collective economic activities.

Of all the challenges discussed in current co-operative literature, globalization and how co-ops will be able to compete is a key focus. Discussions typically emphasize that, in a world of growing multinational enterprises, co-ops have advantages also. These include their relationship with members, their impressive achievements to date and the capacity for inter-cooperation. But co-ops also must cope with limitations.

The forces of globalization bring opportunities and challenges. The agri-food sector is also flourishing with booming markets at home and abroad. Agriculture and food exports and the domestic market for food in Canada have more than doubled in value since 1991. There is widespread recognition that in order to grow, we must encourage international trade and do more business in global markets. *(Claydon)*

Public and private institutions are adapting to accelerating change. Those who will succeed are those who can work together and react creatively to change. This is second nature to the co-operative movement.

Canadian co-operatives will continue to face challenges in the global market and at home. Some believe that the co-operative model provides the qualities that help the sector and rural communities rise to these challenges. A key quality is the co-operative spirit of people working together to reach common goals. As well, because of the flexibility in the co-operative model, the sector has some advantage to exploit market opportunities. As small and medium sized businesses, co-operatives are well-adapted to fill niche markets. Large co-operatives are often well connected internationally enabling them to compete with multi-nationals (MNEs). Co-operatives provide stability and staying power that only farmer-owned and community-based businesses can provide. *(Vanclief)*

There are different examples of how the co-operative model is influential. The notion of "networking" that is basic to the co-operative sector has recently come into vogue in other sectors and even other countries to grow small and medium sized enterprises. Business networks mean working together to promote joint marketing and joint purchasing for increased economies of scale. The co-operative sector in Canada has gone further than other businesses by introducing new variations of integrating horizontally and vertically. For example new forms of co-operatives are undertaking value-added processing. This model can be powerful in increasing competitiveness and returns to primary producers, and in keeping jobs in rural communities. *(Claydon)*

The co-operative movement, with others, is tackling the question of how Canada achieves growth. Co-operatives contribute significantly to reaching the 2003 $26 billion agriculture and food export target and in shifting the majority of exports from bulk commodities to consumer products. There is a role for co-operatives in keeping that momentum going. Co-operatives are key players on Canada's Agriculture and Agri-Food team. Co-operatives will have to take a close look at their priorities and approaches in order to achieve continued growth in the global market.

Co-ops are also in a unique position with respect to rural Canada. Over one third of Canadians live in rural communities. There is a symbiosis between agriculture, marketing and the health of rural communities. Co-ops are well positioned to contribute to the health of rural communities because of their origins and their roots in rural culture. *(Hedley*)

BACKGROUND AND ENVIRONMENT FOR CO-OPERATIVES IN CANADA

Co-operatives over the last 150 years have evolved to fit the environment in which they operate. According to Fulton (1998), "agriculture is changing dramatically and these changes will be mirrored in co-operative organizations. Agriculture is becoming industrialized, much more mechanistic and biotechnological in nature. There are less commodities and more products. There is an increasing inter-dependence of all levels of the system. There is increasing deregulation of government and increasing emphasis on trade.

Fulton's view is that traditional agriculture involved commodities and spot markets. These were commodity or generic product markets handling highly homogeneous products. In the new agriculture, products are differentiated, for example, branded beef and organic wheat. Spot markets do not exist to the same extent. Prices are negotiated by individual farmers. Contracts are used increasingly rather than the market. Traditionally, farms carried out many activities, now they are very specialized. This is occurring because sectors in the chain are now being seen as inter-dependent. In the past, there was emphasis on price and production risk. Risks now include concerns associated with producing a product which is safe and whether there is a stable demand.

There are direct links between the new agriculture and co-ops. Traditional co-ops were multi-purpose and served a diverse group of people buying and selling primarily generic products. Product chains were independent and co-ops were usually involved at the primary level and not in processing. Co-ops were concerned about production and price risk and took political action. What will the new co-ops look like in the emerging agriculture and food sector?

Under the new agriculture, there is more emphasis on intellectual property. The plant and animal breeding sectors are good examples. We are also seeing withdrawal of government in the research and development of new technologies. This can lead to oligopoly if not monopoly for the sector. How can co-ops become involved in intellectual property development, an area where co-ops have not been very active? Are farmers able to take over some of the research and development in a meaningful way?

Increasing interdependence throughout the supply chain is evolving. Farm production is more closely tied to supply chain and to consumer markets. What consumers want determines what farmers should produce. Farmers have to work together with processors and distributors to identify consumer needs and satisfy them. The concept of "Value chain" has emerged.

The critical importance of information has also been noted. Information about consumer demands and markets as well as information about production has become an increasingly important factor. Closer vertical co-ordination between producers and processors/distributors is occurring in some product sectors. Contractual relationships are more common. Contracts specify standards of production, management, and timing among other things.

Fulton's analysis raises even more fundamental questions. If farmers now produce under contract, are co-ops relevant or possible? Can co-ops exist if the family farm disappears?

Economies of scale achieved by others may be leading to monopolies. How will new co-ops deal with this concentration? These are some of the same issues faced by co-ops at the turn of the century. What financial and organizational structures are needed? Can small and medium sized co-ops network?

Co-ops were formed to enhance the incomes of their members. Is this still a legitimate goal in a world where system performance is valued above all? While this ultimately still has to be the goal of co-ops, they must also balance needs of others in the chain. Co-ops will have to work in a way that enhances system performance**.** Environmental protection and food safety are the current important issues. What role can co-ops play? An existing strength of co-ops is their ability to identify the origin of product, an important aspect of ability to guarantee quality. Co-ops need to start addressing the issue of information, particularly as the farm sector moves toward more use of biotechnology. *(Fulton)*

In the USA, where co-ops have a similar environment and situation to Canada, dramatic action is underway in the sector. According to Cook (1998), there are currently three types of co-operatives - traditional co-ops, new forms of co-ops and producer networks. This observer reports that in the period 1920-1983, co-op market share increased every year. From 1983 to 1987, there was a dramatic decrease. Since 1990, there has been a rebirth of collective action in the US. Cook contends that market forces such as globalization, industrialization and privatization are impacting on co-ops, as well as changes in technology (information and biosciences), consumer change and changes in the institutional environment. (see Annex 1 for Canadian statistics)

In North America at the farm level, one of the main factors that impact on co-ops is increasing heterogeneity of members. In the 1920's and 1930's, farms were 80 to160 acres. Farmers generally had the same values and beliefs, the same number of children and the same net wealth - a homogenous group.

In addition to this introspective look at co-operatives themselves there are a number of trends that will define the future operating environment. Foreign multi-nationals are positioning themselves around the prairie grain industry. Farmers aiming to maximize returns are increasingly seeking local markets for their grain, diversifying, often by group action or off-farm investment, into livestock production or high-value, low-volume crops. As a result, the grain marketing and handling operations in most regions have been replaced by fewer but larger facilities. As they grow in number, these facilities will impact local competition. Some areas will run the risk of overbuilding. Personalized service and agronomic advice are becoming essential tools in the battle for market share, particularly in the farm supply business. Co-ops that can provide outstanding customer services as well as competitive prices will have an advantage. *(Charles Swanson)*

Compared to their private counterparts in European dairy processing, Canadian co-ops are too often characterized by lack of determination in the areas of industrial and marketing streamlining, lack of determination to grow and become international and excessive timidity in redeployments. This situation most often leads to processing facilities with excess capacity, commercial brands that are not supported by adequate advertising investment and a size handicap. Co-ops also use less efficient methods of combining forces. For example, acquisitions are not used as commonly in the co-op sector as in the private sector. Mergers, partnerships, joint ventures and minority interest ventures are used more commonly in the co-op than in the private sector. *(Jachnik)*

One of the main disincentives to growth and expansion often identified by co-operatives is access to capital. But others contend that this ignores the enormous sums waiting to be invested in quality projects provided transparency and control options are available to investors and stakeholders. *(Jachnik)*

In the nineties it was clear to some that a new co-op membership and a new environment was emerging. Traditional co-ops seldom asked for much from members. They could join for $1 to $5 and get out easily. That commitment is beginning to change with New Generation Co-operatives (NGCs), for example. People join NGCs based on specific requirements and commitments. Co-ops no longer have the luxury of loyalty.” *(Livingstone)*

The national environment is significantly different from the past. The pace of change is accelerating. Twenty to thirty years ago, Canada and other countries operated in a nation state. Most countries could develop policies independently of the rest of the world.

Today, governments are realizing their job is to provide an environment where co-ops and private sector firms can plan and make investment decisions with some security that the rules will not change. *(Gifford)*

CHALLENGES AND OPPORTUNITIES FACING CO-OPERATIVES

Challenges to the co-operative sector arise from both external and internal, or organizational sources. External challenges include globalization, environmental sustainability, technology, especially biotechnology, contractual production and integration, and decreasing government support. Internally generated challenges relate to changes in members' own enterprises, their goals and objectives and the management approach and capability of co-operatives.

Jachnik sees two characteristics of change in the environment that place co-ops under pressure - the race for size and the development of extra-territoriality. Co-ops understand that their sustainability depends on there being fewer plants, fewer, but stronger brands and faster decision-making processes. The strategy of major European and multi-national groups is fewer plants, fewer brands and references, fewer commercial networks and more reinvestment in price and innovation.

The dairy sector provides an example of the challenge of increasing globalization and concentration in the agriculture industry. Globally, at the end of the twentieth century, ten key players control 85 to 93 per cent of the world market. Global companies have the advantage of mobile staff, ideas and capital and can act quickly to move into new markets. How can co-operatives compete with these players? Can co-operatives develop policies and structures that are flexible enough to allow them to compete in the private sector? Agri-food co-operatives are a powerful phenomenon globally. On a global basis, 583,000 co-operatives with 226 million members have transactions worth $522 billion. *(Cote)*

The issue of access to capital for investment is also key. In order to attain larger scale, adopt technology and “go global”, co-ops must search out options to finance these business changes which are consistent with other objectives of their members.

Another internal type of challenge to the co-op movement is what Michael Cook refers to as the rise of “functional pluralism”. People care less about the common good and more about their own individual wealth. There is less incentive to work together than in the past. The family farm unit has also changed. The traditional family farm is disappearing. *(Cook)*

There are five organizational challenges to collective action in the US that would seem to exist in Canada as well:

- *The “Free Rider” problem.* For example, co-op members have exerted energy and risk and their children want to join the co-op for free, based on their parents being member, or farmers who use and benefit from the co-op without investing share equity.

- *Portfolio problem*. As co-ops become larger and more multi-purpose, it is difficult to direct investment. For example, in the past a farmer was involved in a grain co-op and his investments went into grain related investments. Now that same farmer is investing his money in other commodities through the co-op.
- *Horizon problem*: As co-op members get older, they want to cash in their benefits, leaving co-ops with less access to capital.
- Influence problem: Because of the democratic structure of co-ops, members may support decisions which benefit them but do not benefit the business overall.
- *Control problem*. How do co-ops retain member control but at the same time ensure that sound business decisions are made?

In the area of biotechnology, funding and investment are important issues for co-operatives to consider. Concentration of ownership in the biotechnology field is of concern, as the trend moves toward the sale of pest resistant seed and companies' exclusive rights over genetically modified organisms. *(Ernest Desrosiers***)**

In an intensely competitive environment, co-ops must work harder than ever to earn their patrons' business. The democratic structure provides an opportunity to stay in touch with producers and monitor industry developments, contributing to evaluating and enhancing company performance. The co-op structure can also be an impediment. Members have a tendency to focus on issues affecting their individual location and often fail to view their company as the sum of its parts. It is challenging to strike a balance between the desires and direction of members and the economic interests of the company. *(Swanson)*

Brooks urges assessment of: "How are members committed to the co-op?" There is very little understanding of co-operative values and the co-operative structure. Some suggest that co-ops are not responding to these phenomena. For example, some members may not even know what a patronage dividend is. Few have been delegates or on the board of directors of a co-op. Farmers are more responsive to price and co-operatives have an increasingly diverse member base. *(Brooks)*

STRATEGIES AND SOLUTIONS FOR SURVIVAL

It has been suggested that creating, controlling and managing change is the way to stay ahead rather than "coping" and "dealing with" change. Solutions to the challenges may be considered in the following areas.

Legislation and Policy

The Canadian co-operative movement has been instrumental in the development of new co-operative legislation that provided greater flexibility to co-ops so they can manage their own affairs and maintain their competitiveness. However the legislative environment had in the past constrained some co-ops.

In the Canadian supply-managed sectors, for example dairy, some co-operators believe the first challenge: is to ensure that dairy co-operatives can work with government toward measures which stress the urgency of adaptation which will lead to lasting solutions. *(Cartier)*

Cartier submits that this challenge is associated with the federal decision to abolish subsidies to producers over time and the impact this decision will have on supply management. Structurally, co-ops must continue to find ways to deal with competition, whether it comes from Canada or abroad. The challenge, in his view, will be to keep decision making in the hands of Canadian dairy producers but at the same time create national or international alliances as needed.

Some dairy co-ops see legislation as a limiting factor in that it does not provide conditions that will make it easier for dairy co-operators across Canada to work together, without administrative territorial hindrances. *(Cartier)*

Some question whether governments accept co-ops and co-operation as a timely innovative business idea. Government can play a significant role in making things easier but at the same time look at the reaction to mergers. There is concern co-ops will become monopolistic and yet, huge corporations are welcomed into the business world. *(Livingstone)*

Membership

Co-operatives must have good communication and not lose contact with their members. Losing contact with members can devastate a co-op. The issue of patronage, or use of the co-operative by the member and member control is important as recognized by the New Generation Co-ops. *(Rouillard)*

Coops considering change must be able respond to members' satisfaction, how this affects members' equity. The co-op will then be allowed to move forward more quickly. For many, mutual benefit over self-interest equals the survival of co-op values. They believe the co-op must keep mutual benefit in the equation in order to attract members. *(Livingstone)*

Fulton (2004) argues that without a benefit, member loyalty wanes. This means that agricultural co-ops have to develop a language of "benefits to members" and deliver on this message. Co-operatives also need new structures – co-op must be made transparent and be aligned with members' needs.

Others charge that the early response of large co-operatives to globalization has been to shift away from traditional co-operative values and ethics. Co-ops are relying excessively on the "corporate" paradigm of efficiency, resulting in such actions as downloading costs, a decline in accountability to members and a lack of caring for the community. This has lead to diluted member participation. *(Caceres and Lowe)*

Management and Attaining Scale

Management strategies differ according to the type of co-op and its specific environment. A number of issues have impacted on the poultry sector, including changes in supply management, in the economics of production and in the economics of the processing industry, as the number of different products being produced increases. *(Meek)*

As an example of what must be seen as an appropriate response, marketing co-ops have moved further into processing and value-added products using strategies built on people, process and marketing. They have invested in training of employees, undertaking management practices which build morale, in competitive productive facilities and the best equipment, and adopting new systems to maintain standards that enable them to be world class.. Successful co-ops target marketing efforts with focus groups, and usage and attitude surveys toward diversified product lines, not compromising quality for price. *(Meek)*

Not all seemingly progressive strategies have brought success. The strategy of one of the large grain co-operatives for adapting to change was to strengthen core operations, diversify into other products and activities, and forge strategic partnerships. This co-op restructured its core business, both its grain handling and agri-sales networks, into marketing units with primary and secondary facilities. On the farm supply side, fully equipped high-volume agri-sales locations coordinated the operation of lower volume or partially equipped sites. More locations employed management and staff who specialized in farm supply sales and service and an expanded agronomic consulting program.
Diversified operations and investments in oilseed processing, livestock marketing, and milling were established with other co-op partners. The third component of this co-op's survival strategy was to join forces with other players in exporting of grains and oilseeds and in fertilizer products. *(Swanson)* However, in the end, due in part to capital limitations, the merged co-operative was taken over by another grain marketing company and no longer exists as a farmer co-operative. (Fairbairn, 2003)

Some believe that co-ops must get rid of the "we/they" attitude. Co-ops must look to partnerships with the private as well as the co-op sector.

Funding

While it was agreed that funding of co-ops must be among the main concerns, some argue that Co-ops must look to their members alone as a source of funding. Others contended that co-ops must find other sources of funding which will be acceptable to members. *(Cartier)* The action by Canada's largest co-op in the nineties was to raise equity capital by issuing public stock is one of these new sources.

It has been observed that without a permanent source of equity, it is difficult and more costly for co-operatives to borrow money.

Inter-cooperation

A fundamental point from the presentations of the symposium is the power of inter-cooperation as a strategy for addressing the challenges. Inter-cooperation can provide co-ops with the same benefits as those of large corporations, whose size, financial resources and international presence are tangible assets in the new economic order, both now and in the future. Examples of co-operative enterprises between co-ops include a research farm (international inter-cooperation) and manufacturing inputs and crop protection products. *(Desrochiers)*

Academic research, teaching and extension activities on co-operatives represent an opportunity to have more informed and co-operative friendly individuals at the university staff level and also for students to build their understanding of co-operatives. *(Oleson*)

New Co-operatives

Post 1990 collective action has implicitly recognized the challenges facing co-ops and explicitly addressed them through the rise of **New Generation Co-operatives** (NGC), the transformation of traditional co-ops and the exit of those who had accomplished their goals. The characteristics of NGC's are: closed membership, up-front investment, transferable and appreciable delivery rights and tight commitment.

According to Bielik the NGC is a co-operative in that it meets the three user-owned, user-controlled and user-benefit criteria. However, there is a subtle change in emphasis that moves the NGC more towards the Investor-Owned Firm model. The emphasis on the member as the user remains; however, there is a significant increase in the emphasis on the member as an investor. The member in the NGC begins to take on many of the characteristics of the shareholder in an IOF.

Most NGCs represent attempts by producers to move up the value chain and benefit from some processing or value added activity that occurs beyond the farm gate. Typically, money is raised among the members to finance building a processing plant. Debt and, in some cases, preferred non-member shares are also utilized. The number of members and their equity is directly related to plant capacity. The purchase by members of equity shares obligates them to deliver a certain amount of the commodity to the co-operative. These delivery shares, which are trade-able, are a two-way contract between the producer-members and the co-operative

The distinguishing features of NGCs might simply be summarized as closed membership and delivery shares. These delivery shares, in turn, have three distinct features:

a) Shares usually represent a high level of initial equity investment to which delivery rights are tied.
b) Shares embody these delivery rights within contracts which define both rights and obligations of the producer and the co-operative.
c) These shares are transferable or able to be traded. They can appreciate or depreciate in value.

Examples of NGC in Canada include beef and pork production, organized primarily as a means of marketing grain, and sharing farm equipment in order to improve their efficiency and lower their production costs. In 1998, there were 41 Cooperatives d'utilisation de materiel agricole (CUMA), a new approach to sharing farm equipment, in the province of Quebec. *(Richard)*

Lessons learned

Co-operatives that have achieved positive experiences include those that:

- Developed new consumer products and new markets for their core business
- Did not diversify outside their core business
- Grew step by step as opposed to sudden change
- Involved their members – kept close connection, carried out education.

Examples of these co-ops include Agropur and Gaylea Foods daity co-operatives. (Fairburn)

Co-operatives that have had recent bad experiences are found to share one or more of the following inappropriate actions in dealing with challenges of the "new" environment.

- They did not innovate in product and markets
- Most had weak relationship with members
- All discovered need to develop with a shortage of capital
- Several experienced takeovers by large corporations or transnational corporations after having merged with other co-ops to gain scale. Examples include the Saputo takeover of Dairyland (Dairyworld Foods) with the result that farmers no longer own dairies; the merger of Alberta Wheat Pool and Manitoba Pool Elevators to form Agricore which was subsequently taken over by United Gain Growers forming Agricore-United, a public corporation. The public share offerings by Saskatchewan Wheat Pool, subsequently resulted in this co-op becoming a publicly-owned corporation. (Fairbairn)

CONCLUSIONS

In Canada, many outsiders see a private sector model where co-operatives are competing very successfully in a competitive marketplace and at the same time maintaining co-operative principles. *(Claydon)*

There are two sectors in the co-operative movement -- the established and the new. Some co-operatives arose out of need and others in recognition of an opportunity. Driving factors include the collapse of traditional markets, economies of scale and exclusion of small producers from markets and the need for lower cost inputs is another factor.

There is growing agreement that co-operatives must be more globalized in order to succeed. They must push for efficiency and integration. Co-operatives are well-placed to compete and, some believe, are the only force which can really stand up to multi-nationals. *(Cote)*

Opportunities facing co-ops are seen in continuing growth in world trade in agri-food products. Opportunities exist to increase value-added activity as well as to open new markets and niches.

For some, co-ops are viewed as an entrepreneurial opportunity to diversify risks and take advantage of emerging markets. In the supply management sector, the co-op model is used by farmers who want to be one step ahead of global change. With increasing contract growing, co-ops are viewed as a means of greater control along the ”supply chain”. Challenges to the co-op sector include vision - the belief and willingness to take risks and commitment - of both supply and capital. *(Alkalay)*

Recent collective action in recognizing and addressing is seen in the rise of New Generation Co-ops, the transformation of traditional co-ops and the disbanding of those which no longer fill a need. Traditional co-ops are modifying their approach in order to survive. This includes exploring new options for equity capital, joint ventures with non co-ops and New Generation co-ops, and investments in human capital for example. Traditional co-ops that are not changing will be vulnerable. In summary, a dramatic change in producer collective action has been underway since the early 1990's and is accelerating in every sector. The independent producer is attempting to maintain independence through collective action. While there are successes, there is a huge challenge in the long run to survive in the global agri-food system. *(Cook)*

The Canadian government believes that “ a healthy co-operatives sector is an important contributor to the economic growth of rural Canada. The co-operative principle of ownership by producers is central to maintaining the social fabric of rural Canada.” *(Claydon)*

The co-operative sector around the world is doing well and prospects should be good. There is a potential for a world-wide commercial organizational structure. The question is whether co-ops will continue to grow and prosper, the same challenge faced by any form of enterprise. Some argue that to survive in a world where barriers are coming down and investment is becoming easier, an organization must have a vision based on growth. *(Gifford)* How co-operatives will achieve this while maintaining their central principles appears to be the real challenge.

"Anticipation, innovation and excellence are all part of the ticket into the new millennium." *(Livingstone)*

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ANNEX 1

STATISTICAL INFORMATION ABOUT CANADIAN CO-OPERATIVES IN THE AGRI-FOOD INDUSTRY, 2000

Source: The Co-operative Secretariat

A review of agricultural co-operatives statistics between 1986 and 2000 reveals an increasing trend in all characteristics studied, except for co-operative membership.

The number of agricultural co-operatives incorporated has increased from 955 in 1986 to 1,288 in 2000.

The number of agricultural co-operatives reporting to the survey has increased from 699 in 1986 to 942 in 2000. The survey participation rate in 1986, 1996 and 2000 was approximately 73 per cent; in 1991 there was a lower participation rate (58 per cent), but this year appears to be exceptional.

In 2000, membership of total reporting agricultural co-operatives totalled 468,000, representing an overall decrease since 1986 (537,000). The majority of membership (58 per cent) is reported by farm supply co-operatives.

Agricultural co-operatives reported 37,000 employees in 2000, which represents an increase of 23 per cent since 1986. Québec co-operatives Agropur and Coopérative fédérée de Québec reported the largest number of employees.

In 2000, agricultural co-operatives reported total revenues of $19.6 billion, which represents, in real terms, an increase of 35 per cent since 1986. However, a decreasing share of agricultural co-operative revenues are derived from value added activities (from 11 per cent in 1986 to 7 per cent in 2000).

Total assets increased to $6.9 billion in 2000, representing an increase of 13 per cent in real terms since 1996.

Member investment in agricultural co-operatives (total equity) was $2.3 billion in 2000, which represents an increase of 19 per cent in real terms, since 1996.

Grains and Oilseeds Co-operatives

59 co-operatives reported sales totalling $5.5 billion.
Grains and oilseeds represent approximately 41 per cent of total sales of Agriculture and Agri-Food Co-operatives in Canada.
Two thirds of payments to farms for grains and oilseeds came from a co-operative.

Dairy Co-operatives

25 co-operatives reported sales totalling $4.3 billion.
Agrifoods International (B.C.) and Agropur (Que) are the two largest dairy co-operatives in Canada, accounting for two thirds of sales.
Approximately 42 per cent of milk produced in Canada is processed by co-operatives.

Poultry and Egg Co-operatives

18 co-operatives reported sales of poultry and eggs for a total of $1.25 billion.
Poultry processing and marketing were the main activity of 8 co-operatives, reporting sales of $824 million.

Livestock Co-operatives

Livestock was the major activity of 31 co-operatives, with a total volume of business of $2.0 billion.

Farm supply

247 co-operatives reported a volume of business of $3.6 billion with market shares of 40% in fertilizer and agriculture chemicals and 31% in farm petroleum.

Production and Service

521 co-operatives reported a total volume of business of $507 million.