

The Process of Establishing a Food Cooperative: A Promising Intervention for Improving Physical Access to Food



TOPO

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IN THIS ISSUE

- Establishing food cooperatives in rural areas with poor geographic access to nutritious foods.
- The food cooperative as a response to collective needs for improved access to food and local services, as well as community vitality.
- The steps required to set up a food co-op, in short.

AND ANSWERS TO THE FOLLOWING QUESTION:

- What are some of the facilitating factors and difficulties encountered in the process of establishing a food cooperative?

The TOPO Collection aims to inform the choices of stakeholders and decision makers involved in the development and promotion of inclusive, healthy, and safe living environments. Each issue focuses on a theme and combines a critical analysis of relevant evidence with observations or illustrations that can contribute to the application of this knowledge in the Quebec context.

CONTEXT

The adoption of healthy eating—an important determinant of health—is influenced by both individual and environmental (physical, sociocultural, economic, and political) characteristics (Giskes et al., 2011; Raine, 2005; Story et al., 2008; WHO, 2002). Considering the influence of the food environment on diet quality, it is essential to work to ensure that the characteristics of the food environment are conducive to the adoption of a healthy diet.

Improving the characteristics of the food environment often requires an intersectoral approach to action, since the levers for doing so are held by various actors in society. Establishing a cooperative (co-op) to improve physical access to nutritious food and community food security is a good example of intersectoral action since it requires the collaboration of stakeholders from various sectors within society.

PURPOSE OF THIS TOPO

This TOPO, produced as part of the EffICAS study (see box below), aims to describe the process of mobilization and intersectoral collaboration leading to the establishment of a co-op to equip public health professionals and actors from other sectors of society wishing to support or become involved in such an intervention to improve access to food.

What is a food desert? A food desert is an area that is characterized by poor access to businesses offering healthy and nutritious food and is economically disadvantaged (Robitaille & Bergeron, 2013).

What is a food co-op? *"A cooperative is an enterprise... owned by its members, who are all equal (one member = one vote). The cooperative food model allows communities to obtain products and services based on their needs, since members are both owners and customers of the business."* [translated from french] (FCAQ, 2021)

What is community food security? The Food and Agriculture Organization of the United Nations states that, *"Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life."* (FAO, 2009)

What is intersectoral action in health? The Ministère de la Santé et des Services sociaux du Québec states that, *"Intersectoral action for health thus corresponds to 'actions undertaken by sectors outside the health sector, in collaboration with the health sector, on health or health equity outcomes or on the determinants of health or health equity'"* (Leppo et al., 2013)." (MSSS, 2017)



The study "Effets de l'implantation d'une coopérative sur l'alimentation et la santé"

(EffICAS) aims first to enrich the knowledge of the effects of establishing food cooperatives (co-ops) in geographically isolated rural communities qualified as food deserts. More specifically, it aims to study the effects on the diet quality and health of individuals living in these communities and the vitality of these communities. Furthermore, the study seeks to document the process of mobilization and intersectoral collaboration leading to the establishment of a co-op. The hypothesis that establishing co-ops can improve access to food—and more specifically access to nutritious foods—for citizens living nearby, the quality of their diet, and the vitality of communities encourages us to better understand this process (Bergeron et al., 2022).

To this end, the EffICAS study has a hybrid design, consisting of participant questionnaires before and after the opening of the co-op to measure the effects of the establishment on various parameters as well as interviews with key informants to document the process of mobilization and collaboration. A full report of the initial data collection conducted in 2021 is available on the INSPQ website (Bergeron et al., 2022).

KEY STEPS IN THE DEVELOPMENT OF A CO-OP

Establishing a food co-op in a community requires completing many steps (CDRQ, 2021) and intersectoral collaboration between citizens and professionals from various networks, such as the municipality, the regional county municipality (RCM), public health, social economy organizations, and funding agencies. The project often begins with mobilizing stakeholders, including citizens or local actors wishing to meet one or more community needs. Next will be choosing a cooperative business model to meet this (these) need(s) and the creation of a provisional committee.



Saint-Luc-de-Matane co-op, 2019
Photo: Éric Robitaille

Table 1 Key steps in the development of a co-op

Pre-startup phase		Startup phase	
Project idea and creation of the provisional committee	Design of the business model	Incorporation	Start of operations
<ol style="list-style-type: none"> 1. Define needs and rationale for the project 2. Create provisional committee 3. Complete feasibility study 	<ol style="list-style-type: none"> 4. Mobilize stakeholders 5. Develop business plan 6. Search for funding 	<ol style="list-style-type: none"> 7. Obtain the legal status of the co-op 8. Draft by-laws, policies, membership contracts, and registries 9. Hold organizational general meeting and first board of directors meeting 	<ol style="list-style-type: none"> 10. Launch commercial activities 11. Employee training, follow-ups, and annual general meeting

Figure adapted from a presentation by the Coopérative de développement régional du Québec (CDRQ, 2021).

A feasibility study of the project is carried out. After this, the provisional committee mobilizes new stakeholders to support its project, develops its business plan, and proceeds to look for funding. The legal constitution of the co-op involves various key steps, including the creation of the board of directors. It will take over the operation and management of the company.

Methodology for conducting interviews

Conducted in 2021 as part of the EffiCAS study, semi-structured interviews with twelve key informants documented the process of mobilization and intersectoral collaboration related to the establishment of a co-op. The key informants were members of co-op provisional committees, boards of directors, municipalities, RCMs, the public health sector, and organizations working in the field of cooperatives. The interviews focused on mobilization and intersectoral collaboration surrounding the establishment of co-op projects. This made it possible to draw conclusions and identify facilitating factors and challenges encountered mainly during the pre-startup phase, which is the main phase of interest in the EffiCAS project. Aspects related to the startup phase were rarely discussed in the interviews with key informants.

BRIEF PRESENTATION OF THE COMMUNITIES

Four communities located in the Bas-Saint-Laurent and Côte-Nord regions were selected to be part of the EffiCAS study: Gallix, Rivière-Saint-Jean and Magpie, Rivière-Pentecôte, and Saint-Luc-de-Matane. The citizens of Gallix as well as Rivière-Saint-Jean and Magpie were in the process of establishing a cooperative on their territory. In the community of Rivière-Pentecôte, the existing co-op was relocated in May 2022 and its product offering was enhanced. Lastly, Saint-Luc-de-Matane has had a cooperative since 2019. These communities are located in a food desert, which means that they are more than one kilometre from the nearest store offering nutritious food in urban areas and more than 16 kilometres away in rural areas. Fewer than 1,500 residents live in each of these communities. These communities share a common characteristic of having demonstrated collective empowerment: in response to collective needs, citizens have mobilized around the development of a co-op project.

FINDINGS FROM THE INTERVIEWS

Definition of the needs and rationale of the project

The food co-op projects studied in EffiCAS are a collective response to collective needs. Indeed, key informants see the co-op as a tool for improving physical access to food, contributing to community revitalization, and providing services to the community. The need to improve physical access to businesses and food was raised by many key informants. Due to the absence of a nearby store, many residents travel long distances to go to the grocery store (on average 100 km round trip), a costly situation in terms of time and gas. Surprisingly, no informants identified a need to specifically improve access to nutritious foods. It can be hypothesized, however, that overall improved physical access to food as a result of the opening of a new cooperative may also improve physical access to nutritious foods, if the cooperative sells this food.



Saint-Luc-de-Matane co-op, 2019
Photo: Éric Robitaille

"We need something close by when we need a pint of milk, not to have to drive 50 kilometres round trip [...]" [translated from french] – Alain¹

"It's also food security, I think, for many people because the village has an aging population [...] who are losing their autonomy a bit. [...] They're people, you know, who have the right to have food and food service. I think that's what we wanted to address in the first place, before anything else." [translated from french] – Sophie

Citizens who see their community gradually dying out feel that the services offered by their future co-op could help revitalize the community. They believe that it could increase its attractiveness, reducing the exodus of residents and attracting new ones, as well as bringing in tourists. In addition, some key informants think that the co-op could represent a place for citizens to gather and meet and thus promote social life in the community.

"So if you don't have a minimum you won't even attract tourists, so not even families in the long run. [...] the store is [...] seen as the first cog in some form of revitalization [...]" [translated from french] – Alex

In the existing co-ops or those in the process of being created, the desire to have several services grouped together in the same place was mentioned (e.g., coffee corner, ready-to-eat food service, ice cream shop, canteen, post office, sale of propane, point of sale for local artisans and producers, etc.), particularly for the benefit of the community's seniors.

Creation of the provisional committee

Depending on the collective needs identified, some citizens or community actors can get together to form a provisional committee that will be responsible for administering the cooperative, from the pre-startup phase until the organization's general meeting where the co-op's first board of directors is elected.

According to the key informants, the involvement of the members of the provisional committee is crucial to the realization of the project. They invest a lot of time and energy on a voluntary basis. They are extremely resourceful and learn as they go. The project management, entrepreneurial, or financial skills of the committee members were seen by key informants as facilitating the process. Moreover, according to the key informants, the members would ideally have a variety of complementary skills to facilitate the different stages of the project. However, it is not always easy to recruit people with this profile because of the small pool of individuals living in the community.

¹ These names have been changed.

"[...] I think the inexperience of the provisional committee members is a major barrier. We move forward without really knowing... yeah, knowing it because it's written, but we don't have the experience, we don't have the background on how to set up a store. So, it takes time [...] I'm retired, but the others are working, they don't have the time to do it. [...] it's probably a delaying factor or a hindrance to the project." [translated from french] – Alain

"It's not easy when you're a novice to know what help you can get." [translated from french] – Gilles

The project leaders, who are sometimes also the instigators, also play a very important role in its success. A visionary, unifying, convincing, credible, charismatic project leader with good leadership skills can keep the committee motivated, help mobilize the population, defend the project, facilitate the creation of a network of contacts, and attract financial partners. However, this element also makes mobilization fragile. If the project leader withdraws, the project may be compromised.

"This leader will convince the population to mobilize, but he will also convince the mayor, the RCM, the CDIC², the financial partners with his credibility, presence, and skills that it's a good project. If we can't have this type of person, it doesn't mean that the project won't happen, but it may mean that the project will have a few hurdles." [translated from french] – Alex

Feasibility study and search for funding

The feasibility study consists of a market study as well as a cost estimate for the realization of the co-op project, expenses, and expected sales in order to evaluate the project's economic viability. Assessing anticipated co-op sales, as part of the feasibility study, is an important part of the co-op development process. One key informant mentioned that if the scale of costs, investments, and anticipated sales does not balance out, it is not worth pursuing the project. Thus, as soon as they purchase their membership card, raising citizen awareness of the importance of making frequent purchases at the co-op is often essential for the latter's viability, especially in small communities where sales volume is modest.

"[...] when population density isn't there, there aren't enough potential members and consumers, you don't have critical mass, so the ability of the co-op to take on debt to get started sometimes isn't there. There's no ability to repay." [translated from french] – Alex

Establishing a food cooperative is expensive, especially if a new building is required. Certain elements can reduce a project's costs, and therefore reduce the amount of the initial loan: the collective takeover of a business, financial support from the municipality, purchasing used equipment for the co-op, etc.

² Canada Deposit Insurance Corporation

Often committees need money at the beginning of the cooperative project to do some of the early steps required, including a feasibility study that costs \$5,000 to \$10,000, even before they have been able to get money from shares, loans, or grants.

“The first hurdle we have is financial because we have to spend money that we don’t have in the first place. When we start, yeah, we have a grant, of course, for 80% of the feasibility study. But we’re already incurring expenses because there is that 20% still remaining. You have to go begging all the time, [...] because it’s not up to the provisional committee to spend out of their own pockets for this.” [translated from french] – Claude

“Because when we’re getting set up, we don’t have the money. When it came time to register the cooperative with the Registraire des entreprises, it cost \$257. We had to pay for it out of our own pocket and then get reimbursed. You’re constantly chasing after small amounts of money. The paperwork, the paper, the printer ink, all that is provided by us, because we don’t have the funds for that.” [translated from french] – Alain

Securing funding is an important and critical step for projects. The soundness of the project and the committee members’ level of competence help to obtain funding. Key informants also indicated that it bodes well for investors when the municipality demonstrates its support for the project, as it proves its relevance and builds credibility. The municipality can also support the project financially by providing a tax break, offering free or less expensive land, loaning a building, repaying debts, or absorbing a deficit. Regional county municipalities (RCMs), private companies, and organizations that support the social economy can also help finance projects through grants and loans. Among these organizations, Desjardins, the Réseau d’investissement social du Québec, the Société d’aide au développement des collectivités, and Investissement Québec were mentioned. However, one key informant indicated that opportunities for financial assistance are not equal for all territories.

Mobilizing stakeholders

The support and involvement of various partners seem to be a real facilitator for co-op projects. According to the key informants interviewed, the provisional committees of the co-ops can benefit from the support and collaboration of several actors: the municipality, the RCM, public health community organizers, the Coopérative de développement régional du Québec (CDRQ), the Fédération des coopératives d’alimentation du Québec (FCAQ), local entrepreneurs and other food cooperatives. The involvement of these organizations is varied: support for the project and for the search for funding, offering land to build the co-op, sharing information, etc. The involvement of various organizations is welcome, especially when the committee lacks experience.

Interviewer: *“So, was there anything from the start that helped you get to where you are today?”*

Jacqueline: *“The partners who help us. [...] In villages, I think it's the foundation because we don't have the same things as in the city. People don't have the same... sorry, but the same level of education either [...]. It makes all the difference to have people who support us [...]. I don't think they're going to launch a co-op without support. I don't know how they do it. Unless you've been working in that field your whole life.”* [translated from french]

According to information obtained during the interviews, some stakeholders, notably community organizers from the public health network, are available to provide accompaniment to, for example, facilitate the mobilization of the population, assist in the formation of the co-op's provisional committee, and provide information on available financial assistance programs. However, none of the key informants mentioned receiving support from them or asking for their help. Citizens may be aware of and interact with community organizers, whilst being unaware that the organizers are often part of the public health system. This service and the possible support by public health actors therefore seem to be unknown. In some areas, support services may also be provided by people outside of public health. Despite the many partners involved in the projects and the support offered by organizations, some key informants would have welcomed more guidance or direction.

“We would have liked someone to tell us, ‘You should do this or that’... But no one... we learned to walk on our own. When you learn to walk, you trip, you fall, you hurt yourself. Well, that's what happened with this project. We worked, often for nothing, we could have done things differently and it would have been much less demanding.” [translated from french] – Louise

From the outset, the population can be involved in co-op projects to determine needs, gauge their interest, and gather their suggestions. The population's support for the project and the fact that the population is motivated and mobilized are elements mentioned by some of the key informants interviewed as being important factors in facilitating the establishment of a co-op. According to two key informants, the encouragement of the population supports the involvement of the committee members and, conversely, the population is stimulated by the project when it sees that the committee is ardently involved in the process. The support of the population is manifested in different ways in the communities studied: financing (purchase of shares), encouragement, participation in public consultations, involvement in the provisional committee, and volunteer involvement in the cooperative.

Developing a well-defined vision for the project and having it shared and supported by at least some of the stakeholders seem to be factors that facilitate the process, but can sometimes be a challenge to achieve.

Facilitating factors and difficulties encountered in the process of establishing a food cooperative in the communities under study

In short, the key informants we met identified several factors that can facilitate or complicate, depending on the context, their project to set up a food cooperative. These factors are shown in Table 2. Some elements, if present, may help to advance the project, which is recognized as relatively complex, time-consuming, and expensive. Strong citizen mobilization, a vision shared by all of the stakeholders involved in the project, a mobilized project leader and committee members with a certain amount of experiential knowledge, as well as support, particularly financial support, are key factors for the success of the project.

Table 2 Summary of elements that can facilitate or complicate the project

Elements of the process	Examples of favourable elements	Examples of unfavourable elements
Citizen mobilization	Participation in consultations, purchase of shares, encouragement, etc.	Some population groups may be less supportive of the project (e.g., divided community, partisanship).
Duration of the project	The collective acquisition of a business that is closing simplifies the process and reduces waiting times.	Committee members have full-time jobs or cannot invest much time in the project.
Financial aspects	Support from the municipality: tax breaks, donation of land, loan of premises, etc.	Low population density and limited coverage area.
Members of the provisional committee	The project leader has good leadership skills.	Lack of experiential and theoretical knowledge about how to set up a business.
Stakeholders	Several organizations support the provisional committee and are involved in the co-op establishment process.	Provisional committees have little or no knowledge of the support and resources available.
Project manager	The person in charge of the project has experience in establishing cooperatives.	A person with the required qualifications can be difficult to recruit.

TIESS and its report *Entreprendre collectivement en alimentation au Québec*

The Quebec organization Territoires innovants en économie sociale et solidaire looked at collective enterprises in the agri-food sector (non-profit organizations, cooperatives, and mutual companies) and their sustainability issues, success factors, and paths to success (TIESS, 2022). Like EffICAS, their work has shown that collective enterprises aim to meet collective needs. They also noted the importance of the complementary expertise of the people forming the committee, of surrounding themselves with experienced partners, of the leadership qualities of the project heads, and of good financial management. The importance of democratic governance in ensuring the initial mission and the need to offer value-added products or services that meet the needs of the clientele were also highlighted as key to ensuring the sustainability of collective enterprises.

AVENUES FOR SUPPORTING THE ESTABLISHMENT OF FOOD CO-OPS

In addition to the facilitating elements, two courses of action emerged during the interviews that support the provisional committees and accelerate the co-op establishment process.

1. Hiring a project manager

According to the key informants, an experienced project manager assigned to each co-op project would be useful in assisting with project planning, monitoring progress, structuring the process, and providing support and expertise. This could facilitate and expedite the process, especially in the case of inexperienced committee members. Some key informants suggested that this service be offered free of charge as part of a government program.

“So, what I imagine is that when you want to start a cooperative, a committee of promoters is put in touch with an initiator, like that, who fully knows all the steps, because he has done it many times, he knows the contacts, he knows the steps, he knows the funding sources. At that point we could shorten the time it takes to set up a cooperative by 30 to 50 percent.”

[translated from french] – Alain

2. Seed grant

Also, based on what the key informants indicated, it would seem that a seed grant of a few thousand dollars, available to all committees wishing to launch a co-op project, would be useful to cover the early costs related to the project. These expenses are currently paid for by the volunteers themselves (e.g., printer ink, paper, or a public poll).

SUMMARY

- The establishment of food co-ops in the communities under study aims to improve physical access to food, contribute to the revitalization of the community, and offer other local services.
- Although the key informants did not address the issue of access to nutritious food, it can be hypothesized that if the cooperative offers nutritious food, its establishment will necessarily improve physical access to such food.
- Good citizen mobilization, a shared vision, a mobilized project leader and committee with a certain amount of experiential knowledge, as well as financial assistance are factors that promote the development of cooperatives according to the key informants.
- Funding and the appointment of a project manager could facilitate and shorten the process, including overcoming the difficulties left by the absence of certain facilitating factors. A grant at the beginning of the project could also support the startup.

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AUTHORS

Gabrielle Durette, DtP MSc, Scientific Advisor
Amélie Bergeron, DtP MSc, Scientific Advisor

COLLABORATORS

Marie-Claude Paquette, PhD, DtP MSc, Expert Scientific Advisor
Éric Robitaille, PhD, Expert Scientific Advisor
Direction Développement des individus et des communautés

UNDER THE COORDINATION OF

Caroline Delisle, MA CCPE, CHRP, Unit Head
Direction Développement des individus et des communautés

REVIEWERS

Caroline Benoit, DtP, Planning, Programming, and Research Officer
Direction de santé publique du Saguenay–Lac-Saint-Jean
Christine Laliberté, DtP, Planning, Programming, and Research Officer
Direction de santé publique de la Gaspésie–Îles-de-la-Madeleine

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LAYOUT

Marie-Cloé Lépine, Administrative Officer

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