Five Types of Cooperatives

**Marketing.** In marketing cooperatives, members sell, or market, their products together. This is the most common type of co-op in agriculture. The co-op negotiates with processors for a better price for their members’ products. Some marketing co-ops grade, process, merchandise, or distribute members’ products, as well. Iowa meat processor, West Liberty Foods, is an example of a marketing cooperative. This farmer-owned co-op processes, markets, and distributes meat products to companies like Subway and Jimmy Johns.

**Supply.** Supply cooperatives provide members with dependable supplies at competitive prices. Farmers often join supply co-ops to purchase feed, seed, fertilizer, and other necessary farm inputs. By purchasing items in bulk, a co-op is often able to obtain materials at a lower cost than individuals. Bulk purchasing also ensures a consistent supply is available to producers. This is especially important to livestock farmers purchasing feed. Agriland FS Inc. is an example of a supply co-op.

**Consumer**. A consumer co-op provides access to certain products for their members. The central principle of consumer cooperatives is member control and participation. Grocery stores that are structured as a co-op rather than individual business are the most common type of consumer co-op. Credit unions are a type of consumer co-op.

**Service.** As the name indicates, serviceco-ops exist to provide a specialized service to their members. Common types of service co-ops include finance, utility, insurance, housing, and healthcare. Electric companies like Rural Electric Co-op are examples of service co-ops. Farm Credit Service of America, is a financial co-op that specializes in providing loans and other financial services to farmers and rural residents.

**Worker**. There are about 300 worker co-ops in the US, mostly very small operations each involving perhaps 5 to 15 workers. Examples are farms, small restaurants, food markets, bicycle shops, auto repair shops, house cleaning services, commercial trash collection services, laundries, bakeries, computer software production or consulting co-ops are owned and self-managed by the people who work for the company. In the U.S. worker cooperatives tend to be primarily in the service and retail sectors.

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**Marketing**

# **Worker**

# **Consumer**

# **Service**

# **Supply**