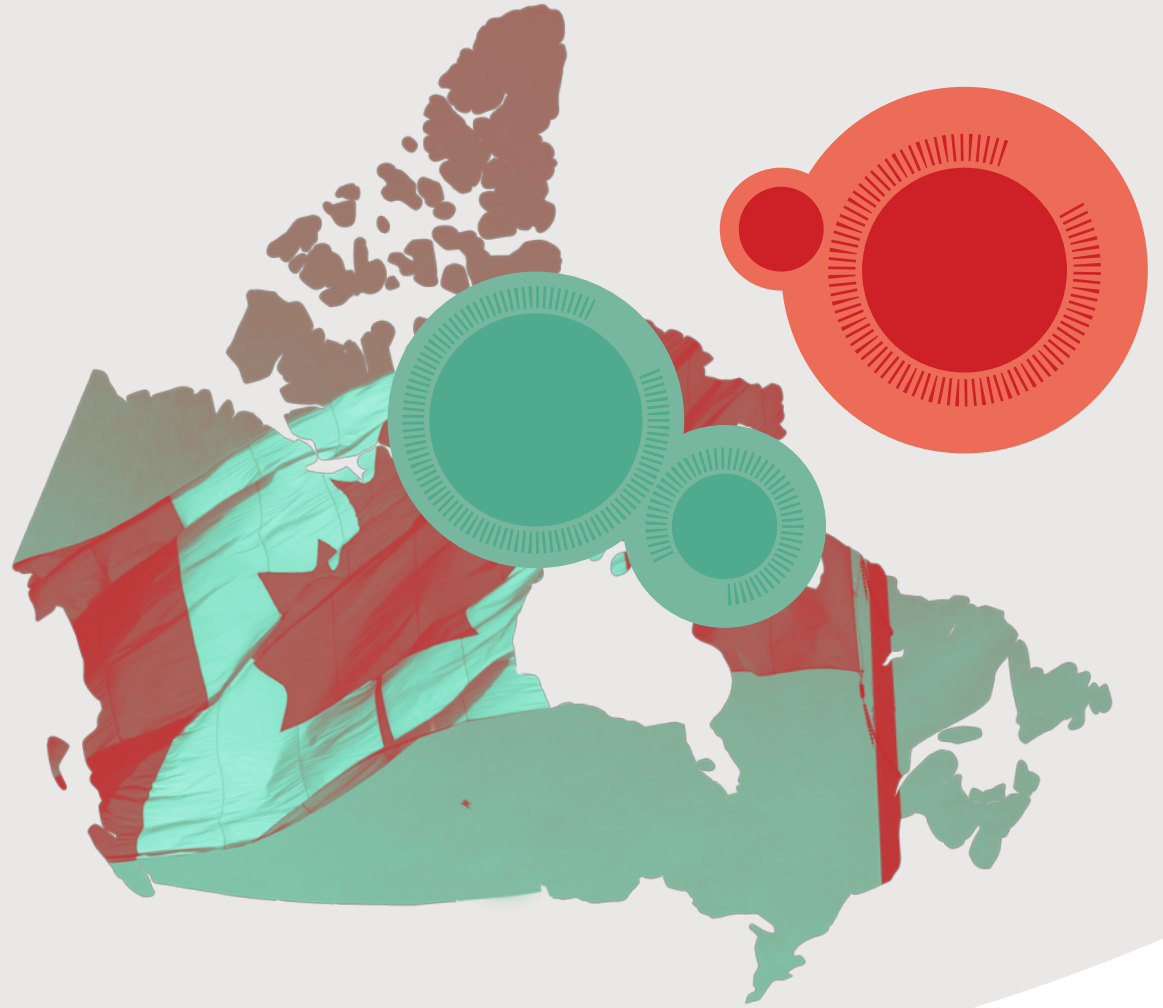


REALIZING CANADA'S FULL ECONOMIC AND INNOVATION POTENTIAL

How leadership in the
co-operative sector
is providing growth
and opportunity for
Canadians



Prepared by Gay Lea Foods
Co-operative Limited

Gay Lea
BORN ON THE FARM

ABOUT CO-OPERATIVES

Co-operatives play a key economic role in Canada, providing goods and services to more than **31.8 million member owners**, while **supporting over 666,146 direct and spinoff jobs across the country**.

Source: Duguid, F. & Karaphillis, G. (2019). Economic Impact of the Co-operative Sector in Canada. Co-operatives and Mutuals Canada.

With **\$503 billion in assets** and **\$85.9 billion in business volume**, co-ops **contribute more than 3.4% annually to Canada's GDP**.

Source: Co-operatives and Mutuals Canada

A co-operative is a different way of doing business. In a co-operative:

- Business decisions are guided by **principles** that keep the need for profitability balanced with the needs of members and the well-being of communities.
- **Democratic ideals** prioritize the empowerment of member-owners who lead, invest and direct the business.
- Profits are distributed to members, keeping dollars circulating within the local economy and helping revitalize, **build and sustain healthy communities**.

Twice
as many co-operatives remain
in operation
after 10 years
compared to other forms of
business enterprises.

Source: Ontario Co-operative Association

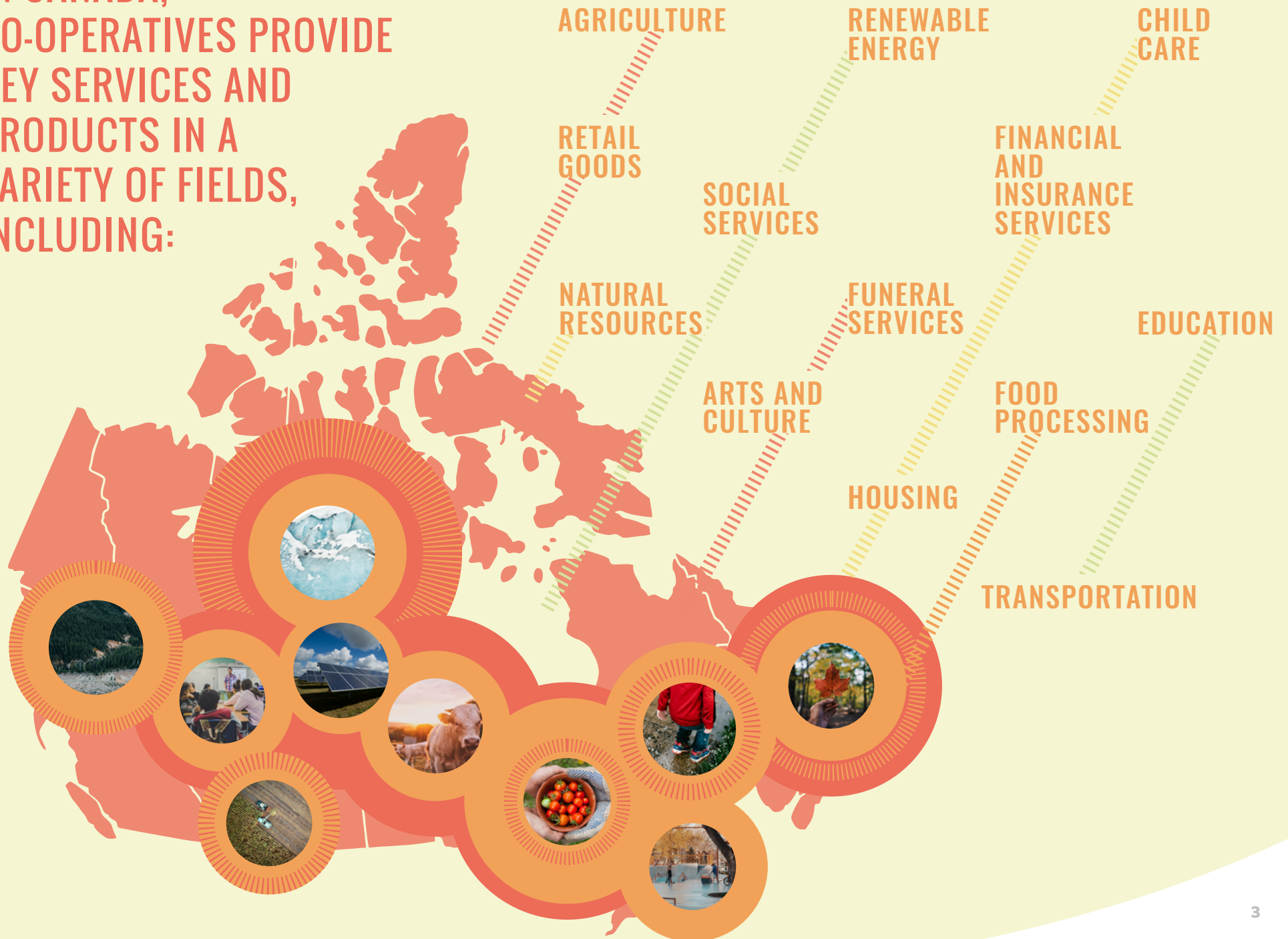
Co-operatives have
the potential to create
jobs at nearly
five times
the rate of the overall
economy.

Source: Economic Impact Study, 2009-2010

One in five
of economically-active
Canadians are members of
a credit union or a caisse
populaire.

Source: Canadian Credit Union Association

IN CANADA,
CO-OPERATIVES PROVIDE
KEY SERVICES AND
PRODUCTS IN A
VARIETY OF FIELDS,
INCLUDING:



“Canada is home to one of the most innovative and growth-oriented co-operative sectors in the world. ... This business model harbours great potential for the Canadian economy.

This point was solidified by the many examples of how communities and entrepreneurs are innovating and scaling their local economies by using the co-operative model.”

– What We Heard: Motion-100
Consultations report

ALIGNMENT WITH GOVERNMENT PRIORITIES

There is no better sector than the co-operative sector to meet the government’s goals around innovation, diversity, youth, climate change, standard of living, and rural and indigenous economic development.

INNOVATIVE BY DESIGN

Co-ops are innovative by nature:



We help build ecosystems that grow from the ground up and transform communities across Canada.

We're well positioned to support government's commitment to social innovation and social finance:
merging profit and purpose to forge new ground – all to the benefit of people.

PEOPLE, SKILLS AND INNOVATION

Canada's new Innovation and Skills Plan aims to redefine the innovation ecosystem, building upon our country's strengths and addressing areas of weakness to lead to gains in competitiveness, productivity, economic growth, job creation and standard of living. The linkages with Canada's co-operative sector might surprise you.

People and Skills |||||

Ensuring businesses have the right pipeline of talent to succeed and equipping people with the tools, skills, and experience they need to prosper is something long championed by co-operatives, that prioritize education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development, growth and scale-up of their co-operatives and communities.

Spotlight: Gay Lea Foods Co-operative Limited

Gay Lea Foods is a leader in the Canadian dairy industry, as renowned for its co-operative-inspired values as it is for its award-winning dairy products. The co-operative has been recognized across North America for its commitment to co-operative education and excellence in governance training—a commitment exemplified by the development and delivery of its own world-class training and development programs for employees, delegates and directors.

Gay Lea Foods collaborates with partners across the Canadian co-operative sector to deliver their award-winning programs and help develop the sector's business, finance and leadership skills.

Investment, Scale-up and Growing Companies

Supporting the growth of other Canadian businesses and start-ups is a key priority of the Canadian co-operative sector, which serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.



Spotlight: Libro Credit Union

Libro is southwestern Ontario's largest credit union, providing high-quality financial coaching and profit sharing, as well as a full range of financial products and services, including savings and chequing, investments, and borrowing. Libro has a strong and clear statement of purpose – to grow prosperity in southwestern Ontario. Driven by this “Prosperity Purpose,” Libro invests 100 per cent of its profit back into the people, businesses and communities they serve, supporting regional economic development, entrepreneurship, small enterprises and co-operative start-ups to support thriving local economies.

BUILDING SUSTAINABLE COMMUNITIES

As businesses driven by values, not just profit, co-operatives believe in the ethical values of honesty, openness, social responsibility and caring for others. Source: Co-Operatives and Mutuals Canada

These values see co-operatives work for the **sustainable development** of their communities through policies approved by their members.

Spotlight: Libro Credit Union

Libro Credit Union is passionate about investing locally, in people, communities and enterprises. It brings that purpose to life through its Libro Prosperity Fund annual granting program, which supports local organizations growing prosperity in southwestern Ontario through economic development, youth leadership, and money-smarts. It also welcomes partnership opportunities with local organizations aligned with its focus on making an impact on local communities.

INDIGENOUS ECONOMIC DEVELOPMENT

Co-operatives are autonomous, self-help organizations controlled by their members: the ideal business model to **support and empower** people to design, deliver and control the services to improve their own socio-economic conditions, quality of life, and community safety.

Spotlight: Arctic Co-operatives Limited

Arctic Co-operatives Limited is a service federation owned and controlled by 32 independently owned community-based co-operative businesses in Nunavut, Northwest Territories and Yukon.

The service federation works to coordinate resources, consolidate purchasing power and provide operational and technical support to the community-based co-ops that include retail facilities, hotels, cable operations, construction firms, outfitters, arts and crafts production and property rentals.

EMPOWERING YOUTH

Closely tied to the importance that co-operatives place on education and training is the sector's dedication to equipping youth with the knowledge and skills to transform our communities and country for the better.

Spotlight: Co-operative Young Leaders Program (CYL)

The Ontario Co-operative Association's Co-operative Young Leaders Program (CYL) has been educating and engaging youth in co-operatives for more than 50 years. Made possible through the collaborative efforts of sponsor co-operatives and credit unions, this unique leadership development program brings together youth aged 12-18 to learn about, and practice, communication and leadership skills through co-operative activities designed to facilitate engagement in co-operatives and communities.

Spotlight: Libro Credit Union

On top of the youth leadership initiatives supported through the Libro Prosperity Fund, the credit union partnered with Western University in 2017 to support the development and implementation of the Western Accelerator program, an intense, rapid and immersive education in entrepreneurship for students, faculty and recent alumni with high-potential business ideas.

A co-operative home:
Beginning in the summer of 2018, Gay Lea Foods is proud to provide a co-operative home for the Co-operative Young Leaders program at the Co-operative Education Centre in Aylmer, Ontario!

DIVERSITY

The first principle of co-operation dictates that co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Diversity in membership brings different perspectives in governance.

Spotlight: The Sewing Straight Lines Collective

The Sewing Straight Lines Collective is a worker sewing co-operative in Windsor, Ontario, that provides real life skills for new Canadians – from sewing to handling finances (an initiative proudly supported by Gay Lea Foods).

CLIMATE CHANGE

Co-operatives are one of the most exciting and powerful vehicles through which societies can confront climate change. With more than 31 million members in Canada alone, they are an important network that can play a key role in cutting carbon emissions. At the same time, co-operatives advance values such as the importance of dialogue and solidarity, while leading societies towards a democratic, people-centred economy.

Source: A Co-operative Solution to Climate Change

Spotlight: ZooShare Biogas Co-operative

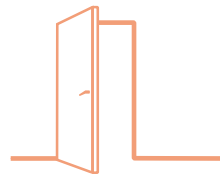
In March 2019, the Government of Canada announced it would invest up to \$2.7 million, subject to a formal funding agreement, to help ZooShare Biogas Co-operative add new digester technology to its existing biogas plant in Toronto, which turns animal waste from the Toronto Zoo into agricultural fertilizer. The project will divert waste from landfills, turning it instead into a commercially viable commodity, and will reduce carbon pollution.

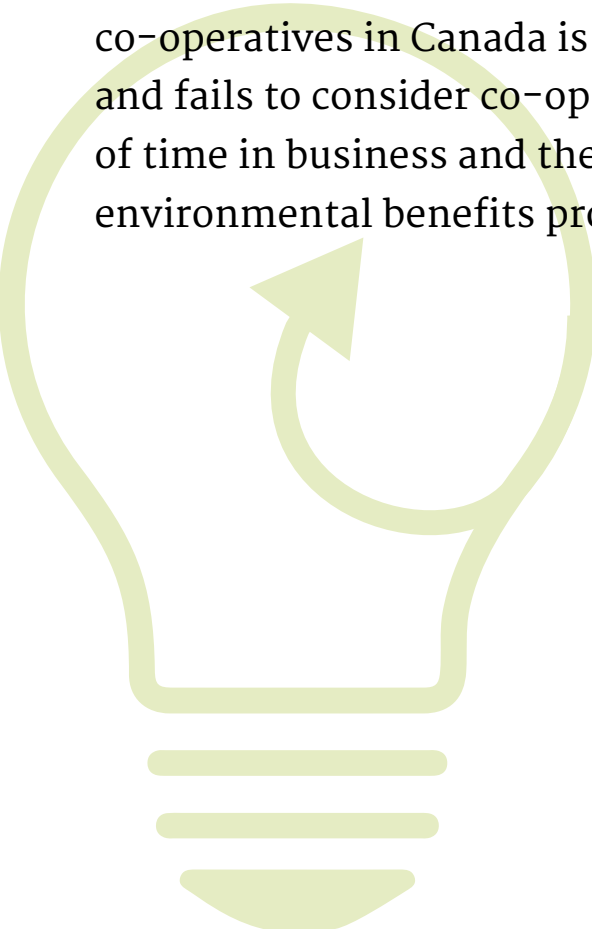
REALIZING CANADA'S FULL ECONOMIC AND INNOVATION POTENTIAL

Canada needs every fiber of its economic strength to be fully marshalled if we are to remain prosperous as a nation.

The federal government recently held consultations on how to support the co-operative sector focusing on access to federal programs and services, raising awareness and modernizing sector data. But there's more to do.

To fully tap into the economic and innovation potential of Canadian co-operatives, the sector requires support in a number of areas.

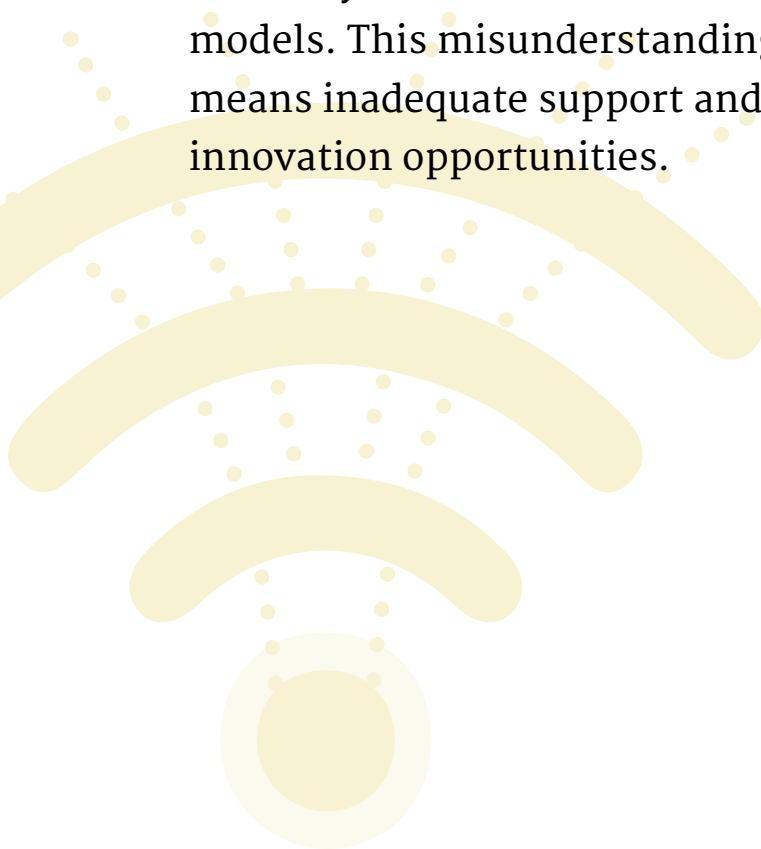


Recommendation #1**MODERNIZE SECTOR DATA**

Basic research and data collection about co-operatives in Canada is out of date and fails to consider co-op size, length of time in business and the social and environmental benefits provided.

Recommendations:

- Procure up-to-date data that considers economic, social and environmental factors, co-ops of varying ranges and sizes, and both federal and provincial legislation. This can include new and emerging data guidelines and indicators such as *Guidelines Concerning Statistics of Co-ops*, Sustainable Development Goals, social economy initiatives, and satellite accounts.
- Promote and build the awareness of existing national-level data on co-ops (e.g., have co-op sector organizations promote survey).*

Recommendation #2**CO-OPERATIVE AWARENESS**

Canadians and government don't fully understand what co-operatives are or how they differ from other business models. This misunderstanding means inadequate support and missed innovation opportunities.

Recommendations:

- Include the co-operative business model as part of the school curriculum.
- Launch a robust public awareness and education campaign highlighting co-operatives and their alignment with progressive Canadian values.
- Assign a champion minister to highlight co-operatives from multiple sectors across the country during National Co-op Week.
- Provide training for public servants, with priority given to frontline program officers.*
- Explore the creation of an external advisory group.*
- Include co-op information alongside other entrepreneurship material and supports.*
- Adopt Social Innovation and Social Finance Strategy recommendations. *

* Recommendations found in M-100 What We Heard Report

Recommendation #3**IMPROVE CO-OPERATIVE BUSINESS DEVELOPMENT AND MANAGEMENT, SKILLS, AND ACCESS TO SERVICES AND CONSULTATION**

One of its greatest benefits, the focus on bolstering local communities, also contributes to barriers stopping co-ops from scaling up and reaching their full potential, including lack of affordable business development and management resources.

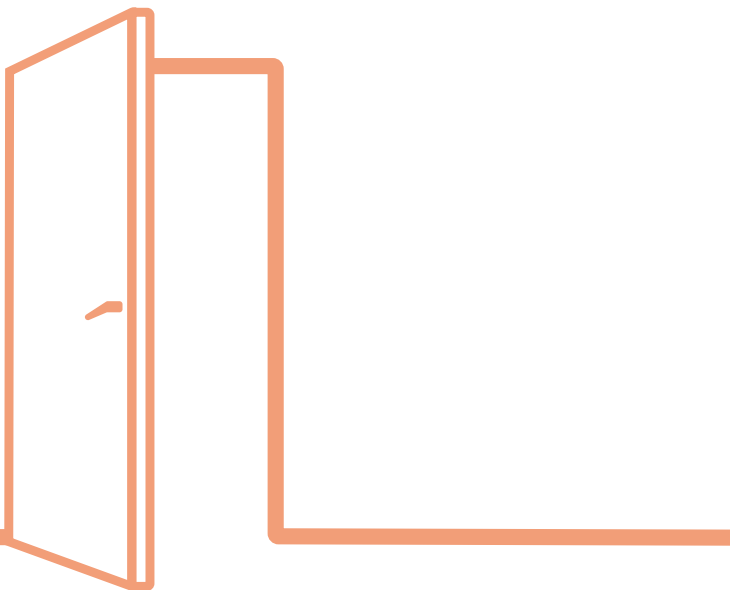
Co-ops have the potential to increase export opportunities, yet knowledge about international business development opportunities and resources are lacking. With the right understanding, co-ops will be able to receive the support they need to grow.

Recommendations:

- Establish an informative and easy to use Government of Canada website with portal access to resources and opportunities.
- Provide dedicated Innovation, Science and Economic Development Canada support for co-operatives, including:
 - Market development assistance;
 - International market development promoting Canadian co-operatives; and
 - Innovation and idea to market development.

Recommendation #4**IMPROVE ACCESS TO FEDERAL PROGRAMS AND SERVICES**

Co-ops deliver the same benefits and face similar challenges as corporations or partnerships — access to capital, opportunities to scale-up, international market access — but often fail to fit program or policy criteria as a “business.”

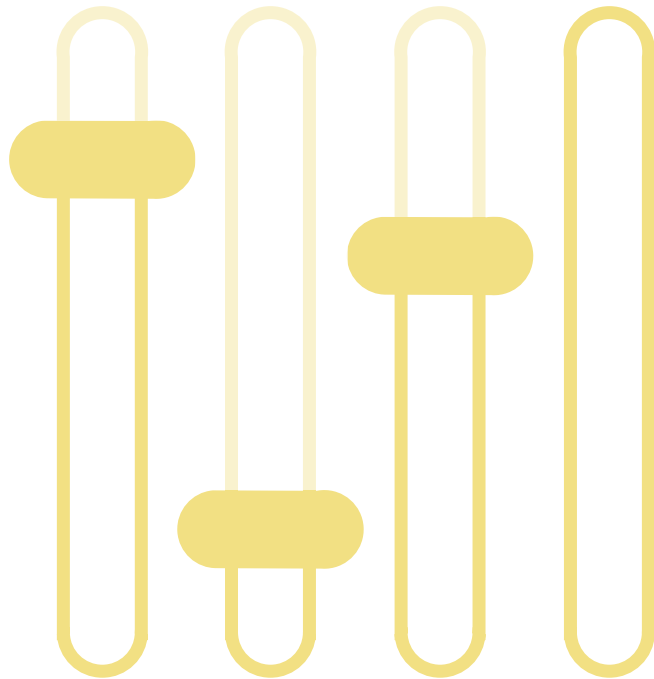
**Recommendations:**

- Current government programs supporting businesses — including the recently implemented support systems for SMEs, the multi-year Innovation and Skills Plan and trade diversification strategies must be developed in a simplified, partnership-driven approach that supports the co-operative stream.
- Perform a program review to determine any eligibility issues and open and/or promote key federal business development and innovation programs.*
- Train federal government business development officers, specifically within the regional development agencies and the Business Development Bank of Canada.*

* Recommendations found in M-100 What We Heard Report

Recommendation #5

REMOVE BARRIERS TO GROWTH



Recommendations:

- Create a Co-op Secretariat, based in Innovation, Science and Economic Development Canada, that works cross-departmentally and inter-provincially.
- Modernize the out-of-date Canada Cooperatives Act and work to harmonize the disparate provincial acts.
- Examine the unique role played by credit unions in striking a balance among competition, consumer access, and stability in the financial services industry. [\(Governance Challenges in Credit Unions: Insights and Recommendations\)](#)
- Develop a separate set of governance guidelines for credit unions that recognize the unique strengths and risks of co-operative governance and business models. [\(Governance Challenges in Credit Unions: Insights and Recommendations\)](#)
- Be careful when adopting requirements that intentionally or unintentionally force credit unions to pursue growth strategies or operate more like banks. [\(Governance Challenges in Credit Unions: Insights and Recommendations\)](#)

FOR MORE INFORMATION:

Robin Redstone
Communications Manager
Gay Lea Foods Co-operative Ltd

905-283-5208
rredstone@gayleafoods.com

<https://www.gaylea.com/>