

From Mutualism to Consolidation: A Critical Analysis of the History and Potential of Agricultural Co-operatives in Alternative Food Systems

J.J. McMurtry

Jennifer Sumner

1. Early Mutualist Roots

- The informal co-operation of mutualism regarding food is ancient
 - Mutual assistance between individuals
 - Collectivized farming
- Over time became more organized
- First stable Canadian co-ops focused on food
 - Steeped in rural traditions of neighbourliness and mutual aid
 - Settlement made easier by spontaneous co-operation to overcome problems
 - Led to regional and class co-operation

Early Mutualist Roots

- Consumer co-ops were the first formal co-operatives
 - First known example in Nova Scotia in 1861
- Knights of Labour
 - Established a number of short-lived consumer co-ops during the last two decades of the 19th century
- Patrons of Industry
 - Helped Canadian farmers organize more permanent, orthodox co-operatives in the early 20th century

Order of the Patrons of Husbandry The Grange

- Arrived in Canada in 1872
- Became the tap-root from which all other movements have subsequently developed
- Organized as a fraternal order for the advancement of the welfare of farmers
- Offered an elaborate programme of social improvement and economic amelioration
 - Economic, social, cultural, educational opportunities
- Included full membership for women

Wood 1975

2. The Arrival of Agricultural Predators

- Prairie farmers sold to markets and bought from suppliers thousands of miles away
- Dependent on remote and monopolistic institutions of finance and transportation that moved their products
- The long history of exploitation pushed co-ops to the forefront
- “Farming the farmer”

Grain Elevators

- Grain harvests had to be stored until transported
- Elevators built by corporations in alliance with railway companies
- Cost-price squeeze
 - High storage charges
 - Unfair dockage
 - Tampered weigh scales
 - Grain price set in Winnipeg
 - Manufacturers could charge farmers high prices because protected by tariffs

3. The Co-operative Commonwealth Response

- Vision

- Eliminate the negative effects of the profit motive through fixed interest on capital and the division of surplus income in proportion to participation
- Improve human character by promoting the satisfaction of human needs rather than profit

The Agrarian Revolt

- United Grain Growers
 - First large-scale, formal agricultural co-op in Canada
 - Challenged private grain traders by gaining a seat on the Grain Exchange and selling wheat
- United Farmers of Alberta
 - Provincial government (1921-1935)
 - Encouraged co-ops
- Farmers still couldn't control prices

Wheat Pools

- Large, centralized co-operatives to control markets and prices of key commodities
- Canadian government created compulsory wheat marketing board from 1919-1920
 - First orderly marketing western Canadian farmers had ever experienced
- Farmers launched voluntary pools
 - Saskatchewan Wheat Pool became the largest grain-marketing co-operative in the world within one year of its founding

Antigonish Movement

- Provided east-coast fishermen with a decent living in the face of predatory fishplant owners
- Moses Coady
 - Organized study groups
 - Encouraged fishermen to form co-operative enterprises
- Aim – a fuller life for all
 - “The good and abundant life”
 - Realized through adult education

4. Co-operative Growth and Mergers

- Co-ops – tools of the small colonizers to resist exploitation
- As financial system and business consolidated and grew, so did co-ops
- Large co-ops prospered
 - Not successful reactions to bigness per se, but rather to the bigness of competitors
 - Many benefits, but....

Co-operative Growth and Mergers

- Contributed to industrialization of agriculture
- Experienced lack of focus, transparency and connection to members
- Preoccupied with volume, size and market power,
- De-emphasized democratic flexibility while focusing on strength and efficiency

The impulse for social reform quietly dissipated and then disappeared.

Melnyk 1985, 24

The Emergence of Natural Food

- What agricultural consolidation and growth could not anticipate however was a social movement reaction against it
- Environmentalism became a powerful force in food following Carson and Bookchin's work
- How to enter into the market/get natural food to interested individuals and communities?
- Co-operative distribution and production

The Visibility Problem

- Yet despite being at the forefront of innovation in natural food, the co-operative form remained largely invisible
- Competing “market” agents emerged in the field once demand had been established
- Actors often cared more about the product of natural food than the means by which it was secured

Co-operative Conflict

- Interestingly this invisibility leads to the implicit, and often explicit, critique of established co-operatives by the emerging ones
- Parallel to the discourse against agricultural subsidies in the 1980's and 1990's
- Continues to today – leaders in ethanol have been co-operatives but also in opposition
- The form of co-op doesn't necessarily lead to agreement on social good

Visibility Problem Redux

- In 2000's co-operative innovation in food – from Fair Trade to Organics to Local Food – is obscured by the products
- The question is, how important is the organizational form to the social good which the product represents?
- Where does the “ethical value added” reside in food?

Process not Product

- In important ways this is the wrong question because food is not singular or stagnant
- From field to fork is often a very complex process
- We need then to look at social actors at every point in the process as well as the final product
- Co-ops can be essential actors in this process

Irreducible to Capitalism

- Member democratic control – one member one vote
- Means member control of capital not capital control of members/organization
- Members rewarded for use of organization through dividend – not capital for investing
- In short economic and social transparency as well as reflection of community, not capital, interest

Conclusions

- History of co-operatives in food is rich and varied
- A number of historical stages
- No necessary social good in terms of food from co-operatives
- However they have been at the forefront of every major food innovation
- Part of a rich and ethical process