

Three recommendations for Ontario's co-operatives to operate in a 21st century economy



1 Co-operative oversight belongs at MGCS.

The oversight of co-ops must shift from the Financial Services Commission of Ontario (FSCO) to the Ministry of Government and Consumer Services so that all business types are housed and promoted within one Ministry.



2 Utilize Service Ontario for co-op incorporations.

Currently, co-op incorporation involves sending letters by postal mail to/from FSCO and paying by cheque — a manual process which usually takes weeks. Business incorporations and payments through Service Ontario are conducted online and take minutes to complete.



3 Implement sector-recommended changes to co-op legislation.

A full review of the 41-year-old *Co-operative Corporations Act* must be undertaken within five years.



Co-operatives — building a better Ontario

Overview of the Ontario co-operative sector

1,300 co-operative businesses
1,900 locations in **400** communities
\$6 billion annual contribution to the economy
57,000 full-time jobs and **49,000** volunteers



Co-ops are diverse

The co-op sector includes both financial co-operatives (credit unions, caisses populaires and insurance companies) and non-financial co-operatives (including housing, childcare, agriculture, food, brewing, transportation, energy, social, health, funeral, immigration, communication, arts, media and culture).



Co-op legislation

Non-financial co-operatives are incorporated under the *Co-operative Corporations Act*, created in 1974. Credit Unions/caisses populaires are incorporated under the *Credit Union and Caisses Populaires Act*, created in 1994. Co-operatives are also regulated under industry and sector-specific legislation (e.g., energy or funeral).

Learn more about Ontario's co-operatives

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Agriculture & Food Co-ops



Agriculture and food co-ops in Ontario

One of Ontario's largest co-op sectors

Ontario is home to some very large co-operatives including **Gay Lea Foods Co-op**, the 8th largest co-op in Canada, and **Hensall District Co-op**, the 10th largest. Other co-ops in Ontario in the top 50 largest co-ops list include **Integrated Grain Processors**, a producer co-operative that produces fuel ethanol from corn and **La Coopérative Agricole d'embrun**, which wholesales feedstock in a Francophone community in Western Ontario.

Overall, agriculture and food represents 20% of non-financial co-op revenue in Ontario.

The fastest-growing co-operative sector in Ontario is in the local food movement. The **Local Organic Food Co-op Network** has 40 food co-op members across the province. These co-operatives are working to create a more equitable food system based on co-operative principles and democratically chosen goals.



Co-op Spotlight



Gay Lea Foods began in 1958, when a group of farmers came together with a common vision

— to better the lives of Ontario farming families and co-operatives. Today, they are the second-largest dairy co-operative in Canada, owned by over 1,200 dairy farmers with 12 production facilities and distribution centers in Canada.

Gay Lea is about concern for community. To date, they have raised over \$450,000 in support of co-operative development around the globe. They also help at home, through contributions to organizations in rural communities across Ontario.

As a co-operative, they collaborate — farmers, members, employees and customers — to make Gay Lea Foods what it is today.

the mustard seed.

Hamilton is surrounded by lush farmland and hundreds of food producers, but most local foods are tough to find in a conventional grocery store. **The Mustard Seed Co-op** is a full-service grocery store, where anything that can be local, will be local.

Inspired by those who are working to make Hamilton a great place to live, and also by successful food co-ops world wide, the goal is to have a positive impact on our local economy, community, health and environment.

The Mustard Seed thrives on community ownership. Members own the store and are entitled to an equitable vote in their democratically run business.

Changes needed within government for future co-operative success

Utilize Service Ontario for co-op incorporations

Currently, co-op incorporation involves sending letters by post to/from FSCO and paying only by cheque. This manual process often takes weeks. Utilizing Service Ontario will save money through increased efficiencies and a streamlined process. This will result in all non-financial corporations being registered consistently within the same government branch.

Positive impacts

Access to co-op incorporation through Service Ontario will result in greater co-op development where co-ops help communities thrive, including rural and northern Ontario.

Ontario accounts for nearly 40% of both the population and GDP of Canada. However, its co-operative sector accounts for only 10% of the national co-operative activity. Improving the process of co-operative incorporation will enable our province to catch up with the national co-op sector to potentially quadruple our contribution to Ontario's GDP from \$6 billion to over \$20 billion.

This type of growth in co-op development within the agricultural sector can create 3,000 jobs by 2020 — a significant contribution to our Premier's Agri-Food Challenge.