Wonder Wheel! Student Handout #2

Use the information on the different types of cooperatives to prepare your skit.

**Consumer Cooperatives**

Consumer co-ops are the most common type of cooperative. They are owned by members who want to buy a product or a service, such as banking, child-care, electricity, food, healthcare, and housing. Most consumer cooperatives require members to pay a membership fee, and members can get what they need at lower prices. A consumer co-op can have thousands or even millions of members. Generally, members participate in running the cooperative by electing a board. The board usually appoints a manager, who then hires a staff to run the day-to-day operations.

**Examples:**
- Hunger Mountain Co-op – grocery store organized as a cooperative
- Navy Federal Credit Union – specializes in financial services
- REI – specializes in camping and sporting goods
- Touchstone Energy Cooperatives – network of 700 electric co-ops

**Worker Cooperatives**

Worker co-ops are owned by the employees of a business. They exist across a number of industries, such as commercial and residential cleaning, food service, healthcare, manufacturing, and technology. The co-op provides members with jobs, as well as the benefits of ownership. Worker-owners govern the cooperative by electing a board from within the co-op. Profits are returned to worker-owners in the form of dividends.

**Examples:**
- Cooperative Home Care Associates – provides home care services
- Equal Exchange – buys and trades fair trade products
- Union Cab of Madison – provides taxi and delivery services

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Producer Cooperatives

Producer co-ops are owned by members (e.g., farmers) who provide similar products or services. These types of cooperatives are most common in agriculture. The co-op might supply members with materials they need to run their businesses. It might also help members store, process, and market their products by selling under a brand name. Generally, members elect a board, which appoints a manager. The manager hires a staff to serve members. Profits earned are returned to the cooperative members.

Examples:
- Cabot Creamery – farmer-owned dairy cooperative
- Florida’s Natural – grower-owned citrus cooperative
- Ocean Spray – grower-owned cranberry cooperative
- Welch’s – grower-owned grape cooperative

Purchasing Cooperatives

Purchasing co-ops are owned by small independent businesses, towns, or other organizations. Members join the co-op so that they can have greater buying power. This allows small businesses to better compete with larger competitors. They are able to save on the costs of operating their business and pass this savings on to their customers. Generally, members invest money in the co-op, which is run like a business. Any profit generated by the co-op is refunded to members based on the amount of their investment.

Examples:
- Ace Hardware – over 4,000 independently-owned hardware stores
- Carpet One – over 1,000 independently-owned floor covering retailers
- United Foodservice Purchasing – distributes food, equipment, packaging, and supplies to national restaurant systems

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