



**Why should you belong to the Co-op?**

## What is a Co-operative?

A co-operative is a group of people who work together for economic benefit. Cooperatives bring the idea of cooperation — working together — to the business world.

Cooperatives have a different ownership and investment structure than publicly traded corporations, but cooperatives are not non-profits.

Instead, they return their profits to their owners or use them to improve their ability to meet owner needs.

A cooperative has the same needs as any other business. Co-ops need sufficient financing, careful market analysis, strategic and comprehensive planning, and well-trained and competent personnel.

There are many types of co-ops. For example, producer co-ops provide goods or services to members who make products, such as farmers or artists. Consumer co-ops provide goods or services used by members for personal consumption.

### Ujamaa Cooperative Society Ltd.

(“UCSL” or “The Co-op”) is Barbados’ first hybrid co-operative society comprising both consumers and producers. Both producers and consumers own, control and profit from the coop. In UCSL, both producers and consumers come together to pool their producing and buying power to benefit everyone.

### Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

### Principles

The cooperative principles are guidelines by which cooperatives put their values into practice.

## The Cooperative Principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community

### 1. Voluntary and Open Membership:

Cooperatives 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.

### 2. Democratic Member Control:

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. Members have equal voting rights (*one member, one vote*).

### 3. Member Economic Participation:

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members make an equity payment to join the co-op. This equity helps provide the capital needed to start and run the co-op. It is not a speculative investment.

Members allocate surpluses (profits) for any or all of the following purposes: strengthening their cooperative, setting aside reserves; rebates to members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

**4. Autonomy and Independence:**

Cooperatives are autonomous, self-help organizations *controlled by their members*. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

**5. Education, Training and Information:**

Cooperatives provide education and training for their members, elected representatives,

managers, and employees, so they can contribute effectively to the development of their cooperatives. They inform the general public— particularly young people and opinion leaders — about the nature and benefits of cooperation.

**6. Cooperation among Cooperatives:**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

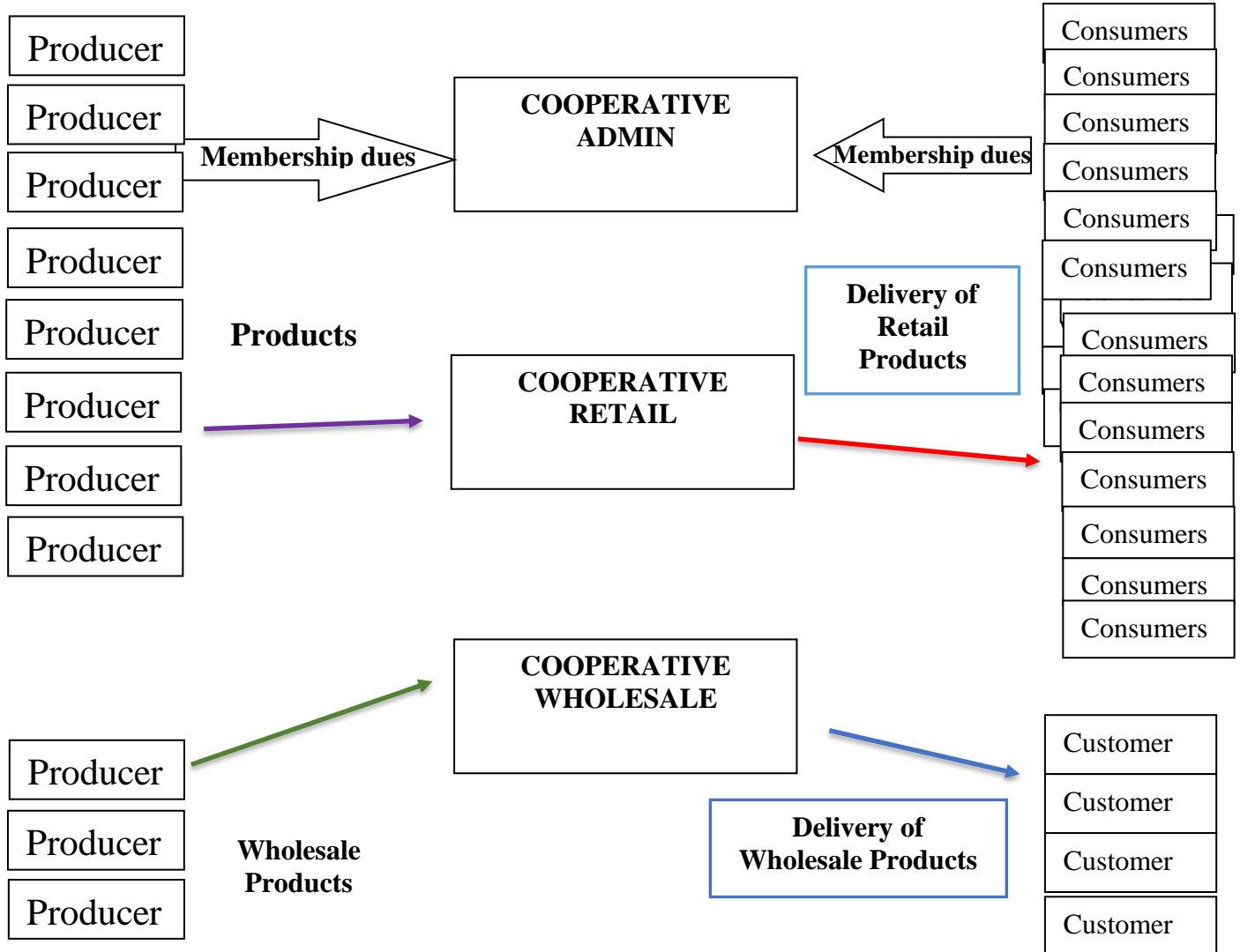
**7. Concern for Community:**

Cooperatives work for the sustainable development of their communities through policies approved by their members.

# THE UC SL BUSINESS MODEL

## Producer-Members

## Consumer-Members



- Producer-Members pay a membership fee and get:
- Ownership of Co-op
  - Dividend entitlement
  - Off-take Agreement (Ready Buyers)
  - Marketing of Products
  - Training/Technical Assistance
  - Forum for discussion, Lobbying
  - Bulk Purchase of inputs
  - Modest financial credit

- Consumer-Members pay a membership fee and get:
- Ownership of Co-op
  - Dividend entitlement
  - Access to high-quality low-price produce
  - Option to purchase in bulk
  - Patronage rebate based on purchases
  - Forum for discussion, Lobbying

- The Co-op
- Operates a physical/virtual retail depot
  - Provides wholesale type operation for large purchasers
  - Provides training of brokers/farmers
  - Pays independent brokers (commission-based)

## **BENEFITS TO PRODUCERS**

### **WHO JOIN THE CO-OP**

#### **Benefit #1: Off Take Agreements:**

Marketing is a specialized function and farmers are not necessarily marketing specialists. Farmers want to concentrate on their core activity which is growing and producing nutritious food. Many farmers find themselves caught in the boom-and-bust cycle, when the produce becomes plentiful the price goes down so low the farmers lose on the crop that they have taken care of for weeks and brought to market. Other times they are from supermarket backdoor to backdoor trying to get the produce sold and there are no takers.

One key benefit for farmers joining the Ujamaa Cooperative Society (the Co-op”) is that farmers will be offered off-take Agreements. These are guaranteed contracts with the Co-op to take specific amounts of certain produce from each farmer. Farmers can then plant and grow according to the contract that they have, with the certainty that they will be able to sell that produce to the cooperative.

#### **Benefit #2: Expert Extension Service**

Sometimes farmers struggle to get yields up or with how to keep pests away without spending more money that they can hope to recoup from the Crop. Sometimes there are simple changes that make a big difference along the entire process of the crop cycle but Farmers will have a forum to discuss challenges, opportunities, share ideas among like-minded persons - effectively have a support community across a whole range of issues.

#### **Benefit #3: Lobbying Power**

Unity is strength - operating as a cooperative gives farmers a strong unified voice in making representation to a wide range of

those techniques or enhanced operations require advice from experts.



Farmers joining the Cooperative will benefit from:

- Training from a panel of expert Extension officers
- Crop specific training
- Soil preparation and soil management
- Pest management
- Irrigation
- Post-harvest handling

#### **Benefit #4: Being part of the Farming Community**



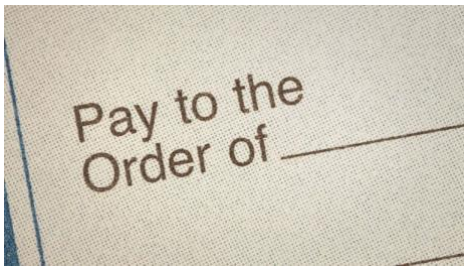
stakeholders, be it suppliers, local or overseas, consumers or various government departments. As a cooperative, we come to realize that the whole is greater than the simple sum of the parts.

### **Benefit #5: Bulk Purchase of Inputs**

Inputs are crucial and the retail cost of inputs keep rising.

Operating as a cooperative means being able to negotiate discounts on bulk purchases from suppliers. Farmers may be able to source certain inputs from overseas but will only be able to do so if they buy in minimum quantities or in bulk as a cooperative.

### **Benefit #6: Modest Financial Credit**



As the Co-op develops and matures, it will offer a facility for small short-term bridging loans.

### **Benefit #7: Share in the Profits**



At the Co-op, members own the business, and the profits belong to the members.

**Because you own the Co-op, you are entitled to share in the profits** in the form of dividends and in some cases a patronage refund/rebate.

A dividend represents a return of a portion of the profits made by the Co-op and is

determined by the Board of Directors. The dividend paid to each member is based on how many shares each member holds in the Co-op.

Patronage refunds/rebates are given based on a proportion of profit made by the business. Once this amount is determined, the refund is calculated according to how much each member has spent during that fiscal year at the Co-op.

Patronage refunds are based on how much you purchased during the rebate period, not on how much you invested. The more goods you purchase at the Co-op, the more you benefit if a patronage refund/rebate is allocated by the Board.

**Why not profit from what you spend?**

### **Benefit #8: Consumer Benefits**

Producers are entitled to all the benefits of consumer-members. (See below).

As members, they can also purchase products from the Co-op and benefit as a consumer-member of the Co-op. (See benefits of Consumer-members below)

**Do you want to know more about or/and become a member of the Ujamaa Cooperative Society Limited?**

Please contact us at

Email: [hello@ujamaacooperative.com](mailto:hello@ujamaacooperative.com)

Web site: [www.ujamaacooperative.com](http://www.ujamaacooperative.com)

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**See next:**

**Benefits to Consumers who join the Co-op**

## **BENEFITS TO CONSUMERS WHO JOIN THE CO-OP**

### **Benefit #1: Ownership of the Co-op**

In a cooperative, we are not just consumers or members, we are also owners.

A co-op is owned by the people who use it and operates for the benefit of its owners and community. Consumer cooperatives are very different from privately owned membership-based stores which charge annual fees in exchange for a discount on purchases. These stores or supermarkets are not owned or governed by the "members" or buyers and the profits of the business go to the investors, not the members.

At the Co-op, your membership fee is in the form of shares. You buy a legal equity share and further invest through shopping at the co-op. This investment of capital allows the Co-op to set up the retail outlet, buy inventory from farmers and have working capital to pay monthly expenses.

### **Benefit #2: One member, one vote**

**onemember  
one vote**

What makes co-ops different from other businesses? What sets them apart?

One trait that makes a co-op a co-op is that every member gets one vote on important issues. In co-op circles this is known simply as “**one member, one vote**”.

Other types of corporations often provide shareholders more votes if they own more shares in the company. Co-ops don't allow

for this type of voting. Whether you've bought a \$1,000 investment share or a \$10 membership share, you have the same amount of influence on the co-op's decisions: one vote.

Why is this so important to the co-op structure? The one member, one vote system helps ensure a co-op acts in the best interests of all its members and not only of one big investor.

### **Benefit #3: Elect who manages the Co-op**

Co-op member-owners vote to choose the board of directors and impact the Co-op's future direction. Member-owners vote on proposed bylaw changes, elect the Board of Directors, and may run for a seat on the board or the Co-op's committees. The directors are elected from among the membership and are accountable to the membership.

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#### **Why not profit from what you spend?**

#### **Benefit #5: Circulate dollars within our own community**

Co-ops keep more money in our local economy, increase the market and access for locally produced food, and prioritize business practices that are good for our own community.

#### **Benefit #6: Build up our community**

Instead of focusing on building profits for private investors, food co-ops focus on our community — circulating dollars within our community, donating to the community and acting in our interests and our community.

Cooperation builds strong bonds between the people who supply products and the people who use them. By their nature, co-ops offer a way to transform the way business is done. We influence government policies that affect agriculture in our community.

We join our collective voice with that of producers and keep our community's family farms and small producers from being run over by big business interests.

#### **Benefit #7: Education, training and information**

Co-ops provide education and training to owners, elected representatives, managers, and the general public.

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