

# Agrifood co-ops worth billions: report

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The likes of Fonterra, Foodstuffs and Cop Money are so important to the economy they are woven into the everyday lives of New Zealanders, a new report claims.

But this would also be a surprise to many, because the report has also found the \$43 billion-a-year co-operative economy was poorly understood.

Research has found the country's top 30 co-operatives and mutuals have more than 1.4 million members and employ about 48,500 people.

Co-operatives and mutuals were defined as organisations owned and controlled by their members who distributed benefits based on use.

Examples included Fonterra, Foodstuffs and the Southern Cross Healthcare Society.

Lead researcher Elena Garnevska said the report, a joint project between Cooperative Business New Zealand, Massey University and the University of

Auckland, was the first time the country's co-operative sector had been mapped.

"The results are a much-needed glimpse into a sector of significant economic and social importance to the country and help us to better understand and promote the co-operative business model to policy makers, consultants and other stakeholders," she said.

"With 1.4 million memberships the results show how much the co-operative economy is woven into the everyday lives of New Zealanders."

Agrifood co-operatives made up the biggest proportion of the country's co-operative economy, worth 65 per cent of revenue and nearly 83 per cent of employment.

The country's agrifood, retail and wholesale co-operative economy was worth twice as much as the global standard, and three times that of Australia's.

On the other side, New Zealand's insurance, banking and finance co-operatives only contributed about 3.4 per cent, whereas globally these sectors were

worth about 45 per cent.

"We expected the agrifoods sector would be important but we were surprised to find it is twice as much as the global situation," Garnevska said.

The report also found the co-operative economy was fragmented and lacked strong representation, however, which also meant there was a poor understanding of its business model by the public.

While the report had provided a snapshot of the sector, more research was needed to provide an ongoing picture of the co-operative economy.

Its authors hoped future research would look at the sustainability of co-operative businesses as well.

"Currently New Zealand does not have a research centre with a clear focus on co-operatives and mutuals to co-ordinate and deliver research and training support, but these centres are common in other countries," Auckland University researcher Lisa Callagher said.

"But more research and education is needed to pinpoint strengths, opportunities and evolving needs."