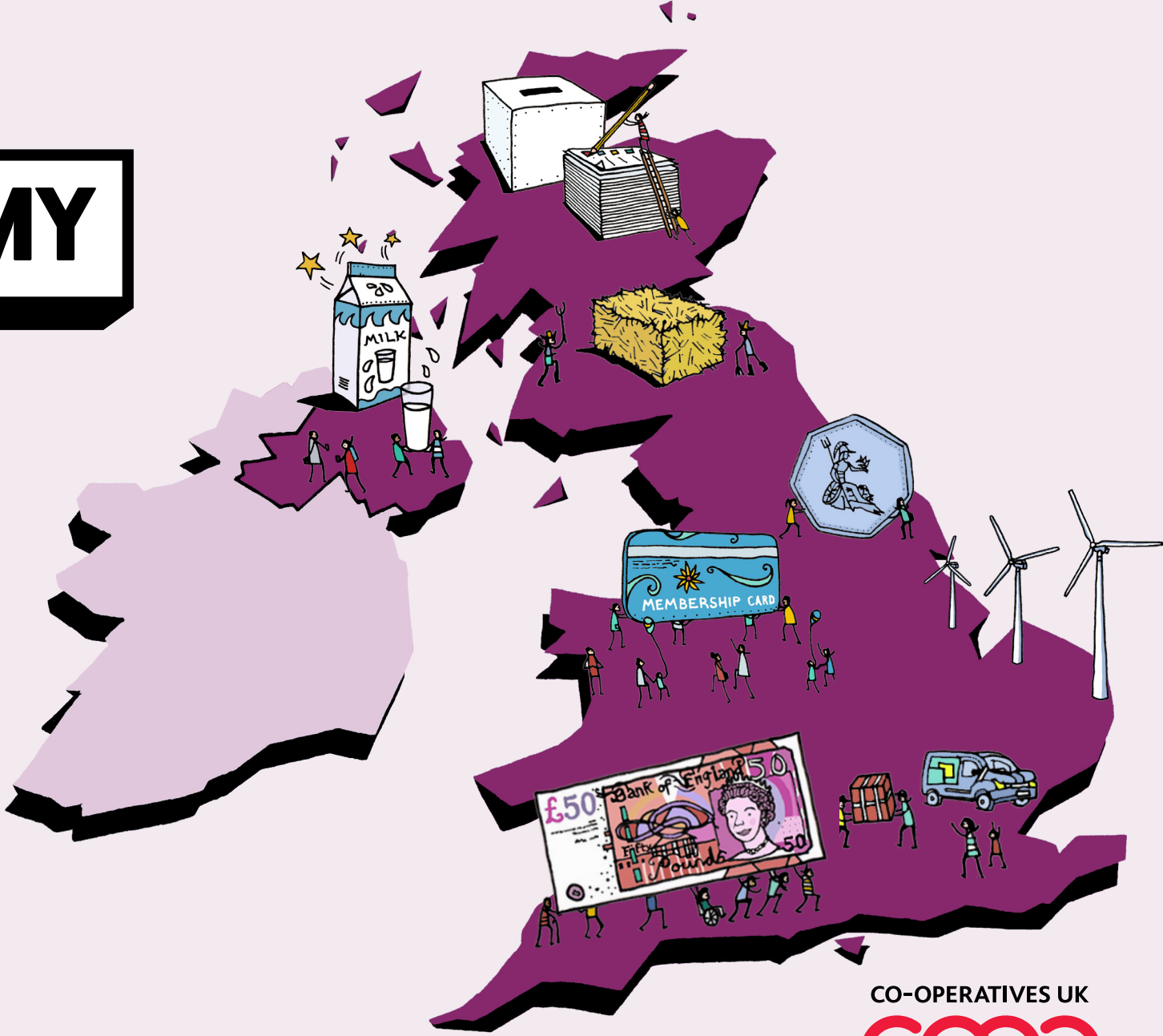


CO-OP ECONOMY 2020

A report on the
UK's co-operative
sector



#CoopEconomy

CO-OPERATIVES UK





The Co-op Economy 2020

“Co-ops exist to create value for their members and their communities and are not just about maximising profits for shareholders.”

Steve Murrells
CEO, The Co-op Group

The Co-op Economy is the nation's only comprehensive report on the UK's co-operative sector. It reveals turnover, membership and employee figures for thousands of co-op enterprises across the UK.

Why are co-ops important? Co-ops show how we can build back better from COVID-19. There are lessons to be learned from how they do business. They are more ethical; they do more for the communities in which they operate; they are proven to be more resilient than companies. Last year they contributed £38.2 billion in turnover and provided work for 241,714 people.

Co-ops are democratically owned and controlled by their members. They exist to meet common needs and aspirations, not to pay dividends to shareholders. They share power and wealth. They are also almost twice as likely to survive the early years of business when compared to companies. So why aren't there more? In 2020 they make up less than 1% of the total number of businesses. As we look towards a post-COVID-19 world, and consider how to make businesses more robust, more resilient and fairer, the answer must be a more co-operative economy.



Ownership and control

There are **7,063 independent co-ops** operating across the UK. They operate across all industries, from farming to finance and from energy to education, with The Co-op Group the UK's biggest co-op by turnover. The UK's co-ops have a combined turnover of **£38.2 billion**, up £340 million from 2019.

Co-ops are important to people. They are created to serve their members' needs. The equivalent to more than a fifth of the UK population – **over 14 million** – own and control the UK's co-operatives. That's millions of people who each have a say in how these co-op businesses are run. Members can be customers, workers, suppliers or a combination of all three.

As co-ops are guided by a clear set of values and principles, it means they do more for the communities in which they operate. They are valid businesses that demonstrate on a daily basis that doing the right thing and success should go hand in hand.

Annual
turnover



2020

£38.2
bn

2019

£37.8
bn

2018

£37.3
bn

2017

£36.3
bn

2016

£36.4
bn



7,063

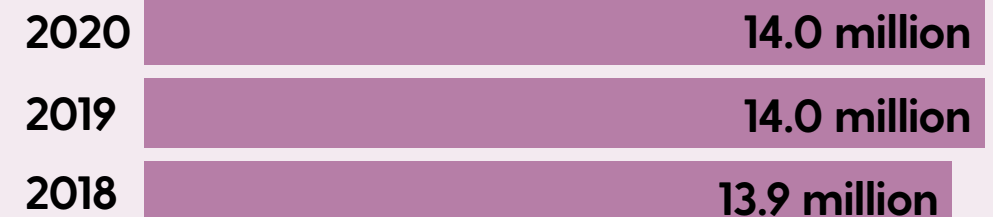
Independent
co-ops in the UK

241,714



employees
of co-ops

Number of co-op members



Survival of the fairest

Co-ops are resilient. They are almost twice as likely to survive the early years of existence when compared to other start-up businesses. **More than three quarters of co-op start-ups (76%)** are still flourishing after the difficult first five years. Other business forms are far less likely to survive, with only **42% of all new companies** making it through to the end of year five.

Co-ops are more resilient because they are created to meet the needs of their members. As owners, those members – customers, suppliers and/or workers – have a vested interest in the success of the co-op over the long term. Crucially, those same members all have a say in how the business is run.

The UK is facing tough economic conditions as a result of COVID-19, but during the crisis millions of people have participated in and benefited from solidarity and mutual aid. Co-ops can help the UK build back better by giving people better options in the way they consume, earn a living and do business.

Survival rates after 5 years



Business survival rates

	Year 1	Year 2	Year 3	Year 4	Year 5
Companies	93.5%	75.1%	60.9%	51.2%	42.4%
Co-ops	96.9%	91.3%	84.9%	78.5%	75.7%

The calculation for company survival rates is based on figures from 2013-2018

Case study

Creative Coop

After eight years toiling away in London for design agencies Ben Philp was, to put it bluntly, “fed up”. Multi-tiered chains of command, a lack of ethics and long hours for limited reward had all taken their toll.

“It was pretty soul-destroying stuff,” said Ben. “Sometimes you might have to change a logo simply because the CEO’s partner didn’t like it. I really didn’t like the hierarchy of agencies. Project managers often didn’t care. It was about maximising profit – what the project manager wanted, not the best solution for the client. I was fed up with that way of work.”

Ben struck out on his own before a chance encounter led to some joint-working with **Creative Coop** and an invitation to join the Colchester-based design studio followed. It proved mutually beneficial. Ben said: “We know we’re building something for ourselves and not one wealthy owner or shareholders. Generally, I find people in co-ops more driven – and as a member of the co-op you’re involved in the decision-making.”

Established in 2003, Creative Coop is a design studio which specialises in branding, design and web development. Ben is one of a small team of four – though the co-op utilises a network of associates and freelancers. The design studio’s ethical standpoint is clear in its client base of social enterprises, community organisations, co-ops, charities and public sector bodies.



Working with organisations like Save the Children and a range of co-ops has proven far more rewarding. Ben said: “In the past, having to create campaigns for organisations you knew were involved in things like the destruction of rainforests was pretty soul destroying.

“Here we’re proud of what our clients are trying to achieve. And when what they want isn’t necessarily the best solution for them we’ll turn work down. For example, we won’t just go and create an app if it’s not going to be the best suited to the clients needs – even if initially that’s what they believe they need and would be more profitable for us.”

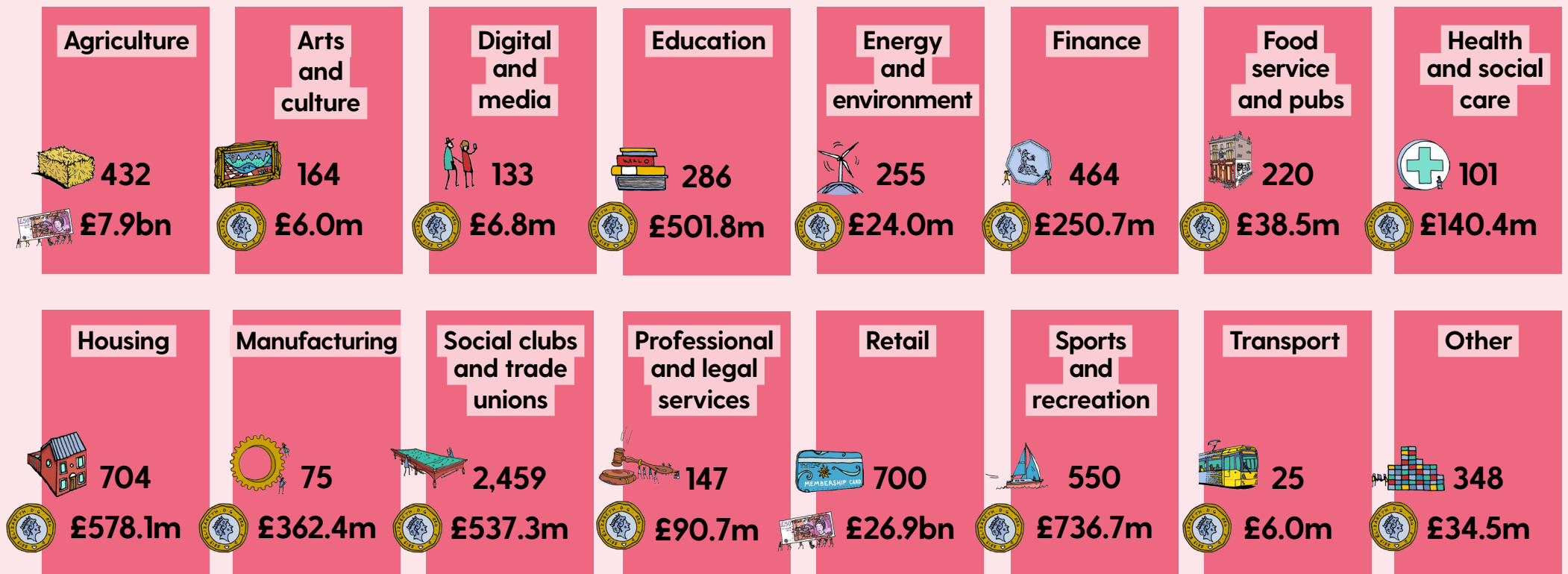
Client choice and honest appraisal of their needs has proven its worth, even with the impact of COVID-19. Ben said: “In other sectors I have heard a number of organisations have gone bust, or not paid the design agency. That’s not been the case for us, but we have lost work. In the first week of isolation maybe 70 or 80 per cent of our work we had booked in was wiped out.

“Some of that work won’t come back. But our model of business has made us really resilient. There’s a shared responsibility and one individual isn’t taking all the funds out. Money goes back into the co-op regardless.”

The co-op model is also resilient in other ways. Ben said: “You tend to attract more ethically minded people – and they’re more likely to stay. As an owner you are willing to go that extra mile, but you also get out what you put in. It’s different for traditional companies. I have seen a fair few design agencies go under when someone key leaves, including some of the most successful design agencies.”

Expanding Creative Coop’s membership is something Ben is keen to explore when something approaching normality returns. He added: “For me personally it’ll be nice to give something back – not only by helping clients make a positive social difference, but also to give others in our industry the chance to appreciate the benefits of working in a model like ours, with a great range of clients that care.”

Number of co-ops and turnover by sector



Case study

Open Food Network

Locavore is one of 636 'shopfront' members of the platform co-operative Open Food Network (OFN). It was already a growing business – even before COVID-19 struck. The social enterprise, in Glasgow, connects people with locally and ethically sourced produce via its shop, wholesale operation and vegetable box scheme. And it has been a genuine lifeline to some of its customers during the pandemic.

“Demand exploded for the veg boxes,” said Locavore’s Dorothea Warlich. “People really appreciate that we are reliable, that they can rely on us in an emergency. They’re grateful we have been able to keep going, keep delivering their veg boxes, keep the shop open and well stocked.”

Short supply chains and direct relationships with producers have proved key to coping with increased demand, including delivery to some of the community’s most vulnerable people. Locavore gained around 400 new customers by mid-April with online sales increasing five-fold in just three weeks during the same month.

Dorothea said: “It has really helped having the local connections. We are all about the short supply chains. I really hope this encourages a wider range of people willing to support the food producers in their local communities.”



Locavore's ethos is not unique. Like other OFN members, it is based on a sustainable local food system which benefits the local economy, the environment and local communities. More than 1,300 food producers are member owners of the software platform – and the UK's arm of the platform co-operative is booming. In the four months from mid-January to mid-May the weekly turnover of OFN shops increased by more than 1200% to almost £60,000 per week.

Nick Weir is Communications Manager for OFN. He said: "We work to a **clear set of values** to facilitate a fairer system. We can give farmers a fair price and shoppers affordable, quality produce. COVID-19 has brought into sharp focus the need for local control of food systems. We've seen a real coming together of communities around these systems which I think will have a lasting effect."

All OFN members are eligible to stand for election to the co-op's board and can influence how the software develops – even at a global level. Nick said: "In other countries it's the same story. Brazil, India, Italy, Ireland... they all want shorter food supply chains."

Locally rooted and ethically sound retailers are not a new invention. Co-op retailers, including The Co-op Group, the independent retail societies and worker-owned wholefood businesses all champion those ideals. Nick believes the expanding OFN membership can operate alongside to help create a more sustainable future.

"When we are talking about massive neo-liberal enterprises, the biggest supermarket chains and discounters, they're legally bound to maximise shareholder profit," he added. "Co-operatives, with their membership structure and values and principles immediately takes away that all-encompassing profit incentive."





The co-operative top 100

Top 100 ranking		Organisation name	Industry sector	Turnover
2020	2019			
1	2	The Co-op Group	Retail	£10,860,000,000
2	1	John Lewis Partnership PLC	Retail	£10,151,300,000
3	3	Arla Foods	Agriculture	£2,620,663,000
4	4	National Merchant Buying Society	Retail	£1,787,019,000
5	6	Central England Co-operative	Retail	£843,030,000
6	5	The Midcounties Co-operative	Retail	£808,081,000
7	7	Openfield Group	Agriculture	£627,518,000
8	9	Dale Farm Co-operative	Agriculture	£509,363,000
9	8	Mole Valley Farmers	Agriculture	£490,523,000
10	10	The Southern Co-operative	Retail	£450,851,000
11	11	Scottish Midland Co-operative Society	Retail	£384,952,000
12	12	East of England Co-operative Society	Retail	£348,480,000
13	13	Berry Gardens Growers	Agriculture	£317,060,000
14	14	Greenwich Leisure	Sports and Recreation	£298,892,372
15	19	Lincolnshire Co-operative	Retail	£296,450,000



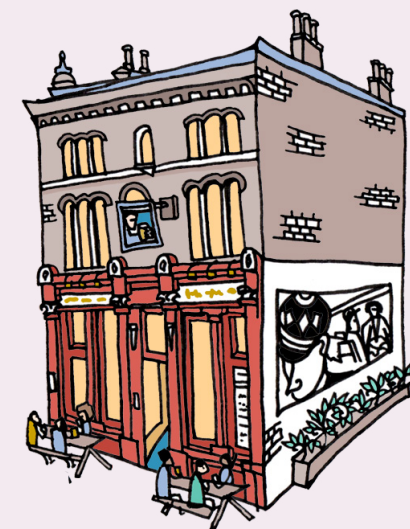
Top 100 ranking		Organisation name	Industry sector	Turnover
2020	2019			
16	15	The AF Group	Agriculture	£273,662,418
17	16	First Milk	Agriculture	£272,256,000
18	17	Scott Bader Company	Manufacturing	£225,817,000
19	18	LacPatrick Dairies (NI)	Agriculture	£223,841,024
20	20	Fram Farmers	Agriculture	£194,748,551
21	21	The Channel Islands Co-operative Society	Retail	£184,517,000
22	23	GrainCo	Agriculture	£183,304,760
23	48	The Co-operative Academies Trust	Education	£163,663,000
24	24	Fane Valley Co-operative Society	Agriculture	£135,793,000
25	22	United Oilseed Producers	Agriculture	£132,973,095
26	New	Fengrain	Retail	£128,444,148
27	25	ANM Group	Agriculture	£126,780,000
28	31	Agricultural Central Trading	Agriculture	£115,852,296
29	26	Woldmarsh Producers	Agriculture	£114,715,438
30	27	Farm Fresh PO	Agriculture	£102,279,737
31	28	Brandsby Agricultural Trading Association	Agriculture	£101,922,864
32	29	United Farmers	Agriculture	£99,206,349
33	30	Organic Milk Suppliers Co-operative	Agriculture	£95,541,000
34	35	Meadow Quality	Retail	£90,856,962
35	34	International Exhibition Co-operative Wine Society	Retail	£89,765,000
36	32	Yorkshire Farmers Livestock Marketing	Agriculture	£84,958,847
37	39	Wealden Leisure	Sports and Recreation	£83,060,685
38	37	Heart of England Co-operative Society	Retail	£74,203,000
39	45	Tarff Valley	Agriculture	£71,282,467
40	33	Chelmsford Star Co-operative Society	Retail	£70,823,280



Top 100 ranking		Organisation name	Industry sector	Turnover
2020	2019			
41	41	Speciality Produce	Agriculture	£65,097,375
42	36	G's Growers	Agriculture	£64,130,000
43	44	Camping and Caravanning Club	Membership associations, social clubs and trade unions	£63,769,000
44	42	Scottish Pig Producers	Agriculture	£63,301,409
45	40	Aquascot	Manufacturing	£60,992,855
46	46	Long Clawson Dairy	Agriculture	£59,564,000
47	43	Scotlean Pigs	Agriculture	£58,315,628
48	47	Rochdale Boroughwide Housing	Housing	£56,239,000
49	49	Triangle Wholefoods Collective	Retail	£54,341,735
50	50	Trivallis	Housing	£54,208,000
51	51	Steer Davies & Gleave	Professional and Legal services	£53,926,087
52	55	South Caernarvon Creameries	Agriculture	£52,879,018
53	53	Clynderwen and Cardiganshire Farmers	Agriculture	£49,730,498
54	52	Greenfields Community Housing	Housing	£47,618,000
55	54	Bron Afon Community Housing	Housing	£45,891,000
56	57	Southern Farmers	Agriculture	£39,244,772
57	56	Tullis Russell Group	Manufacturing	£38,229,000
58	65	Radstock Co-operative Society	Retail	£35,121,270
59	62	Watford Community Housing Trust	Housing	£34,928,000
60	66	Osborne Co-operative Academy Trust	Education	£33,380,000
61	60	Phoenix Community Housing Association	Housing	£33,135,000
62	58	B A K O (Western)	Retail	£32,778,818
63	61	H F Holidays	Sports and Recreation	£32,428,000
64	59	Surrey County Cricket Club	Sports and Recreation	£31,665,323



Top 100 ranking		Organisation name	Industry sector	Turnover
2020	2019			
65	63	Community Gateway Association	Housing	£28,600,000
66	New	Bedfordshire Schools Trust	Education	£27,838,000
67	67	Local Care Direct	Health and Social Care	£27,187,283
68	76	Education And Leadership Trust	Education	£24,849,151
69	72	Infinity Foods Co-operative	Retail	£24,569,837
70	69	UIA (Insurance)	Finance	£24,549,067
71	70	Aspatria Farmers	Agriculture	£24,460,718
72	71	Argyll Community Housing Association	Housing	£24,329,000
73	73	Scottish Shellfish Marketing Group	Agriculture	£24,023,761
74	75	Cartrefi Cymru Co-operative	Health and Social Care	£23,927,000
75	74	Tamworth Co-operative Society	Retail	£23,149,000
76	64	Mockbeggar	Retail	£22,092,958
77	79	Merthyr Valleys Homes	Housing	£20,203,000
78	127	The Passmores Co-operative Learning Community	Education	£20,059,661
79	89	Lancashire County Cricket Club	Sports and Recreation	£19,709,682
80	136	City Learning Trust	Education	£19,608,970
81	88	Dengie Crops	Agriculture	£19,426,739
82	97	Interchange and Consort Hotels	Food service, Accommodation and Pubs	£19,278,828
83	78	Hay and Brecon Farmers	Agriculture	£19,203,815
84	93	East of Scotland Farmers	Agriculture	£18,694,430
85	81	Essential Trading Co-operative	Retail	£17,513,143
86	82	Warwickshire County Cricket Club	Sports and Recreation	£17,275,390
87	85	South Armagh Farming Enterprises	Agriculture	£17,143,877
88	86	Coastal Grains Marketing	Agriculture	£17,067,904



Top 100 ranking		Organisation name	Industry sector	Turnover
2020	2019			
89	80	Farm Stock (Scotland)	Agriculture	£16,460,415
90	94	Littleton & Badsey Growers	Agriculture	£15,668,501
91	90	Watmos Community Homes	Housing	£15,667,000
92	107	Tay Forth Machinery Ring	Agriculture	£14,956,009
93	96	Welsh Bakers Buying Group	Retail	£14,454,551
94	98	Salford Community Leisure	Sports and Recreation	£14,437,506
95	91	Fresh Growers	Agriculture	£14,355,175
96	101	South East London Doctors Co-operative	Health and Social Care	£14,245,421
97	87	The Shropshire Doctors' Co-operative	Health and Social Care	£13,937,123
98	99	North East Grains	Agriculture	£13,896,085
99	114	Cadwyn Housing Association	Housing	£13,868,000
100	102	Furness and South Cumberland Supply Association	Agriculture	£13,496,036



About this report

The Co-op Economy report has been compiled by Co-operatives UK on behalf of the UK co-operative movement. The report analyses data from thousands of co-op businesses across the UK for the period 2005 to 2020.

Co-operatives UK monitors a range of data sources to provide the most comprehensive intelligence available on the UK co-operative sector.

Data is collected from a range of sources including the Financial Conduct Authority and Companies House and it is continually updated to ensure it is accurate, complete and trustworthy.

We make our data openly available to allow anyone to access, analyse, build upon, share, and help us improve it. By making the data open, Co-operatives UK affirms this and offers a route for users to identify gaps and areas for improvement. The annual figures featured in the Co-op Economy report are rebased when new data is added or existing data updated. This means year-on-year data and trends are accurate in each report, though there may be differences if comparing across different publications. In 2015-16, a significant change was made to the methodology used to compile the dataset. This has led to an increase in its accuracy, but with a notable change in level of turnover reported in previous reports:

Find out more at www.uk.coop/open-data



Thousands of businesses, one network

Co-operatives UK is the network for Britain's thousands of co-operatives. We work together to promote, develop and unite member-owned businesses across the economy. From high street retailers to community owned pubs, fan owned football clubs to farmer controlled businesses, co-operatives are everywhere and together they are worth billions to the UK economy.

Co-operatives UK Limited
Holyoake House
Hanover Street
Manchester M6 0 OAS
Tel 01612141750

www.uk.coop/economy

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