

115TH CONGRESS
1ST SESSION

H. RES. 561

Commending the cooperative business model and the businesses, employees, and practitioners nationally and internationally who use it for their contributions to the economy and social impacts they make on their communities.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2017

Mr. POLIS (for himself, Mr. POCAN, and Ms. PINGREE) submitted the following resolution; which was referred to the Committee on Energy and Commerce

RESOLUTION

Commending the cooperative business model and the businesses, employees, and practitioners nationally and internationally who use it for their contributions to the economy and social impacts they make on their communities.

Whereas cooperatives are member-owned businesses, owned and governed by the people that use the business, create its products, or manage its operations, and operate under the 7 agreed upon principles of—

- (1) voluntary open membership;
- (2) democratic control;
- (3) owner economic participation;
- (4) autonomy and independence;
- (5) education, training, and information;

- (6) cooperation among cooperatives; and
- (7) concern for community;

Whereas cooperative entrepreneurs are often categorized into 4 variations of the business model—consumer, producer, purchasing, and worker cooperatives—and can be found in almost every economic sector in the United States, throughout all 50 States and territories, and every congressional district in the United States;

Whereas internationally the principles of cooperation and the cooperative business model help smallholder farmers organize themselves and gain access to local and global markets, training, improved inputs, and aggregated sales and marketing;

Whereas this provides farmers ownership over their economic decisions, a focus on learning, and a broader understanding of environmental and social concerns;

Whereas cooperatives help farmers increase incomes and become more resilient to shocks and stresses by working together to plan and prepare for the future;

Whereas cooperative values stress self-help and inclusion of vulnerable groups to ensure access to women and youth;

Whereas the Global Food Security Act identified cooperatives among key stakeholders who are actors engaged in efforts to advance global food security programs and objectives and listed cooperatives as part of a comprehensive whole of Government strategy where the President would leverage the resources and expertise of cooperatives as part of our national security interests to promote global food security, resilience, and nutrition consistent with national food security investment plans which are reinforced

through programs, activities, and initiatives that lead to—

- (1) self-sufficiency;
- (2) accelerated economic growth, reducing poverty, hunger, and malnutrition, especially among women and children;
- (3) increased productivity, income, and livelihoods of small-scale producers, especially women;
- (4) building resilience and reduce reliance on emergency food;
- (5) promoting property rights;
- (6) improving nutritional status of women and children;
- (7) aligning and leveraging broader United States strategies in science and technology in water, sanitation, and hygiene;
- (8) partnering with higher education; and
- (9) ensuring effective use of taxpayer dollars;

Whereas annual Agriculture, Rural Development, Food and Drug Administration, and Related Agencies and State and Foreign Operations appropriation bills fund titles and programs within the United States Agency for International Development and the Department of Agriculture under Development Assistance, Feed the Future, Food for Peace Title II, and the Cooperative Development Program, and grantee organizations use funding to advance international development using cooperative principles and the cooperative model;

Whereas Federal legislation authorized a cooperative research program with academic institutions to conduct research on the effects of all types of cooperatives on the national economy as part of the 2008 farm bill;

Whereas the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations Acts included appropriations in fiscal years 2006 through 2010 for the Department of Agriculture to enter into agreements with academic institutions to conduct research on the national economic impact on all types of cooperatives, which totaled \$2,095,000;

Whereas the University of Wisconsin Center for Cooperatives completed a research study in 2009 entitled, “Research on the Economic Impacts of Cooperatives”, whereby they built a comprehensive list of all United States cooperatives, gathered economic data from cooperatives, and conducted analysis on direct and indirect economic impacts, and developed approaches for measuring the unique economic and social impacts of cooperatives;

Whereas it was found that 30,000 United States cooperatives operate at 73,000 places of business throughout the United States, that these cooperatives own \$3 trillion worth of assets in the United States economy, provide more than \$25 billion in wages, account for nearly \$654 billion in revenue, employ 2 million people, and account for more than 350 million memberships nationwide;

Whereas in the education sector, the collective purchasing for educational institutions, the direct delivery of education services to the children of parent-members, or affiliated worker-owned schools with teachers as member-owners account for \$1 billion in revenue and \$700 million in value-added income, provide 15,000 jobs with \$500 million in wages paid, and account for 1,000 child care or early learning cooperatives throughout the United States;

Whereas in the utility services sector, utility cooperatives are tasked with the delivery of public services such as elec-

tricity, water, and telecommunications, mainly throughout the rural United States, where investor-owned utility companies typically do not operate due to low profitability;

Whereas in these types of cooperatives, power is literally in the hands of the communities in which they serve, as 42 percent of the United States electric distribution, 75 percent of the Nation's land mass, and 900 of these member-owned cooperatives exist in 47 States and provide power to 18 million homes, schools, and businesses;

Whereas in the financial services sector, cooperatives including credit unions, farm credit banks, and financing organizations that lend to cooperatives ensure that all revenue is funneled back into the business to lower interest rates and provide other benefits to its member-owners;

Whereas more than 100 million people in the United States belong to over 6,000 credit unions;

Whereas in the insurance sector, the first cooperative was a mutual insurance company founded in 1752 by Benjamin Franklin;

Whereas with no stockholders, policyholders vote in board elections and profits earned are cycled back into cost saving programs or returned as dividend payments;

Whereas three of the largest mutual insurance providers represent 18 percent of the insurance market in the United States, employ 2.6 million people, and account for \$1.2 trillion in net premiums;

Whereas in purchasing and shared-service cooperatives, independent and franchise businesses who rely on them thrive;

Whereas brands such as ACE and True Value Hardware, CARE Pharmacies, Carpet One, and Restaurant Services, Inc., number in strength to an estimated 750 in the United States, and are owned by their independent members and represent \$1.1 trillion in collective assets, and \$158 billion in revenue;

Whereas top franchises such as Burger King, Subway, Pizza Hut, and Taco Bell all use purchasing cooperatives;

Whereas in the agriculture sector, cooperatives account for a significant portion of the economic activity in the United States agriculture and food markets;

Whereas these producer cooperatives collectively help farmers buy required supplies and services to operate their individual farms and help more efficiently market their raw or processed products more than if they performed these duties individually;

Whereas 2,106 such cooperatives exist and represent over 2 million owners and provide for over 190,000 jobs from familiar consumer names such as Blue Diamond Almonds, Florida's Natural, Ocean Spray, Sun-Maid, and Sunsweet;

Whereas in the food and grocery sector, cooperatives are consumer-owned grocery retail businesses that provide high-quality, organic, and locally sourced products to their member-owners and customers;

Whereas food cooperatives range in size from small, local buying clubs to multistore regional giants that go head-to-head with national chain stores, having combined annual sales of nearly \$2 billion, where 38 percent of revenue is spent locally, accounting for \$1,600 returned to the community for every \$1,000 spent;

Whereas these cooperatives do 2.5 times more business with local farms and producers than conventional stores;

Whereas in the housing sector, housing cooperatives and resident-owned communities are an alternative to conventional rental apartments, mobile home parks, and condominiums;

Whereas a housing cooperative owns the building or land and empowers each resident with ownership and responsibility;

Whereas housing cooperatives have roots dating to the late 1800s and today are mostly concentrated in major cities like New York City, Chicago, and Washington, DC, and increasingly are becoming an alternative for students at colleges throughout the United States;

Whereas over 6,400 housing cooperatives provide housing to over 1.2 million families;

Whereas 23 colleges and universities offer access to housing cooperative units, saving students an average of 50 percent on their room and board;

Whereas consumer or storefront cooperatives serve a number of the Nation's consumer needs and wants in many industries;

Whereas stores that offer outdoor gear such as REI, automotive parts such as NAPA, as well as those that make and sell baked goods, beer, and wine, and services such as taxi services and pedicabs, are increasing in popularity and use;

Whereas in worker cooperatives, members both perform the work and govern the business;

Whereas in recent years, many businesses are choosing to structure this way so that workers have greater control over the business in which they work and own;

Whereas many sole proprietor, partnership, or family businesses are converting to worker-owned cooperatives when faced with a potential closure or buyout;

Whereas there are an estimated 350 worker-owned cooperatives that employ over 4,500 people in the United States and generate over \$500 million in annual revenue;

Whereas one of the largest worker-owned cooperatives, Cooperative Home Care Associates, has been able to reduce their once high employee turnover rate of 60 percent down to 15 percent by providing a more equitable work environment;

Whereas cooperatives are a proven strategy in helping people build a more inclusive economy that is more equitable, participatory, growing, sustainable, and stable;

Whereas a survey of Americans was conducted in April of 2015 and found that cooperatives are preferred over for-profit, investor-owned business models for the values of having the best interests of the consumer in mind, running the business in a trustworthy manner, commitment to and involvement in their communities, commitment to the highest quality of service, offering fair and competitive prices, being counted on to meet a customer's needs, and providing products or services of high value;

Whereas an Interagency Working Group on Cooperative Development was established in the Agricultural Act of 2014 and authorizes the Secretary of Agriculture to coordinate and chair an interagency working group to foster cooperative development and ensure coordination with

Federal agencies and national and local cooperative organizations that have cooperative programs and interests, and has organized four meetings thus far;

Whereas a bipartisan Congressional Cooperative Business Caucus was established and approved by the Committee on House Administration of the House of Representatives in the 114th and 115th Congress, which united Members of Congress in a cause to create a better informed electorate and a more educated public on the important role that cooperatives play in the national and international economy, to promote the cooperative business model because it ensures consumers have access to high quality goods and services at competitive prices and costs that better the lives of individuals, families, and their communities, and to address and correct awareness challenges among the public and within the Government on what a co-op looks like, who are co-ops, where are co-ops, and why do people choose them;

Whereas the Census Bureau, as part of its 2017 Economic Census, will include a question in its survey of all businesses asking if the business is organized as a cooperative which will yield both quantitative and qualitative data on the effects and importance of cooperatives across the American economy;

Whereas, annually, the National Cooperative Bank publishes the “NCB Co-op 100”, the only annual report of its kind to track the profits and successes of the top 100 revenue-earning cooperative businesses in the United States; and

Whereas the national apex organization representing people and organizations that use the cooperative business model to build a better world, the National Cooperative

Business Association CLUSA International, celebrated its 100th anniversary in 2016: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) commends the cooperative business model
3 for its contributions to the Nation’s and the world’s
4 economy, the jobs it creates, and its social impacts
5 on the communities in which they operate;

6 (2) expresses its confidence in and support for
7 cooperatives toward continuing their successes;

8 (3) will seek to enact legislation ensuring that
9 cooperatives won’t be adversely affected;

10 (4) will be mindful in crafting legislation affect-
11 ing other business models so that the legislation does
12 not adversely affect the cooperative business model’s
13 competitive position; and

14 (5) will seek to enact legislation studying, sup-
15 porting, encouraging, and promoting the use of the
16 cooperative business model across all policy areas
17 that can be an additional alternative toward helping
18 solve a number of the Nation’s and the world’s pol-
19 icy issues and concerns.

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