

Cooperatives Would Help to Reduce the Cost of Food

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Food cooperatives have a lot of potential to cushion the vulnerable

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The current state of the economy creates the right condition for starting a food cooperative. The cost of food in recent months has been dictated by various factors which have converged to dictate higher prices, a cost that is passed on to consumers. The effects are all too clear.

Food cooperatives could counter the high cost of food. A food cooperative is an outlet for food and other farm produce that is organised as a cooperative following cooperative principles. Its primary purpose is, first of all, to serve members.

They are also regarded as consumer cooperatives because they offer goods or services used primarily by members for personal consumption. Decisions regarding food production and its distribution is decided upon by the members.

The primary rationale for a food cooperative is that, by pooling their buying power and purchasing of food in bulk from the food suppliers, who may include members, it has the muscle to negotiate better prices, a benefit that is then passed on to the members. It, therefore, makes it easier for the members to access fresh food and at lower prices while non-members buy at market rates.

Great Depression

Food cooperatives have a lot of potential to cushion the vulnerable. In the United States, the trigger for the first wave of food cooperatives was the Great Depression of the 1930s, during

which time many families struggled to make ends meet. It created the right cocktail for the launch of many food cooperatives. There are more than 100 million members of food cooperatives in the US alone. In Belgium, their annual turnover is well over €76 billion.

Food cooperatives have additional benefits for the community. First, they increase access to affordable healthy foods, thus impacting directly the health of members and the community. They are avenues to advocate for healthy eating.

Secondly, they provide outlets near residential areas, thus precluding the need to drive further away which aids the environment. Thirdly, food cooperatives bring social benefits to communities by engaging local people. Lastly, economic benefits accrue through support of local producers, which helps to keep money circulation in the local economy.

Food cooperative

And it is easy to start a food cooperative. First, one needs a core group of members to form the initial governing body, through whom the start-up capital is raised to launch the grocery store. The logistical and financial obstacles notwithstanding, cooperatives have higher levels of success.

Data show after five years of operation 90 per cent of cooperatives remain in business; compare this success rate to 3-5 per cent for businesses. Yet there is, to my knowledge, only one registered food cooperative in Kenya. The time is ripe for more of them across the country to address the high cost of food.

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