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Conventional Consumer Cooperatives and Local Foods: A Case Study from Cape Breton, Canada

ABSTRACT

This paper examines cooperation and community development in the food sector. It explores how conventional consumer cooperatives located in Cape Breton, Nova Scotia, Canada support local producers as well as the role of their second-tier cooperative in hindering and facilitating this work. Fifteen interviews were conducted with managers and directors representing ten stores. Findings show that while there is interest on the part of these cooperatives in carrying local foods, they experience store and supply-level barriers in doing so. Additionally, some federation practices constrain the ability of the retails to carry Cape Breton products. Both stores and the federation, however, share a common understanding of the role they play in community development and alternative food systems.

KEY-WORDS

LOCAL FOOD; FOOD SYSTEMS; COOPERATIVES; FEDERATIONS; CANADA

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1. Introduction

Cooperative organizations feature prominently in the food sector. While food cooperatives traditionally emerged as consumer-owned grocery stores in response to failures in market economies (MacPherson, 2009; Thompson, 2012), more recently examples have formed largely as a result of consumer and producer interests in the inter-related issues of organic and local agriculture, sustainable development and fair prices for farmers (Murtagh and Ward, 2009; Chouinard and Martin, 2012). Food cooperatives are found around the world and are grounded in internationally recognized principles including member economic participation, voluntary and open membership, cooperation among cooperatives and concern for community (International Co-operative Alliance, 2011). They contribute to their communities in a variety of ways: by offering community spaces, by creating employment opportunities for local residents, and by stemming economic leakages through the provision of essential goods in small communities, to name a few (Hoyt, 2004; Heit, Fulton and Fairbairn, 2014). Those promoting local and sustainable production and consumption also work to counter the negative environmental, social, health and economic impacts of a globalized food system (Feenstra, 1997; Seyfang, 2006; Williams et al., 2012; Sumner, McMurtry and Renglich, 2014).

The purpose of this paper is to examine cooperation and community development in the food sector in two different, but interconnected, respects: first, it explores how a cluster of cooperative stores located in Cape Breton, Nova Scotia, Canada support local producers and the challenges they experience in doing so. Second, it explores the role of the second-tier cooperative in supporting producers in the small communities where the individual member cooperatives are located. This article makes two contributions to the literature: first, unlike the existing literature on the role of new cooperatives in facilitating dimensions of sustainable agriculture, we examine how food stores established to address market failures in the conventional food system attempt to work with local producers. Second, we examine the relationship between a cooperative federation that both operates a wholesale and sources food at a regional level, and its member stores that are also attempting to partner with Cape Breton producers. Through this, we look at the interplay between the principles of cooperation among cooperatives and concern for community, and more specifically, how the principle of cooperation among cooperatives may hinder or contribute to community development.

2. Background

Cape Breton Island, Nova Scotia, is located in eastern Canada. Cape Breton is an economically depressed region, with an unemployment rate that is double the provincial average and is triple the national one, and with high rates of outmigration (Nova Scotia Department of Finance, 2013). The island experienced rapid growth a century ago through the coal and steel industries, but is now de-industrialized. Traditional rural industries such as forestry, fishing and agriculture have also experienced decline (Dodaro and Pluta, 2012; Stalker and Phyne, 2014).

At the same time, people living on the island have long experimented with self-help strategies. The country's first community development corporation was formed in Cape Breton in 1976 and continues to operate (Macleod, 2004; Lionais and Johnstone, 2010). Importantly, the island was also the home of the Antigonish movement, an economic movement that took place primarily between the 1930s and the 1950s that saw the formation of hundreds of cooperative businesses through the use of adult education techniques animated by extension workers from a nearby university (Dodaro and Pluta, 2012). It was during this time period that the majority of food cooperatives that participated in this research were formed.

The cooperative grocery stores in Cape Breton, as well as in other parts of Nova Scotia, and the provinces of New Brunswick and Prince Edward Island, own a second-tier cooperative structure called Co-op Atlantic. This federation provides wholesale, distribution, financial, marketing, and other services to its member cooperative stores (Brown, 2014), and is also active in real estate, social housing, energy and agriculture supplies (Brown, Hicks and Leclerc, 2012). Co-op Atlantic has management agreements in place with some of the first-tier food cooperatives, whereby the federation hires store managers and provides training, although the managers are still accountable to the directors of the cooperatives they run (Livingstone, 1995). In addition, the federation also owns and operates some grocery stores that are not controlled by consumers (Brown, 2014). Called "corporate stores", these retail outlets were acquired by the federation when they were no longer financially viable as independent, consumer-owned cooperatives to ensure that adequate retail scale would still be available to the federation. At the time that this research took place, there were 12 cooperative food stores operating in Cape Breton under the Co-op Atlantic banner (Co-op Atlantic, 2008), one being a corporate store.

Co-op Atlantic struggles within a globalized food system where chain stores and complex supply chains dominate (MacPherson, 2009; Brown, 2014; Cameron and Hanavan, 2014). Co-op Atlantic has responded to their competition by emphasizing and marketing "the cooperative difference" (MacPherson, 2009; Brown, 2014). One of their areas of emphasis is partnering with Atlantic Canadian farmers and making what is grown and raised by these producers available to federation's stores through their wholesale division (Brown, 2014). For example, Co-op Atlantic sells inputs to producers through their agricultural supply stores, and then purchases meat and produce from these farmers. They also highlight these products through their marketing; the logo used to identify these products in store flyers reads "Atlantic Produced by Your Neighbours" (Co-op Atlantic, 2008), and these regionally-produced foods are identified by the federation as "local" (Co-op Atlantic, 2008). As a result, while their competitors operate using a globalized supply chain, the federation has responded, and works to differentiate itself, through the creation of a regional food system.

What is meant by local foods is socially constructed and can change over time (Seyfang, 2006). Some consumers define local in terms of driving distance (Zepeda and Leviten-Reid, 2004) or the 100-mile diet (Rose et al., 2008). Although the term is not clearly defined, local food systems or foodsheds can also be understood as having social and cultural elements while being rooted in particular places (Kloppenburg, Hendrickson and Stevenson, 1996; Feenstra, 1997). Cape Breton, as an island, has naturally-occuring boundaries and a unique history and identity, and its geographic and climactic features make it a separate entity from mainland Nova Scotia with respect to agricultural production (Koziel, 2012). As a result, using the term "local" to capture foods grown on the island has cogence.

With respect to the agricultural sector, the most current data show that there are 223 farms in Cape Breton generating approximately 20,000,000 CAD in revenue (Koziel, 2012). The typical small and medium-sized farm on the island is focused on self-sufficiency, whereby farmers grow primarily for their own consumption, but also have one or two commodities for sale (Beaton, 2015). Producers are experimenting with sustainable farming practices and are marketing their products through a variety of means, including through the formation of new farmers' markets and a food hub, and by selling from the farm gate. Scaling up the agricultural sector is seen as an important economic development strategy by local actors (Economic Growth Solutions, 2012) as well as the Province (Koziel, 2012). This complements the growing consumer interest on the island in procuring local and sustainable foods.

3. Literature

Retail cooperatives have the potential to carry a significant amount of local foods. In surveys of American consumer cooperatives, gross sales of local products were found to average 21 per cent of total sales (Katchova and Woods, 2013), and stores boasted connections with approximately 150 local producers each (National Cooperative Grocers Association, 2013). In Japan, the buying groups that form the Seikatsu Consumer Cooperative purchase over one billion CAD in food grown by local and regional farmers (Conaty and Lewis, 2012), while Korean consumer cooperatives partner with over 2,500 producers (icoop Korea, 2013).

A range of strategies are used by cooperatives to procure their local products. Hingley (2010) offers the case of a consumer cooperative in England that worked with a group of livestock producers and processors to make locally-raised meat available in its retail outlets. To do so, the cooperative became a financial investor in the initiative, developed a unique logo and marketing information on food miles, and joined the new organization's board of directors alongside processors and farmers. In the case of American stores, many tolerate lower profit margins for the local products they sell. Staff works directly with farmers, helping them plan their growing seasons, and providing training on packaging, food safety, and quality. Additionally, local foods are promoted vigorously through newsletters, social media, and by sharing producers' narratives with shoppers (Katchova and Woods, 2013; Stockinger and Gutknecht, 2014). In Korea, consumer cooperatives encourage procurement by educating their members about the importance of purchasing regional products, and by offering a loan fund to farmers (icoop Korea, 2013).

Despite the physical spaces established by many cooperatives to sell their foodstuffs, not all organizations are using conventional retail environments to make local foods available. Pearson et al. (2011) describe a cooperative in the UK that, beyond its store walls, operates weekly markets in community spaces in order to make purchasing locally-sourced and other foods as convenient as possible. To carry out its work, the cooperative relies extensively on volunteers to sort and sell its products. Further, Little, Maye and Ilbery (2010) and Diamond (2012) document consumer cooperatives that do not have stores at all; for example, one such US initiative was established by consumers who sought out area farmers to supply them with local products. The producers are profiled on a web site, and food is dropped off at community hubs and sorted by volunteers. In order to cover its operating costs, the cooperative charges an annual membership fee and a five per cent surcharge on purchases. Similar to this example but operating on a much larger scale, Conaty and Lewis (2012) and Kimura (2010) describe the workings of the Seikatsu Consumer Co-op: small groups of up to 10 households order from farmers and receive their products through member-run drop off points; consumers work directly with growers to establish protocols for acceptable production practices, conduct farm inspections, and set fair prices for farmers.

The literature reviewed above reveals that consumer cooperatives are not only able to encourage and strengthen local production, but that they do so in some overlapping ways: members of these cooperatives are active participants in procuring their food, and partnerships are established with producers that involve communication, information sharing and contributions of time or financial equity. Also common among these cooperatives is that they were established with the objective of fostering local and sustainable agriculture.

There is limited extant work on federations in the cooperative sector. In the theoretical literature, they have been described as integral to the survival of cooperative organizations as they compete and adapt in a globalized economy (Fairbairn, 2014; Novkovic, 2014), and characterized as complex and variable with respect to the degree of influence exerted by the second-tier organization over member cooperatives (Quarter, 1992). Empirical studies provide evidence of these two assertions. In an examination of the role of cooperatives and their federations in carrying local foods in two countries, tensions between retail stores and their larger structures are found (Hingley et al., 2011). Case studies show that the second-tier structures have developed branding and marketing strategies for regional and national products, but not for those coming from the immediate vicinities where member stores are located. Lack of consistency, volume inadequacies and problems with distribution are the reasons why regional or national foods are privileged over local ones, as is confusion on the part of managers with respect to what, precisely, constitutes local foods. However, the independent member stores of these federations do retain some autonomy to buy local products, albeit to varying degrees.

Beyond local food, Heit, Fulton and Fairbairn (2014) focus on the Canadian retail sector more generally, and demonstrate the delicate balance between the shared identity and scale offered by a federation and the need for member cooperatives to have a degree of autonomy to meet the expectations and aspirations of their home communities. To illustrate, they describe how the cost cutting directives made by Federated Co-operatives Limited to stores under financial duress did not fit with the needs of small towns to have full service retails; in other words, given their lack of proximity to larger centres, stores in smaller communities needed to retain all their departments to prevent economic leakages. They document how one cooperative responded by raising equity from consumer-members who shared an understanding and commitment to cooperative principles and community development. This local success, in turn, altered the federation's approach from requesting cost-cutting to offering financial assistance. In a different example, but one that also demonstrates tension and balance, the authors describe how the federation's advice to a successful store to relocate to a larger but peripheral location was not pursued because consumer-members saw the cooperative as an anchor in their downtown. However, the cooperative did agree to expand its existing site, in keeping with the spirit of the federation's recommendation. Finally, Bijman (2005) documents what can occur when the equilibrium identified by Heit, Fulton and Fairbairn (2014) is not achieved. The author looks at the decline of a large, Dutch-based agricultural cooperative group and argues that insufficient authority was established at its second-tier to strengthen vertical integration in their system; this was caused by a membership base with interests that were too diverse and narrowly-focused and created, in turn, both a board of directors with limited decision-making ability and a need for capitalization which was not met by members.

4. Methods

We adopted a flexible, case study design for this research (Yin, 2009; Robson, 2011). This design was chosen to provide an in-depth, qualitative exploration of cooperatives and local food in a distinct geographic location. The authors' own experiences working in the local food movement were instrumental in selecting the topic (Kirby and McKenna, 1989; O'Leary, 2005).

All independent cooperative food stores in Cape Breton were invited to participate in this study, and all but one agreed. We requested permission to interview a board member and a manager from each store in order to gather information on both policy and management-level decisions. In five of the cooperatives, only the store manager agreed to be interviewed. In four stores, both a board member and manager were interviewed, and in one cooperative, only a board member agreed to participate. The total sample size is 15 individuals from 10 retail cooperatives. Despite the fact that we were not able to interview a director from each store, managers from these cooperatives were able to respond to policy-level questions related to their boards of directors.

The interview questions were based on existing literature on food systems and cooperatives, as well as the authors' knowledge of these sectors. We conducted semi-structured interviews (O'Leary, 2005; Robson, 2011) and these lasted, on average, one hour. Participants were provided with a copy of the questions in advance. The first author was also given tours of several of the retail stores during the interviews with managers. The researcher made field notes of observations and photographed elements of interest that reflected points raised during the interviews, such as labels used in the stores and local food displays.

Data were collected in the spring of 2013. With the exception of two interviews that were not recorded at the request of research participants, interviews were taped and transcribed. Data were analyzed using thematic coding (Robson, 2011) by the first author. Labels and themes were then reviewed by the second author to strengthen the validity of the findings.

Over half of the managers interviewed reported a background in business, accounting or management. Some reported past experience in food industries and others explained that they had worked their way from entry-level positions into management within their stores. The managers had between two months and twenty-five years of experience in their positions with the average being just over seven years. Board members came from varied backgrounds including farming, business, and education.

All cooperatives that participated in this research were located in rural communities. Store sizes ranged from small to moderate, but all carried a full line of grocery items. Most stores also featured historical photographs of their stores and communities inside or outside their buildings.

This study has one significant limitation: neither consumer-members of the local cooperatives nor federation staff or directors were interviewed. Their exclusion was intentional because the focus of the research was to understand the topic from the perspective of store managers and directors. However, interviewing participants from the federated organization would have shed additional light on their role in helping individual stores with local procurement. Additionally, interviews with consumer-members would have provided valuable insight on members' thoughts and ideas about foods in their stores and relationships with producers.

5. Findings

Four major themes were identified in the data analysis. These were the interest participants expressed in supporting their communities and local producers, the practices they follow in carrying local foods, the challenges they experience in doing so and the relationship between local cooperatives and their federation.

5.1 Supporting communities, supporting local

Interviews revealed that cooperative managers and directors want to contribute to the geographic communities in which they are located. Interviewees described cooperatives as organizations that inherently contribute to place and identified the reciprocal relationships that exist between the cooperative stores and their towns. For example, one participant stated: *"I mean everybody has to look out for their own communities, right? That's what a co-op is, it is a community store and you want the community to support your store so you have to support the community as well …".*

Research participants also felt it was important for their stores to buy from local producers as part of this role they play in their communities. One manager articulated: *"I think it is very important because you're giving back, you're helping support your own community and you're helping support the people who are supporting you so it has to work both ways".* Additionally, they see a natural fit between their cooperative organizations and the selling of local foods. For example, one participant stated that *"It's people helping their own communities and that's where it all started and that's where our strength is",* while another stated that, *"Well co-ops have always been in retail food so I'm not sure if the co-op's trying to catch up with the local movement or if the local movement is trying to catch up with the co-ops. I'm not sure which way it is, we're just trying to play our part, if we can support local then we will".*

Some participants felt that their stores were better positioned to respond to consumer demand than larger chain stores given their relationship to their members and their embeddedness in their localities. For example, one manager stated that *"It's not like those big stores in the big cities…. It's nice to see there's committee involvement and you can get advice from people because in reality they own the store and they have a share of the store; they have a say in what happens there*". They felt that their ability to contribute to the community and specifically to work with local producers, in fact, differentiates their stores from competitors: "*That's what sets us apart from the other grocery stores".*

Further, participants indicated that there is increasing member interest in purchasing foods grown from nearby producers. For example, one participant expressed that, *"I think there are a lot more young people that support locally grown. They want to know where it is coming from".* Explanations of this growing interest centered on the food being healthier, fresher, safer, and more trustworthy. As one participant stated, *"Their trust is more in local products now; knowing where the product is coming from".* Participants indicated that there are other trends they are observing in member demand, including greater interest in foods that are less processed, organic, gluten free and free of genetically-modified organisms. However, participants also indicated that their members continue to be price sensitive.

5.2 Practices

Despite the strong interest expressed by research participants in carrying local products, they revealed that the majority of food sold in cooperative stores was coming from Co-op Atlantic's wholesale, rather than Cape Breton producers. However, all cooperatives included in this research carried at least some items that were produced in Cape Breton. The number and type of local products were found to vary from cooperative to cooperative. The types of items sold included eggs, vegetables, berries, value-added products such as oils and jams, wild fiddleheads, maple syrup, honey, fish, processed meats, chicken, and milk. To illustrate, one participant stated that, *"Last year we started buying blueberries locally from a gentlemen just about five minutes outside of town. I don't even know what the name of the company is; everyone just knows them as [person's name] blueberries"*. Managers also talked about how these products are valued by cooperative members, for example, *"He sells some fish like smelts; they are locally caught here. It's mostly for the older people because they can't fish for themselves anymore but they still like to eat fresh fish"*. Another participant indicated that, *"Sometimes we get local plums and people just go crazy for them"*.

During interviews, participants indicated that procurement policies do not exist at the store level with respect to buying local products. In the absence of policy, managers of the stores are able to make autonomous decisions around buying locally produced food; that is, without being encouraged nor constrained by their boards of directors. When it comes to procurement practices for Cape Breton foods, most managers are generally approached by local producers to buy their products, *"There are people coming in all the time trying to sell stuff, that's usually how we get it"*. In a small number of cases, however, managers seek out specific, locally-grown products, such as berries, and maintain long-term relationships with these producers. The interviews show that managers are not actively seeking out new local products in their communities, however. As one manager indicated, *"unless we have members asking for a product we are not really going out and actively looking for new stuff to bring in … "*.

According to the interviews, there is no special placement for local foods within the cooperatives. With few exceptions, local foods are typically placed in sections alongside similar mainstream products. In addition, the cooperative stores are not making labels to identify local items in their stores, despite the fact that they have the technology to do so. In most cases store managers report that they make hand-written signs to identify these local products. Some managers indicate that they are labelling local foods specifically by naming the town of origin on hand-written signs, or they use the broader term local. In some instances, local producers are encouraged by managers to create their own signs, with some carrying through with this request. Although there are no standard labelling practices currently being used by this cluster of cooperatives, many participants felt that a standard logo identifying local products should be adopted. Managers attempt to keep the prices of local products the same as what they source from Co-op Atlantic.

5.3 Challenges

Participants identified several challenges to procuring and selling local food in their stores. With respect to procurement, managers reported that there are currently no resources to inform them about what is available locally. As a result, managers usually find out about these products if local producers contact them or bring them to the store to sell. Another challenge lies in the distribution system for local foods; unlike the multiple deliveries provided by Co-op Atlantic every week, local producers typically deliver directly to stores. Most small producers are limited in the number of times they are able to deliver their products per week, and in some cases local producers do not make deliveries at all. This poses an even greater challenge to managers; as one participant informed us, *"Some producers don't even deliver to this area. So the berries, for example, I had to drive to [name of community located 80 kilometers from this co-op] to pick them up myself and take them back, and that's not something that I have the time to do. But if the customers want the product then we will do that"*.

Participants reported additional procurement challenges presented by the short growing season and the decreasing number of farms in Cape Breton. These obstacles prevent them from being able to obtain an adequate and dependable supply of a wide range of products year round. One manager remarked that it has become more difficult to source local products over time: *"There's not a lot [of local food]. At one time there would have been… If there was a farmer selling turnips or carrots or whatever the fresh produce of the day would be, there never would be any issues on that, but a lot has changed"*.

Regulations were also identified as being a barrier to sourcing local products, and participants stated that they do not always have a clear understanding of provincial guidelines. For example, one manager reported: *"If we start selling local produce more and more, what regulations are we dealing with? Are we dealing with any?"*. It was evident in the interviews that the concern for food safety extended to the delivery of local products and the trustworthiness of producers.

When it came to selling local products in the cooperatives, a host of new challenges were identified by managers. They indicated that most local producers did not label their products, which meant that the responsibility to do so fell to the stores. They also reported that although they attempt to keep the price of local foods the same as foods grown elsewhere, some producers expected high prices for their products. Paying out higher prices makes it more challenging for the cooperatives to make any profit from the sale of local foods; they also indicated that it puts them at risk of not selling the product at all and taking a larger loss. Some managers also reported that producers may prefer to sell at farmers' markets because higher prices can be commanded there.

Managers identified a list of aspects that would make it easier for them to procure and sell local foods in their stores. The need for more information about local products available in Cape Breton was most often identified, and many participants suggested that a list of suppliers should be compiled or some sort of computerized ordering system for local foods be developed. Managers also felt strongly that a logo to identify local foods would greatly help in the marketing of these products in their stores. Managers further voiced that there should be systems in place to ensure that farmers were meeting safety regulations and that there was a more frequent and simplified delivery system.

5.4 The federation and member stores

Interviewees confirmed that Co-op Atlantic plays a vital role in helping cooperative retails in Cape Breton. Participants emphasized that the federation assists them in a wide range of functions, including distribution, wholesaling, marketing, advertising, ordering and automatic pricing systems, as well as providing guidance, training and networking opportunities to managers. In addition, the federation provides health and retirement benefits for employees in the member stores. Participants stated that Co-op Atlantic has a comprehensive, full service wholesaling division, making up to three deliveries per week to their stores. Their role as a distributer, supplier and wholesaler was also identified as being integral to the operations of the stores. As one individual stated: *"They are our major wholesaler and Co-op Atlantic was formed by all of us co-ops to source items and to carry on the larger aspects of business that we can't …. We would never survive without them, really".* Within the Co-op Atlantic network, individual stores are able to work together to make goods available for their consumer-members. For example, some smaller retails are able to buy small quantities of product from other cooperatives and have these brought to their stores by Co-op Atlantic trucks.

Participants confirmed that Co-op Atlantic has a regional "buy local" campaign that defines local as Atlantic Canadian, and that this program promotes Atlantic-sourced products with the use of signs, labels and other advertising. However, many managers and board member indicated that they felt the scope of the campaign is too broad. For example, one participant stated the following: *"I think it's just that there should be more focus on Cape Breton. I think you can say local, but Atlantic Canada is really broad because we have a lot of local producers of food in Cape Breton ….".* In addition, participants stated that there was no equivalent initiative to promote Cape Breton products within the Co-op Atlantic system, even for stores on the island.

Interviews reveal that Co-op Atlantic does not have a written policy to govern or guide managers in their purchasing of Cape Breton-based food versus food from Co-op Atlantic's wholesale. Participants indicated that Co-op Atlantic verbally supports the cooperative retail stores in their efforts to buy local, although it was noted that assistance is not provided. For example, one participant stated the following: *"They say they are very supportive, 'oh yeah, you support local above all', but they don't seem to then follow through and give the manager concrete direction on how to do that ….".* Another participant noted how this position puts Co-op Atlantic's bottom line at risk; when a manager is buying a product from a local supplier outside of Co-op Atlantic's distribution system, the federation is not collecting a fee. This interviewee stated: "*They are definitely wearing two hats there, encouraging [us] to buy local. They are shooting themselves in the foot to do that, but that's what they stand for or part of what they stand for".*

The relationship between the federation and member stores also comes into play in setting prices. As reported earlier, most managers indicated that when they buy local products they aim to match the Co-op Atlantic price, but some identified problems with this system. For example, one manager stated that: *"If they are supplying you with a product and that week Co-op Atlantic decides to promote it [the local producer] will just back out of it, saying 'No we can't match that price'. But you're not in it to lose money, so you end up bringing it in from the wholesaler".*

The last dimension under this theme concerns the marketing role played by the federation. Interviews reveal that the main marketing channel for member stores is a weekly flyer made by Co-op Atlantic. However, participants also report that their stores market independently to a certain degree through in-store specials and signs, newsletters and radio advertisements. For local food, participants reported that word of mouth is one of the strongest forms of advertising.

6. Discussion

Findings show that there is unequivocal interest in carrying locally-sourced foods on the part of independent, Cape Breton cooperatives. This interest is based on the role cooperatives play in developing their own geographically-based communities, as well as changing consumer preferences. However, and despite the fact that the stores are carrying some Cape Breton products, the current practices managers use to procure local foods are small in scale. Moreover, the challenges managers experience in sourcing and promoting local foods are great, due to both store-level and supply-level factors. So while there is interest in contributing to community through the procurement of island foods, there exist, in reality, many barriers impeding the cooperative retailers from doing so.

Interestingly, findings reveal that these Cape Breton stores have not adopted the practices used by newer food cooperatives that are emphasizing local products. For example, there is no active involvement of consumer-members in buying, marketing or selling (Little, Maye and Ilbery, 2010; Conaty and Lewis, 2012; Diamond, 2012). More importantly with respect to supply-side challenges, there are no established practices used to communicate demand-size information to producers, to help farmers plan their crops, or to invest in new farms or processing infrastructure (Hingley, 2010; Katchova and Woods, 2013; icoop Korea, 2013). These practices seem vital, however, in helping scale up the island's agricultural sector. Suggestions made by research participants reflect practices these conventional cooperatives currently use to purchase food through their federation, including ordering from a centralized list and using a standardized logo to identify local foods. In addition, some research participants noted that it was further assistance that was required from their federation in order to make more local foods available, rather than identifying partnerships that could be established with nearby farmers and producer associations (such as pasture, beekeepers and fish processing cooperatives) that are outside the Co-op Atlantic system (MacDonald, 1998; Koziel, 2012).

We do not wish to discredit the suggestions made by research participants on how to make more local foods available in their stores, as these proposed approaches may indeed be helpful. Our point, instead, is to note that these conventional food cooperatives are suggesting current, conventional practices for building a more localized food system, rather than articulating strategies used by more alternative food cooperatives that have successfully established extensive ties with producers. This finding could perhaps be explained by the fact that the second-tier structure has been the historical provider of wholesale services to independent stores, meaning that cooperatives have not had to pursue partnerships with local producers in order to stock their shelves. Moreover, the federation also provides training of store managers, and this has undoubtedly established a set of practices that foster and reinforce the relationship between cooperative stores and their federation rather than the communities where the retailers are located. In the same vein, consumer-members of these stores have, for decades, been involved in their stores by serving on the boards of directors, and not by seeking out, sorting and selling local foods. Finally, working through the federation to procure more local foods helps maintain the viability of a structure that supports small cooperative stores as they operate in the context of a globalized food system.

With respect to our second research question, we find that there is both tension and opportunity with respect to the role of the federation and the development of the towns and counties served by the Cape Breton cooperatives. On the one hand, member cooperatives in our study depend on the services of their federation to remain viable, yet the federation's central marketing and pricing practices make it more difficult for local stores to carry foods from area producers. Here we see a contradiction at play between the international cooperative principles of cooperation among cooperatives and concern for community: cooperatives need to work together to garner the scale required to compete with other grocery stores, yet the federated structure constrains their ability to support their communities by purchasing local foods. At the same time, however, the federation is also interested, and is actively involved in, building a food system that counters the mainstream globalized one on which conventional, profit-maximizing stores are based, and in fact pursues the development of this food system as part of its "cooperative difference", albeit at a much larger scale than the foodshed of focus in this study. Yet although it has been suggested that this type of structure might be too rigid or constraining for member cooperatives to pursue their goals (Bijman, 2005), our findings demonstrate that there is room within Co-op Atlantic to foster community development at the level of retail stores. Following Heit, Fulton and Fairbairn (2014), part of this opportunity lies in the overlapping understanding the federation and the retailers have of the role of cooperatives and local foods: according to research participants, both identify that cooperatives form and exist to meet the needs and aspirations of residents in their immediate communities, and both view the availability of local foods in stores as a way to pursue community economic development. In addition, there is overlapping understanding that selling local foods can differentiate the cooperatives from competing stores. Because these are shared, there is space for the organizations to work out better practices for making more Cape Breton-grown foods available on store shelves; in the absence of shared frameworks, federations and member stores can work against each other to the detriment of both (Fairbairn, 2014; Heit, Fulton and Fairbairn, 2014). The challenge ahead for these organizations is to achieve an adequate balance between their procurement practices at more local and regional levels, since extant work on the demise of a central structure identified diverse interests among member cooperatives as a reason for its failure (Bijman, 2005).

Finally, opportunity also lies within the policy level of the federation. Although, as identified earlier, some existing practices privilege Atlantic Canadian grown foods from Co-op Atlantic's wholesale, a policy environment exists in which cooperative stores are not actively prevented from purchasing Cape Breton foods, despite the fact that this puts the federation at some level of financial risk. This policy environment, in addition to a shared framework, suggest that cooperative stores have opportunities to develop their communities by supporting local producers; scaling up this work may require learning from consumer cooperatives that specialize in partnering with local producers, and from horizontal networks of cooperative organizations that exist in other parts of Canada and around the world (Sumner, McMurtry and Renglich, 2014).

7. Conclusion

More remains to be learned about cooperative stores and local foods in Cape Breton. This includes interviewing staff and directors of the federation, understanding the experiences, needs and ideas of island producers with respect to scaling up farming and fishing, and consulting with cooperative producer associations about their ideas for establishing horizontal linkages with retail stores. Consumer-members should also be interviewed. However, the strong interest on the part of cooperative stores to contribute to community development through local foods, not to mention the island's history of self-help and the current importance placed on agriculture as an economic engine, means the opportunities for building up Cape Breton procurement through cooperative retailers are great. And although some store - and supply - related barriers were identified, the practices of other food cooperatives provide opportunities for replication. With respect to retails and their federation, findings point to challenges but also opportunities for community development: cooperatives working together at the second-tier level are interested in alternative food systems and contributing to community, mirroring island stores. Our research has identified this overlap; what remains now is for Cape Breton cooperatives and their central to identify concrete actions to take local procurement another step.

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