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Borrower Profile: Fedco Co-op Garden Supply: Seeding the Future

In corporate business, investor-owners often sacrifice product quality and employee compensation to maximize profit. Cooperative businesses counter this through ownership by direct stake-holder groups, often either consumers or workers. Fedco Co-op Garden Supply has been at the forefront of the hybrid co-op trend bringing together both consumers and workers in shared ownership. This innovation has helped them grow into one of the preeminent seed supply sources for cold-climate growers nationwide and a major contributor to conserving rare plant breeds.

Founded in 1978 to sell seeds to 98 co-ops in Maine, Fedco now offers trees, bulbs, potatoes and other gardening supplies to over 44,000 individual and group customers, reaching farmers and gardeners across the country.

While initially Fedco was strictly a consumer co-op, in 1985 they incorporated workers into their ownership structure. Now, workers and consumers split board seats and profits. Like other worker co-ops, Fedco builds financial and emotional investment in the business from the newest part-time workers to the most seasoned managers. "It means when people work at Fedco for the first time," says worker-owner John Bunker, Coordinator of Fedco Trees, "they feel like they are working for themselves, not management. It changes workplace dynamics because we're all in this together."

Consumer ownership brings additional benefits to Fedco. According to CR Lawn, Fedco founder, "our customers, and especially those committed enough to join our cooperative, have always provided us with helpful advice that

has pinpointed where we need to improve our operations and shown the way to enhancing our selections and products." For instance, consumers introduce Fedco to rare plant breeds for propagation and sale, including genetically and historically significant breeds. "Unlike paintings, plants don't need to be in a museum," says Bunker, "you can propagate and reintroduce them."

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In 2011 Fedco launched its first consumer membership campaign, realizing that increased consumer involvement would further strengthen the cooperative. In the campaign's first year, it recruited over 400 members from 27 states.

Fedco supports the larger community by supporting sustainable agriculture. Recently Fedco joined as a plaintiff in a class action lawsuit brought to protect victims of genetic contamination against prosecution for violating Monsanto's patent claims.

CFNE has supported Fedco three times by financing its many expansions. Most recently, in 2011, Fedco improved access for suppliers and customers, increased warehouse and office space, and gained land, which will provide opportunities for later expansion. "We love CFNE," says Lawn "and I don't know how we could have done it without them these last 20-plus years!"

If you're a gardener or tree planter, consider joining Fedco. "By supporting Fedco," says Bunker, "you are growing a community-owned business that prioritizes the needs of its workers, consumers and the broader community over profit." To learn more about Fedco, visit www.fedcoseeds.com.

-profile by Micha Josephy (updated 9/2012)