

iCOOP KOREA



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철도 공공성 문제와 철도 파업 탄압에 대한 소비자 기

2013년 12월 24일 오전 11시 용산역 사하공공성 강화를 위한 iCOOP운동본부

iCOOP

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Introduction of iCOOP KOREA



iCOOP

The Meaning of iCOOP

“I” individual, ideal, innocence and innovation

Individuals promote the ideals(sharing and cooperation) of the group, never lose sight of our original innocence and practice innovation as a consumer COOPerative.

Introduction of iCOOP KOREA

| | 2013 | YOY Growth |
|--|--|-------------|
| Turnover | 427billion (KRW) | ↑ 23.8% |
| Membership | 194,856 members (1% of total households in Korea) | ↑ 20.7% |
| Member co-op | 77 co-ops | ↑ 2 co-ops |
| Store | 141 stores | ↑ 12 stores |
| Employment | 2,217 jobs | ↑ 51% |
| Social Responsibility (Seed Foundation) | 635 million (KRW) | ↑ 51% |
| Fair Trade | 3.4 billion (KRW) | ↑ 10% |
| Price Stability Fund | 3 billion (KRW) | ↑ 52% |



The Current status of Korean Consumer Co-ops(as of 12.31.2013)

| Organization | Member co-op | Membership (household) | Turnover (mil. KRW) |
|--------------|-----------------|---------------------------|------------------------|
| iCOOP KOREA | 77 | 194,856 | 427,900 |
| Hansalim | 21 | 410,211 | 304,452 |
| Dure co-op | 28 | 142,359 | 101,649 |
| Happy co-op | 11 | 30,170 | 16,900 |
| Others | 9 | 11,035 | 7,951 |
| Total | 146 | 788,631 | 858,853 |

Introduction of iCOOP KOREA

iCOOP KOREA's History



- 1997_Establishment of '21Century Consumer Co-operatives' as an association of consumers and producers
- 2002_Establishment of Korean Association of Consumer Co-operatives
- 2008_Gaining full membership in the ICA
- 2010.08_Held ICA/iCOOP Workshop on Development of Consumer Co-operatives
- 2011.09_Name change from iCOOP Solidarity of Consumer Co-operatives to iCOOP UNION
- 2011.10_iCOOP Seed Foundation approved as 'designated donation organization' by government
- 2012.02_Name change from iCOOP Association of Consumer Co-operatives to iCOOP Consumer Activities
- 2013.04_Social co-operative iCOOP Co-operative Development Center established
- 2013.11_iCOOP "COOP Show" was held to celebrate the achievement of 1% household members



Introduction of iCOOP KOREA

Ethical Consumerism in Practice by iCOOP KOREA



Respect for people and labor

Human-oriented business, not the capital-oriented

Ensuring food safety

Production and consumption of safe food made without toxins

Improvement of food safety standards

Agriculture and the environment

Protection of agriculture and the environment

Introduction of iCOOP KOREA

Structure of iCOOP KOREA (as of Jan.2014)



- iCOOP UNION
- iCOOP Consumer Activities
- iCOOP CDC
- iCOOP Cooperative Institute
- iCOOP Store
- KCOD
- iCOOP Seed Foundation

Total 19

**Invested and operated by
78 nation-wide
member co-ops and
members**

- iCOOP Association of Producer Group
- iCOOP Agricultural Production
- iCOOP Fruits & Vegetable
- iCOOP Organic Food Supply
- iCOOP Ramen
- iCOOP Livestock Products
- COOP Bakery

Total 14

**Led by iCOOP
Association of Producer
Groups**

**+4 affiliate
(investment)
companies**



Introduction of iCOOP KOREA

iCOOP KOREA's Today

Aim for 2014
Turnover
KRW490billion
Membership
240,000

| | 1998 | 2013 |
|----------------------|-------------|-------------|
| Turnover(KRW) | 1.5 billion | 427 billion |
| Member co-op | 6 | 77 |
| Membership | 663 | 194,856 |
| Employment | 629 | 2,217 |
| Store | 2 ('06) | 141 |



Business of iCOOP KOREA



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Business of iCOOP KOREA



- **Centralization of business and differentiation of the organization:** iCOOP KOREA increased access for members and stabilized management by consolidating member co-ops' distribution business into regional distribution centers. The 78 regional member co-op societies work independently and democratically within the local community.
- **Direct charge system:** Direct charge system allows the use of co-op budget pooled from monthly membership dues. This guarantees that member co-ops are run by co-op members and encourages the use of co-op budgets, ultimately stabilizing management and making products affordable for everyone.
- **A national logistics network:** 9 logistics centers, 7 delivery centers
- **Member convenience system:** on-line store, delivery service for five days a week plus Saturday
- **System for Food Safety :** Natural Dream stores, Eco-friendly school lunch

Business of iCOOP KOREA



Natural Dream Stores

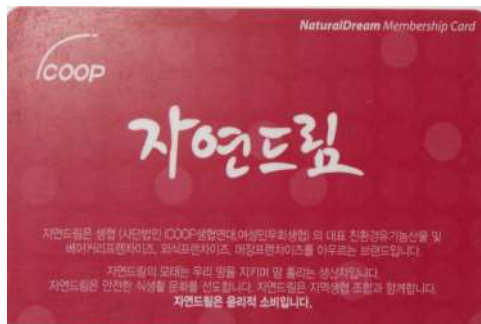
Natural Dream Store is operated by iCOOP KOREA members' joint investment. : contributing to stabilizing prices and sales, benefiting members and guaranteeing incomes of producers

Number of stores: 141(as of 1.2014)

The number of sale items : about 2,000

Categories : organic-vegetables/livestock/marine products, bakery/pizza, fair trade products , café, daily necessities

Store size: from 100 m² to 300 m²



Membership card



Names of members who invested



iCOOP multicultural center



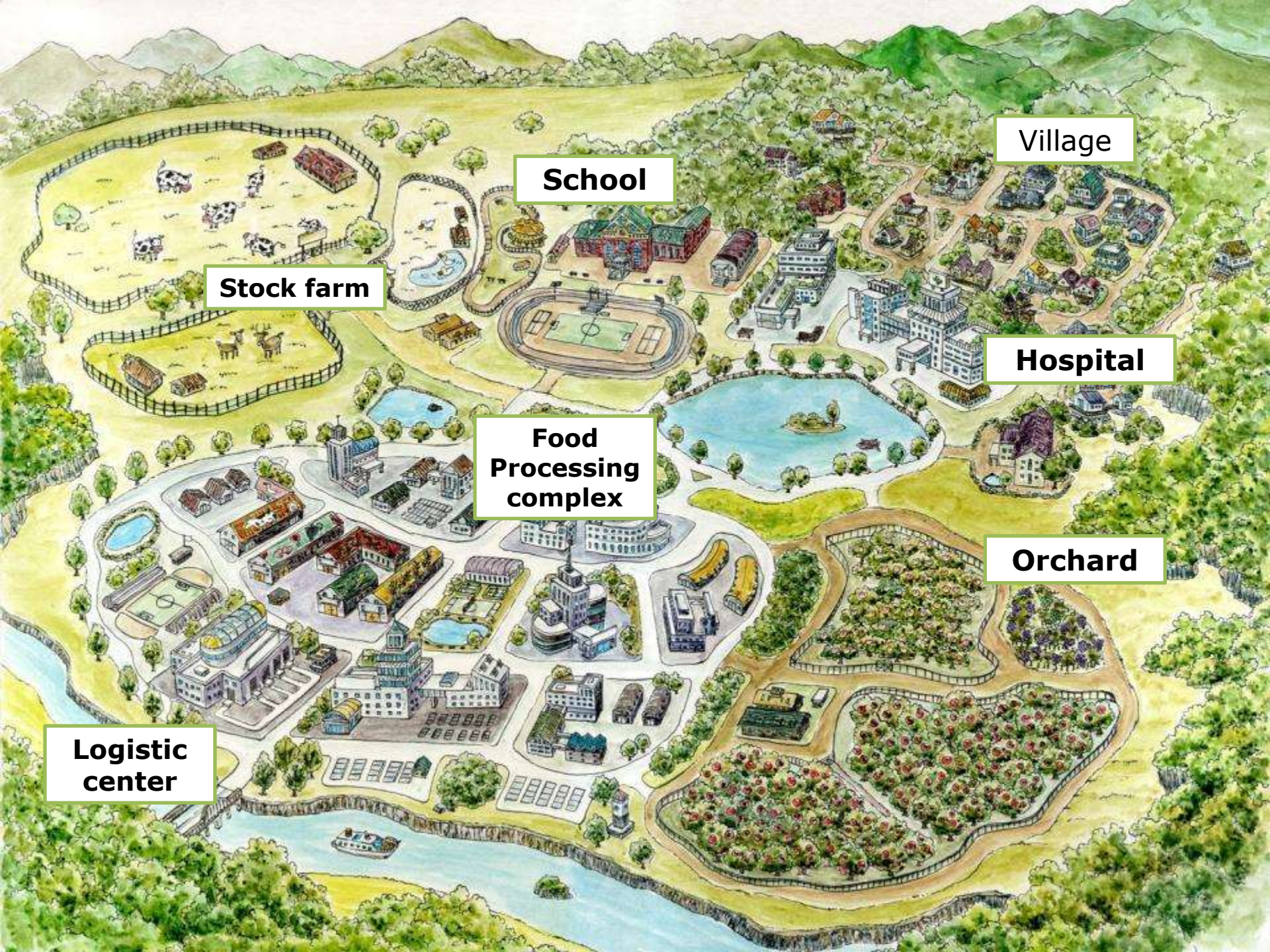
Natural Dream store & café

Business of iCOOP KOREA

The Eco-friendly Organic Food Cluster and iCOOP Valley Project

- **Eco-friendly organic food cluster:** The food processing complex where logistics centers and iCOOP KOREA's producing and processing companies gather
- **iCOOP Valley:** The iCOOP Valley, located near the Eco-friendly Organic Food Cluster, is an ecological space for eco-friendly orchards, stock farms, ponds, wildflower gardens, herb farms, an eco-friendly town and a school
- With the goal of 350,000 members and KRW 700billion of turnover in 2016, it becomes strong physical base enabling co-op movement's outstretch.





Village

School

Stock farm

Hospital

**Food
Processing
complex**

Orchard

**Logistic
center**



Guest house and dorm

COOP Food system

iCOOP Livestock product

iCOOP brewery

Supporting facility

Quality control center

Milling factory/rice-polishing mill

iCOOP Ramen

Integrated management center

APC center

Freezer compartment

Business of iCOOP KOREA

The Eco-friendly Organic Food Cluster and iCOOP Valley Project



Goesan Natural Dream Park

- Total 628,497 m² including industrial complex land, and supporting and public facilities
- The groundbreaking ceremony on 26 May in 2011
- Plan to have 40 processing companies
- Completion in 2017



Gurye Natural Dream Park

- A pilot project of cluster plan
- Total 149,335 m² of food & agricultural cluster and logistic base
- The groundbreaking ceremony on 25 Oct. in 2011
- 20 processing companies
- Completion of Korean native wheat ramen manufacturing factory on 1 June in 2012
- Completion ceremony on 4 April 2014



Chicken processing plant



Dormitory



Gurye Natural Dream Park



Cold storage warehouses and APC



Milling factory



Support facilities





Products of iCOOP KOREA



Products of iCOOP KOREA

Natural Dream is

an iCOOP KOREA's premium brand covering bakery and store business.

- **Only** Natural Dream products are carried only through iCOOP KOREA
- **Value** Natural Dream products are developed with philosophy and value
- **Best** Natural Dream provides the best quality products

Selection and development of products by members' participation!

- **First** - carefully selected from members' view,
- **Second** - priority on information transparency
- **Third** - raising social standards on food safety,
- **Fourth** - contributing to members' daily life

Price stability fund

This pricing system for producers and consumers for stabilizing the price. Total KRW 3 billion was raised in 2013



Products of iCOOP KOREA



| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------|--------|-------|-------|-------|-------|
| KRW450m | 1.3b | 1.9b | 2b | 3.1b | 3.4b |
| - | ↑ 180% | ↑ 46% | ↑ 17% | ↑ 40% | ↑ 10% |

Current status on fair trade fund(2008~)

- A portion of purchase price of fair trade products is saved up for fair trade fund to help fair trade producers.
- In 2014, KRW70,835,000 raised.

Products of iCOOP KOREA

The "A Mark"(distribution certification code) allows consumer access to information on the producer, cultivation and distribution process, and other essential information online



strict 3 step certification system and transparency

iCOOP KOREA's certification system focuses on eco-friendly factors from safety of agricultural products to circularity, sustainability, biodiversity (animal welfare) and reliability. Based on the result of assessment, products are graded into A, AA, AAA

Products of iCOOP KOREA



A mark
Products

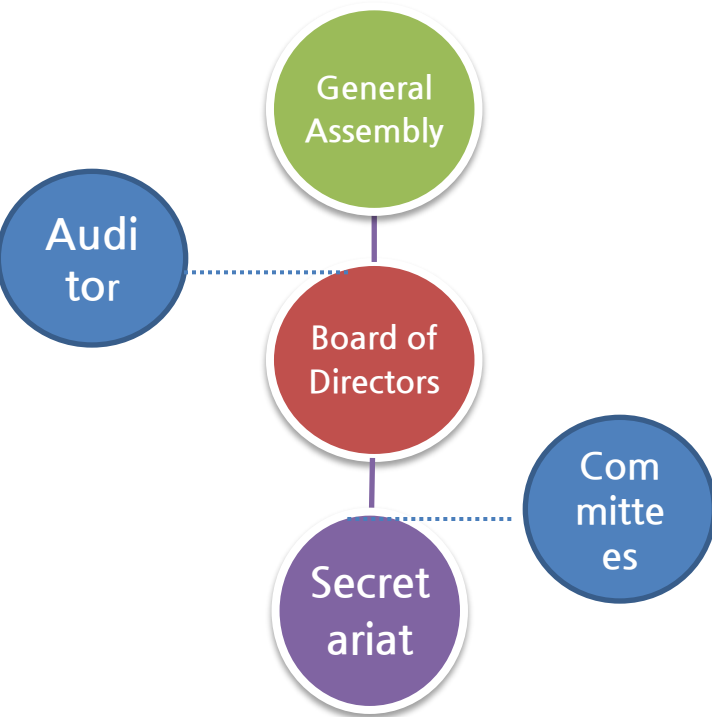


Activities of iCOOP KOREA



Activities of iCOOP KOREA

Organization chart of primary co-operatives



| | |
|---|---|
| Product Committee | Products dealing-decision, inspection of producing areas |
| Food Safety Committee | Educating members on food safety, activities for heightening food safety indices |
| Village Meeting Committee | Activities to share and cope with various daily issues |
| Education Committee | Activities to share knowledge and wisdom from co-operatives to society and humanities |
| School Lunch Committee | Parents' activities for eco-friendly school lunch |
| Sharing Committee | Activities for spreading donation culture and doing voluntary service |
| Rice Field Ecosystem Research Committee | Activities to learn and promote activities for enhancing biodiversity in paddy fields |
| Publicity & Editing Committee | Activities of promoting co-operative, public relations |

Activities of iCOOP KOREA

| Committee | | | | | The number of active members | | | |
|--------------|--------------|--------------|--------------------------|-----|------------------------------|--------------|--------------|--------------------|
| Member ('12) | Member ('13) | Year-on-year | avg. no. in member co-op | | Member ('12) | Member ('13) | Year-on-year | % of total members |
| 1,196 | 1,118 | -6.5% | '12 | '13 | 3,122 | 2,832 | -9.3% | 1.8% |
| | | | 5 | 4 | | | | |

| | 2012 | | 2013 | |
|---------------------|--------------|--------------|--------------|---------------|
| | number | participant | number | participant |
| Town meeting | 1,009 | 5,019 | 1,073 | 5,956 |
| Club | 525 | 2,931 | 768 | 4,222 |
| Total | 1,534 | 8,179 | 1,841 | 10,178 |



Education of iCOOP KOREA

| Participant | Program | The number of participants | Expenses (Except member co-ops') |
|-------------------------------------|--|----------------------------|-------------------------------------|
| Member activities and the public | -Group: 46 courses -member co-ops: 5,988 times | 78,736 | 215,320,457 |
| Producers | 5 courses | 381 | 66,630,173 |
| Employees in iCOOP Group | 23 courses | 5,807 | 213,785,448 |
| Total | | 84,924 | 495,736,078 |

- Total of 27,480 Participants received compulsory education before joining members
- Total of 712 Board members completed board member courses



Activities of iCOOP KOREA

iCOOP KOREA to Protect Agriculture and Environment



Promoting Korean agriculture by consuming Korean native wheat

- Campaign for heightening market share of Korean native wheat from 1% to 10% while major companies give up the purchase
- Suncheon Local Wheat Festival since 2003
- Natural Dream bakery made by the wheat
- A total of 1,580 tons of wheat in 2013 consumed in iCOOP KOREA
- A total of 81 'Korean wheat noodle day' events held by member co-ops



iCOOP Seed Foundation



Regular donors

1,075

A total amount of donation

KRW874,562,985

| Category | Distribution |
|---|--------------------|
| Scholarship | 37,174,201 |
| Health care, financial supports | 286,113,030 |
| Support for co-ops and social economy | 16,000,000 |
| Ethical consumerism campaign | 21,500,000 |
| Donation | 5,000,000 |
| Special donation (e.g. Philippine typhoon relief fund) | 83,157,205 |
| Total | 448,944,436 |

The achievement and challenge of iCOOP KOREA

1. Achievements of iCOOP KOREA

- 1) Efforts to improve food safety standards
- 2) Efforts to protect agriculture in Korea
- 3) Eco-friendly food for everyone
- 4) Co-operative business model based on member participation
- 5) Shrinking Income gap between Korean households and members
- 6) The growth of member activities :
 - Social action campaign
 - Contribution to communities and social solidarity activities
 - Activities collaborating with communities

The achievement and challenge of iCOOP KOREA

7) More balanced development through the growth of non-metropolitan areas

The ratio of members and turnover between metropolitan areas and non-metropolitan areas were 7:3 in 2001

⇒ In 2013, metropolitan areas : non-metropolitan areas = 4:6

Member ratio

| | 2001 | | 2006 | | 2013 | |
|--------|------------|------|------------|------|------------|------|
| | Membership | % | Membership | % | Membership | % |
| MA | 2,316 | 70.5 | 10,145 | 50.8 | 80,261 | 41.2 |
| Non-MA | 971 | 29.5 | 9,826 | 49.2 | 114,595 | 58.8 |
| Total | 3,287 | 100 | 19,971 | 100 | 194,856 | 100 |

Turnover ratio

| | 2001 | | 2006 | | 2013 | |
|-----------|----------|-------|----------|-------|----------|-------|
| (mil.KRW) | Turnover | % | Turnover | % | Turnover | % |
| MA | 491 | 71.9 | 2,275 | 51.6 | 14,428 | 38.6 |
| Non-MA | 192 | 28.1 | 2,135 | 48.4 | 22,937 | 61.4 |
| Total | 683 | 100.0 | 4,410 | 100.0 | 37,365 | 100.0 |

The achievement and challenge of iCOOP KOREA

2. Challenges of iCOOP KOREA

1) Goals for business

- Establishment of organic food production and process clusters through iCOOP Natural Dream Park
- Member-centered Business
- Differentiated consumption fields compared to general market
- Mutual cooperation between producers and consumers

2) Goals for activity

- Co-ops' contribution for the realization of the welfare state
- Establishment of activity network with members
- Activities coinciding with members' lives
- New consumer movement through Farmland Trust to realize cooperation with producers

icoop KOREA

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For Trade is Life
For Trade is Hope
For Trade is
Sustainable Income
and Prosperity

Antique Fair Trade Center (AFTC) Mascobado Mill
Funded by iCOOP Solidarity of Consumers
Cooperative (KOREA)
Through the effort of Panay Fair Trade
Center (PFTC)

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