

The Promise of Consumers' Associations

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Consumers wield immense influence on the food system through their food choices, their values and preferences. Though this has been universally acknowledged, the potential of this influence has not yet been fully realized. We market to consumers, often in manipulative ways; we study them, focus group them, educate them; and we involve them in political activity on behalf of the food movement. However, short of a few idealistic CSAs and food coops, we do not yet engage them collectively and meaningfully in shaping healthy economic processes. What might this look like?

Imagine that in a particular foodshed, an association of say 3000 households committed to actively participating in the creation of a sustainable economy. Imagine that through meetings and surveys these consumers identify a set of core values they will use to evaluate different farms and food companies they might want to support through their collective buying power. These values may include food miles, organic and biodynamic farming practices, fair trade, independent ownership, etc. The association then uses these values to identify farms, food companies and products that meet their needs and that they wish to support on a loyal basis over an initial three-to-five-year period.

Through this process, this consumers' association will come into direct dialogue with many farmers and business people and will thus learn to see much deeper into the realities of the food system than those conveyed by labels such as "organic," "local," or "cage free." Indeed, the association will find that it may have to be far more flexible and/or precise about the relative importance of their members' different values in the face of the real-world challenges faced by farmers and food companies. Let us imagine, however, that they actually do this work and succeed in identifying a set of farmers and food companies—some of which are in their foodshed and some of which are not—that they would like to support through loyal, long term, relationships. What would this make possible?

Imagine several leaders of this association sitting down with the managers of small and large food retailers where their members shop or would like to shop in their foodshed. In these meetings, they share information about their members, the farms and companies they want to support, the products they want to buy and actively promote, and even the quantities their members would likely purchase on

an annual basis. What store owner or manager in their right mind would send these consumers packing?

Basically, I am suggesting that this consumers' association is now in a position to impact which suppliers the store will buy from, in what quantities, and even, in some cases, what prices will be charged. The motivation of the association will not be to manipulate the store or control prices, however, but rather to forge a working relationship with the retailers and with their suppliers so that prices and other decisions can be arrived at more cooperatively and transparently.

It may also happen that the consumers' association will identify a product that it wants but which is not available. Let's say it is grass fed beef raised within a 300-mile radius. Imagine the role it could play by beginning to network with a group of farmers, a processor and distributor who might wish to collaborate to supply this product. The association could even play a role in helping secure funding to capitalize the venture through their own resources or by guaranteeing loans with local banks. Consumers organized in this way could also begin to expand to other, non-agricultural, product lines. All this represents the barest beginnings of what is possible if consumers were properly organized on an altruistic basis.

Imagine the efficiencies that would become possible through an economic system in which companies begin to produce products, and retailers sell products, based on known needs among consumers rather than on speculative assumptions about demand? Consider, for example, how much of the "profit motive" in the present economy is actually a form of "risk management" resulting from the fact that farmers, companies and retailers currently produce for a market that is not certain, and thus run a continual risk that their products will not sell. How many marketing dollars are spent trying to mitigate this risk?

Indeed, the efficiencies in such an approach are significant, and this fact is leading almost every industry in the world toward some form of "integrated supply chain" or "lean manufacturing" model. Unfortunately, these efforts have rarely included groups of consumers in the way I have suggested above. Thus, the benefits of these efficiencies have primarily accrued to those larger companies who have had the resources and wherewithal to establish and manage the complex information flows and relationships that are necessary to create an integrated supply chain. Indeed, the largest corporations have often accomplished these efficiencies by purchasing and thus controlling the other companies in their supply chain, creating a *vertically integrated* supply chain and fostering, in the process, what has come to be called

corporate consolidation. Think, for example, of the many brands in the grocery store that are actually owned by just a few large companies.

Herein lies a great irony of the food movement, namely that we often decry corporate consolidation and vertical integration, but do not seem to have fully grasped the positive opportunity before us: namely, to practice a kind of *horizontal integration* among freely associating groups of producers, traders, retailers, consumers, and other stakeholders active in our movement. Protests, laws, lawsuits, regulations and government programs are certainly necessary at times to address the excesses and distortions of our current food system, but these alone will not change the inherent problems—indeed they sometimes make them worse. These problems can only truly be transformed by beginning to put in place a horizontally integrated economy in which consumer associations finally begin to balance the power dynamics that currently drive our economy toward greater and greater exploitation of people and planet.

Starting and funding a consumers' association of this kind need not be difficult, by the way. The initiative could come from a group of food and farm organizations, CSA's or even retailers in a given region and some of these entities could even provide initial staff support. If 3,000 households paid a \$100 a year membership fee, such an association would have a budget of \$300,000, which should be more than sufficient to carry out the work I have outlined. Over time, other sources of revenue, as well as, in some cases, lower food prices, will likely open up for the association and its members, as retailers and food companies discover the incredible benefits and efficiencies involved in working directly with a consumers' association.

Rudolf Steiner spoke already during World War I of the need for greater integration and cooperation among those involved in the production, distribution and consumption of goods and services, and suggested that this could result in something he called "true prices," that is, prices that reflect the needs of all participants in the supply chain to be able to produce, distribute and consume another like product. While many elements of such an economy have begun to emerge in the last 100 years, the promise of this vision, I would suggest, can only be realized with the help of a widespread network of strong, focused, values-based associations of consumers.