

# RED RIVER CO-OP

## Diversification, Remaining Local & Giving Back to the Community



## Who is Red-River Co-op?

Red River Co-op is a profitable and growing Winnipeg-based retail co-op. Their core business includes fuel and convenience stations, food stores, pharmacy, commercial cardlocks and bulk petroleum and propane service.

Formed in 1937, they are currently owned and governed by more than 312,000 members and share the profits and success with them and the communities they live in. They serve the communities of Winnipeg, Gimli, Stonewall, Selkirk, Oakbank, Lorette, Teulon, Niverville, Ste. Agathe, Kenora, Dryden, Selkirk, and Stonewall with a total of 49 locations.

Red River Co-op lives by the seven co-operative principles everyday. Their value statement is clear: integrity, teamwork and respect. That becomes part of the decision making process in everything they do. The vision, mission and values are completely based around membership. Their main focus is to always give back to the community and members. Profits remain local and within the communities they serve.



# Pandemic Struggles and Future Motivations

## A Hit to the Energy Sector

It is evident that many businesses have suffered during the pandemic. Pre-COVID, Red River Co-op was able to significantly grow their retail business.

But, 2020 was a step back for one of their most profitable revenue streams, the energy sector. Allocations fell significantly due to a major decline in litre sales at their gas bars and reduced earnings from the Co-op Refinery Complex, located in Regina. These are the significant reasons members will see a drop in their patronage allocation this year. The reality is that the energy sector has seen significant challenges since 2014. It's a lot tighter from a margin perspective and is an industry that's in decline, as we see more fuel efficient vehicles and a migration to other energy products.

Adjusting to the new reality for the energy sector, Red River Co-op is working closely with their wholesale Federated Co-operatives Limited. Soon, Red River Co-op will be part of a Western Canadian corridor of electric vehicle supercharging stations that is being built from British Columbia across to north-western Ontario. This coming year, Red River Co-op will build four new units in Winnipeg as phase one of the development. The plan is to expand that to eight in the coming years.

The introduction of the EV charging stations is one way Red River Co-op plans to diversify their business, and are constantly looking at other opportunities to incorporate diversification into their future practices, as they strive to meet the needs of members.



## Diversification

Red River Co-op sees diversification into the food sector as a key to the long-term sustainability and viability of their co-op. Although the energy sector has been such a large component of their business, Red River Co-op is seeing the benefit from their entry into the food sector back in 2014. Looking to the future, they have plans for further food store development and will look at new opportunities to diversify their business.

Diversification for the co-op also means remaining local, and Red River Co-op will continue to support local entrepreneurs, growers and producers. Red River Co-op carries more than 600 locally produced products and prides itself on being hyper-local, sourcing products from right here in Winnipeg and surrounding Manitoba communities. In 2020, sales of local products were \$11.7 million of these Manitoba produced products. In cooperation with a local grower, the co-op has just signed an agreement which will provide its members with fresh local strawberries for sale in their food stores all year round.



## Giving Back to the Community

### Remaining Local

Red River Co-op is a large and growing retailer. The co-op model means that they return profits to their members based on how much business the member does with the co-op. In 2020, \$18.6 million dollars was returned to members. Despite 2020 being a difficult year, they continued to give back to the communities they serve.

The following are examples of some of the great community investments Red River Co-op made in 2020.

- \$185,911 in community investments to 79 non-profits and charities.
- Fuelling up for a good cause! Red River Co-op donated \$50,678 to the Bear Clan Patrol Inc, thanks to Red River Co-op members and customers who filled their gas tanks on Fuel Good Day on September 15, 2020, where 5¢ from every litre sold at a Red River Co-op site was donated. Red River Co-op also donated one dollar from the sale of every Co-operative Coffee or Big Cool beverage sold on Fuel Good Day. In addition, \$5,000 was donated to Feed the Furbabies Canada - a Manitoban animal welfare non-profit.
- \$70,000 dollars was donated to the Selkirk & District Curling Club through the Community Spaces program, \$15,857 to Green Action Centre from the sale of plastic bags and \$15,000 to the Dream Factory Manitoba from Co-op Gold Honey Dill Chip sales.

Red River Co-op is a proud Manitoba based co-operative. Proud of their more than 80-year history of supporting the communities where they live, work, and play. Grounded in the values of integrity, teamwork and respect, and their belief in supporting local and giving back to the community is what sets them apart from their competitors.