

Collaboration between community food enterprise and the private sector:

exploring the potential

Written by f3, the local food consultants
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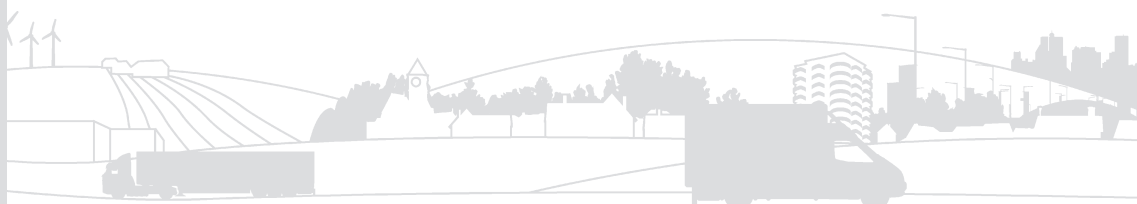
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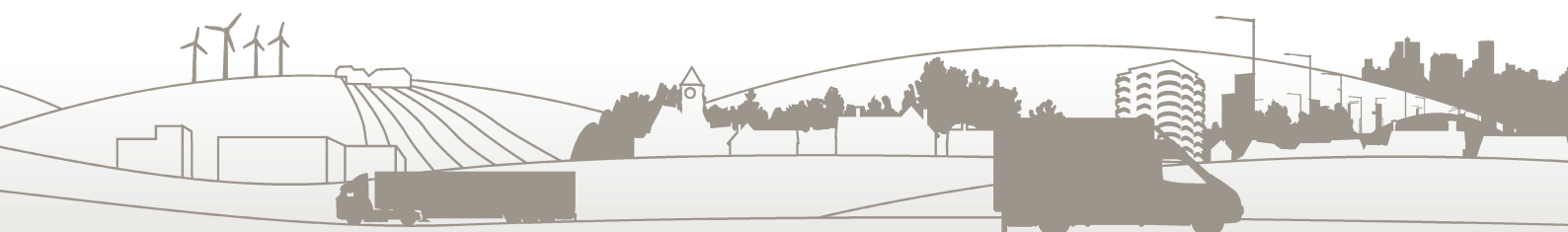
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1 Foreword

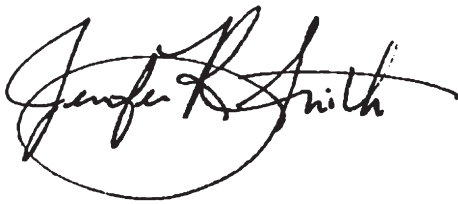
Collaboration between community food enterprise and the private sector

Making Local Food Work has supported and worked alongside more than 1,550 community food enterprises since 2007. In this time, the community food sector has moved from strength to strength. Community food enterprises create local markets, support more localised farming practices, create strong connections with consumers, and in many cases, utilise more ethically-based production processes. But what about the future? How can the community food sector develop in a manner that is sensitive to their values, but at same time, reach more people? One potential solution could be to interface more with commercial food enterprises, private businesses.

The purpose of this report is to begin exploring if **mutually beneficial relationships** between community enterprises and private businesses could strengthen the food sector of tomorrow. We've reviewed examples of collaboration between community enterprises and private organisations, exploring the issues, opportunities and value of such relationships. Sensitivity, and appreciation for organisation's culture and ethos, is required to fully understand these opportunities and to realistically define progressive next steps.

This report is the first step on the journey. The publication is primarily aimed at community food enterprises and private food businesses that are considering their organisation's future. This report is also for those who influence the direction of the food and drink sector and who are open to new ways of doing business.

The food industry is not an easy arena; however, through Making Local Food Work, we've witnessed the strength of partnerships and what can be achieved when organisations work alongside one another. We hope this report encourages organisations to consider new alliances – new alliances that include a wider range of players, recognising the value of diversity.



Jennifer Smith

Head of Programme Management,
Making Local Food Work



2 Summary

Many community food enterprises face the major challenge of becoming an efficient business. At the same time, many private sector businesses are seeking ways to become more socially and environmentally ethical. Collaboration could suit both parties in achieving their separate aims.

This report explores the business narratives of a limited number of different community food enterprises from the UK and other countries, and highlights the benefits and potential pitfalls of collaborating with the private sector.

The collaboration experience of each of these community food enterprises provides valuable evidence that could help to shape the future of other like-minded enterprises – from well-established organizations to ones that are just starting out.

To facilitate the sharing of this evidence, the report tells the stories of the case studies under four key themes that summarise the main reasons for collaboration: **developing profitable trading relationships; developing skills and knowledge; meeting social objectives; and meeting environmental objectives.** Under each theme, the report suggests useful actions that community food enterprises could consider as they set off on the road to collaboration.

Before summarising the benefits and pitfalls of collaboration it is worth emphasizing that the study process revealed that **opportunities for collaboration can occur at each stage along the food supply chain.** These include the following areas:

- The supply of raw materials and business inputs, such as animal feed or fuel
- Production, such as planning what will be produced to suit the needs of the buyer

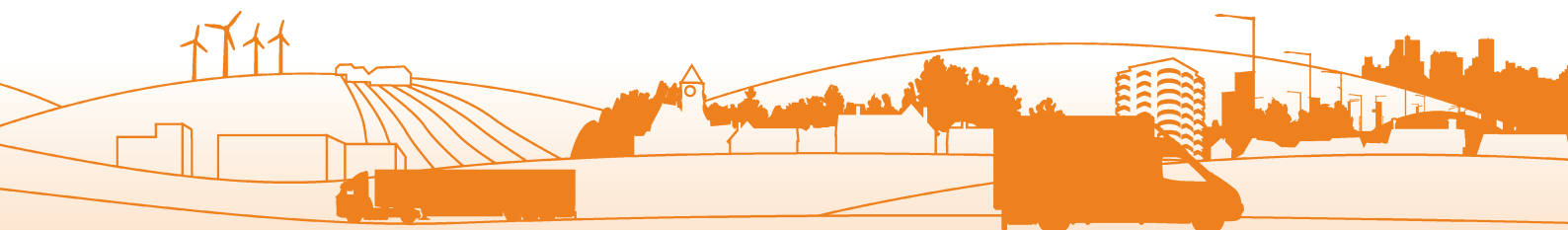
- Distribution, such as working with distributors and wholesalers
- Working at the point of consumption in, for example, the provision of catering services for 'mainstream' clients, and in developing a unique retail offering
- Dealing, in the post-consumer stage, with waste from retailers and food manufacturers by recycling and composting, and by sending surplus, in-date food to community catering outlets.

At the heart of the report there is good evidence to suggest that community food enterprises can **benefit from collaboration with the private sector** in two major areas:

A: Collaborating with the private sector can have **economic benefits** that improve the financial prospects of a community food enterprise. By trading in the wider marketplace, community food enterprises can open up significant financial opportunities to generate income and/or save money – and as a result they can safeguard the viability of the business.

The economic benefits can accrue from:

- Reducing business costs
- Improving cash flow and business efficiency
- Accessing land and premises
- Getting sponsorship in cash or kind – for example, to source raw materials and equipment.



B: Collaborating with the private sector can help to deliver valuable **social and environmental benefits** that boost activities at the heart of a community food enterprise's raison d'être.

Such collaboration can help:

- Meet social and/or environmental objectives in a community food enterprise's mission statement
- Develop useful skills for a community food enterprise's target beneficiaries, such as disabled individuals
- Facilitate the sharing of good practice and information
- Secure land for local food production and for promoting social activities
- Satisfy local and national environmental targets.

Community food enterprises are not the only beneficiaries, as evidence from the case studies indicates that collaboration can also bring a **range of benefits for the private sector**. These include:

- Creating routes to profitable new marketplaces
- Addressing corporate social responsibility targets
- Gaining valuable training and wider experience for corporate staff members
- Fine-tuning what they provide to the customer to create a distinctive marketplace position.

Finally, the case studies also shed light on the **potential pitfalls of collaboration** with private sector companies. Three main pitfalls could arise from such collaboration and these could jeopardise the continued existence of a community food enterprise:

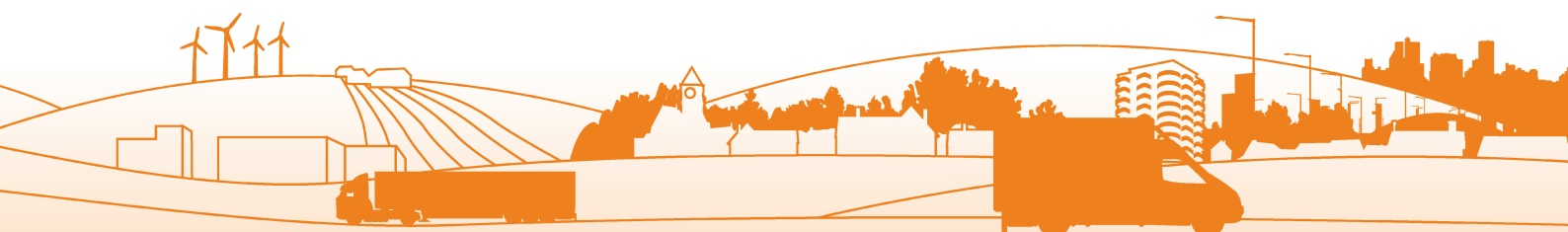
- 'Mission drift' – the focus of energy is diverted away from a community food enterprise's original social mission,

leading to a possible disconnection between managers and community members

- Dependency – becoming too dependent on the income from a sponsor can be dangerous
- Cultural change – a community food enterprise may need to adapt its skill-base and decision-making criteria as it shifts to a more commercial outlook for its business.

This report is not an exhaustive study and is based on interviews with a sample of 18 enterprises, yet there are clear indications that **collaboration with the private sector is worth exploring**. Once the management of a community food enterprise establishes sound reasons for collaborating, and identifies what help it needs, they can investigate the different models of collaboration – from simple transactional arrangements to more embedded partnerships that offer greater mutual benefit or co-dependence. They could also choose to seek the aid of a third party or 'an honest broker', such as a support sector organisation.

There is a clear opportunity for established community food enterprises and support organisations to explore UK versions of some of the **larger-scale collaborations and consumer- or sustainability-driven initiatives** from other countries. This would require round-table discussions followed by practical action plans – participants could include government departments, key sector organisations and interested corporations, such as the ethically driven supermarkets.



3 Introduction

Why this report was commissioned

Making Local Food Work is a five-year programme funded by the Big Lottery Fund. It provides advice and support to community food enterprises across England with the aim of helping people take ownership of their food systems. To achieve this, it commissions research papers and identifies good practice in community food enterprise management.

Current research for Making Local Food Work by Cardiff University has identified the importance of collaboration within the community food sector. This report was commissioned to explore the wider opportunities and models for collaboration between community food enterprises and the private sector. In particular, the aim was to provide practical examples that would illustrate to community food enterprises how to establish such collaboration.

Selection of case studies

The research uncovered relatively few examples in the UK, so the report includes valuable examples from other countries. Most of the examples are quite large or well-established enterprises; this may be because such collaborations are more likely to be considered as enterprises seek to expand, or alternatively because they have been established specifically to address a problem that can only be solved efficiently on a large

scale, such as waste disposal. Additionally, the report includes examples of community organisations or groups of consumers who have taken the initiative to intervene in market structures to create a vibrant local food economy – for example, through the medium of community finance.

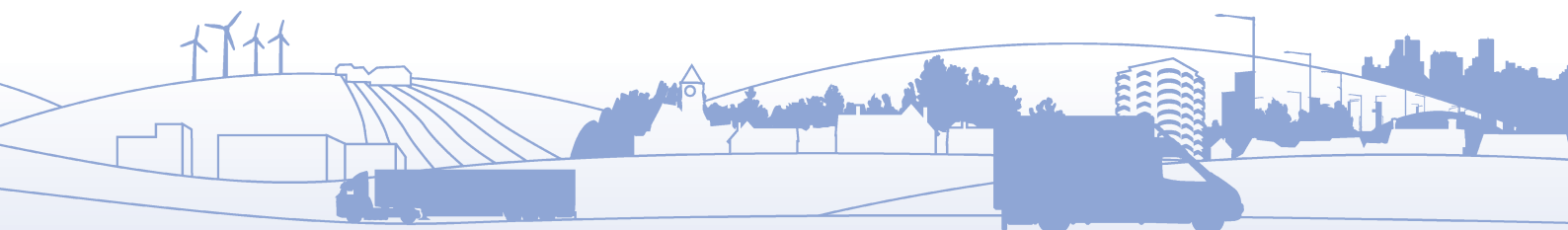
Definitions of a 'community food enterprise' and the 'private sector'

So, what do we mean by a 'community food enterprise' and the 'private sector'? The Making Local Food Work programme defines community food enterprises as 'social enterprises run by communities for their benefit; and which are directly involved in at least one part of growing, harvesting, processing, distributing, selling or serving food'. They are by definition social enterprises, which are defined as 'a business with primarily social objectives whose



Image from FareShare

A FareShare warehouse team



surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners’.

The ‘private sector’ is defined as any privately owned business within, or which has an interface with, the food and drink supply chain, from small independent retailers through to large corporations.

Common challenges faced by community food enterprises

Most community food enterprises, at least in their early stages, are small and locally focused, and are not run by professional business managers. Profit generation may not be the primary purpose, but for any business to survive it must make a profit, develop good management systems and identify how to safeguard its future viability. This can be hampered by:

- The limited scope for profit generation in the food sector, especially in primary production such as vegetables
- Threats from competitors including supermarkets, some of whom, for example, now offer to deliver vegetable boxes
- Increased costs of inputs, such as fuel and raw ingredients, which hit smaller businesses more acutely because they form a higher percentage of the cost of sales
- The difficulty in changing consumer buying behaviour, as illustrated in the other recent researchⁱ for Making Local Food Work.

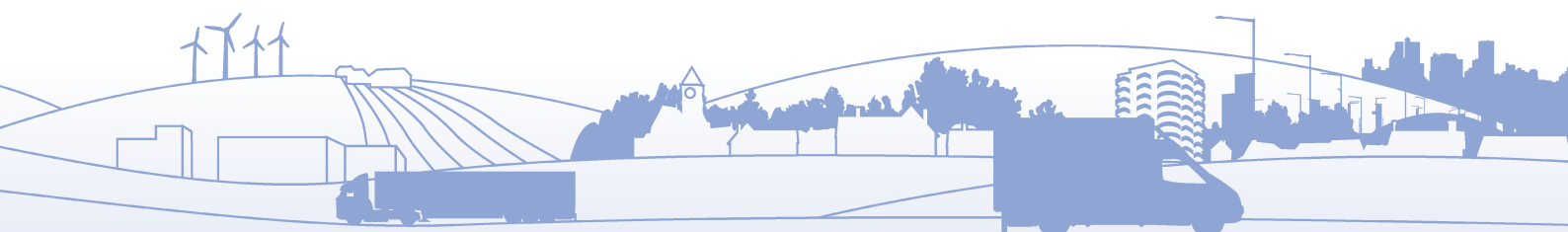


Image from OMSCo

Scope for collaboration

Given that most community food enterprises have come into being in order to address local needs, such as better access to fresh produce at reasonable prices, their outlook is generally not towards the commercial food supply chain. However, some community food enterprises are now extending their activity into other areas, such as trading into the mainstream food supply chain, with the intention of using the profits generated to channel money back into the community.

Private businesses, especially small independents, recognize that marketplaces are changing and that it is important to build relationships with local communities, in diverse ways, to secure market share and to benefit from a more co-operative way of working.



The review process

The review process involved four stages as follows:

1. Identification of case studies to illustrate the diversity of areas for, and models of, collaboration.
2. Interviews and desk-based research, such as a review of annual reports, for the chosen case studies.
3. Analysis and preparation of a draft report for consultation with a number of critical friends.
4. Final report production.

The central process in this work has been to use case studies to highlight potential opportunities for collaboration. Initially, therefore, the study team set about identifying a number of case studies that would illustrate a wide range of motivations, areas and models for collaboration. As noted above, there appeared to be relatively few examples of good practice in the UK, so the team also used case studies from Europe, Japan and North America. A list of the case studies follows (see pages 7–9).

For each case study, the enterprise managers were asked a range of questions in order to understand why the collaboration was set up, what they hoped to gain from it, what agreements and finance were involved and what outcomes they had achieved.

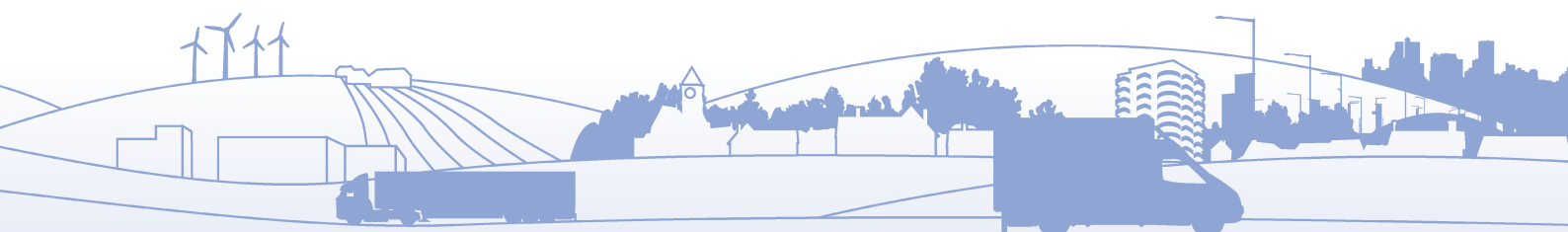
The aim was to discover more about **motivation** (why would a community enterprise want to consider working in a more commercial environment?), possible **areas** of collaboration, **models** of collaboration, and the **outcomes, pitfalls** and **lessons learned**.

The findings of the interviews and other desk-based studies are summarised in the stages set out below:

Section 2: 'Experiences of collaboration' explores the case studies in more depth.

Section 3: 'Understanding collaboration' considers what this report means for community food enterprises.

Section 4: 'Taking things forward' proposes the next steps for each of the three key audiences (community food enterprises, private businesses and supporting organisations).

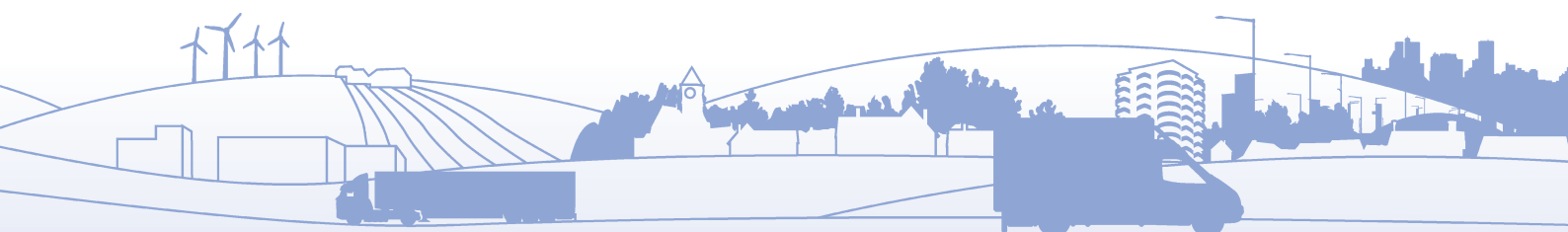


List of case studies

Eighteen collaboration case studies were examined, from within the UK and from other countries, to illustrate the diverse ways in which community and commercial enterprises can work together. These case studies are categorised by the nature of the primary activity of the community enterprise or organisation in the supply chain life-cycle: land & production > marketing & distribution > the consumer environment > post-consumer. The main points arising from these examples are included in the next section of this report, whilst a full write-up of each is included in a separate document (see page 34).

Land & Production

Community enterprise	Brief description of the enterprise and collaboration activities
Ecological Land Cooperative www.ecologicaland.coop	The Ecological Land Cooperative acts as an intermediary to buy degraded land from private landowners, prepare and parcel it up, and lease it to people seeking smallholdings to manage sustainably, who would not otherwise be able to afford to do so. Currently active in Devon.
Manchester Veg People www.vegpeople.org.uk	Manchester Veg People is a co-operative of organic growers working closely with their buyers to provide fresh, seasonal food of the highest possible quality in Greater Manchester. The group brings together buyers and growers in a unique, transparent partnership model that aims to benefit all parties.
Orkney Fishermen's Society www.orkneycrab.co.uk	The Orkney Fishermen's Society is a co-operative that processes and sells lobsters and crabs. It has become a market leader and sells to retail and wholesale customers in UK, Europe and the Far East. It has formed a partnership with the European Marine Energy Centre to help manage the marine resource sustainably.
Regionalwert AG www.regionalwert-ag.de	Regionalwert AG is a limited company in Germany with a two-thirds majority of local shareholders. Community financing allows a land trust to ensure that farmland is managed sustainably and to create farm business opportunities for tenant farmers. The farms supply food to a range of local customers.
Riverside Market Garden www.riversidemarketgarden.co.uk	Riverside Market Garden is a community-owned horticulture enterprise on the edge of Cardiff. It has developed some very successful supply relationships to restaurants in the city. These are progressing to a joint production planning stage.

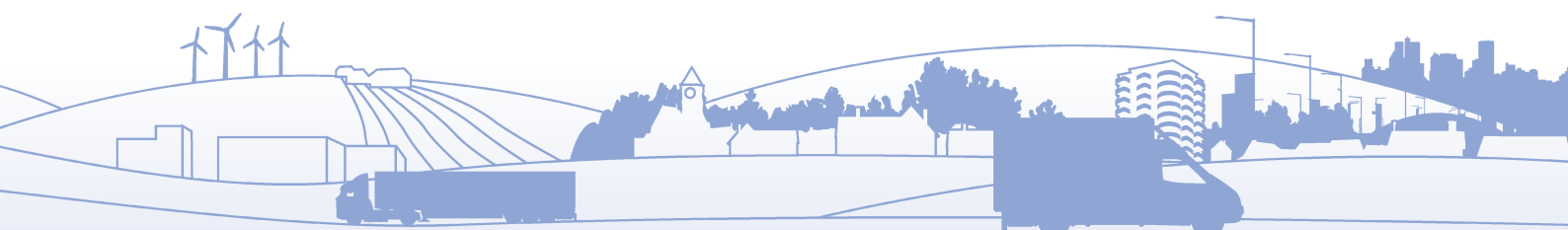


Marketing & distribution

Community enterprise	Brief description of the enterprise and collaboration activities
Essential Trading Co-operative Ltd www.essential-trading.co.uk	Essential is a workers' co-op based in Bristol. It specializes in wholesale distribution of natural, organic, vegetarian, fair-trade and local foods and products, mainly to the independent retail sector, and increasingly to consumer co-ops.
Heart Distribution www.heartdistribution.com	Heart is a not-for-profit distribution enterprise set up by Blakemore & Sons Ltd, a family-owned wholesale business in the West Midlands. It offers a route to market for small producers, whose products now reach outlets such as The Cooperative stores.
National Good Food Network www.ngfn.org	The National Good Food Network promotes 'healthy, green, fair-trade and affordable food' in the US. It acts as a facilitator in the supply chain to assist family farms to supply products to large supermarkets. It has developed a pilot partnership with SYSCO, the USA's largest retailer, who are seeking a unique position of offering local artisan produce and greater diversity in their stores.
OMSCo www.omsc.co.uk	OMSCo is a UK co-op of over 500 dairy farmers. It supplies raw organic milk and other products to Yeo Valley, Robert Wiseman, Sainsbury's and others. Its strong market position enables it to safeguard its members interests.

The consumer environment – retail, catering and buying groups

Community enterprise	Brief description of the enterprise and collaboration activities
Agrisviluppo www.agrisviluppo.it	Agrisviluppo is an agricultural co-op in Italy, founded in 2010. It facilitates trading between its 100 members and a wide range of retail and food service buyers. It has established a local products brand – the 'ØKM' (or Zero km label) – and acts as a virtual distribution centre by collating orders and co-ordinating distribution.
Aldingbourne Trust www.aldingbournetrust.co.uk	Aldingbourne Trust is a charity based in West Sussex that provides employment in the local community for people with learning disabilities. It is developing a number of trading activities with private and public sector clients such as running a café for the local authority.
GAS (Gruppo D'Aquisto Solidale – Solidarity Buying Group)	GAS are groups of consumers in Italy who use their joint purchasing power to buy socially and ecologically sustainable food at fair prices and create a community-based alternative to commercial retail outlets. The GAS groups establish direct and ethical relationships with suppliers, who must conform to sustainability criteria.
Migros http://m09.migros.ch/en/migros-community	Migros is a consumer co-op and the largest supermarket chain in Switzerland. It also runs an insurance company, bank and language schools. Its 'De la Région' label is used for a range of regional products that are produced and sold within local cantons according to defined sustainability criteria. This supports small family farms.

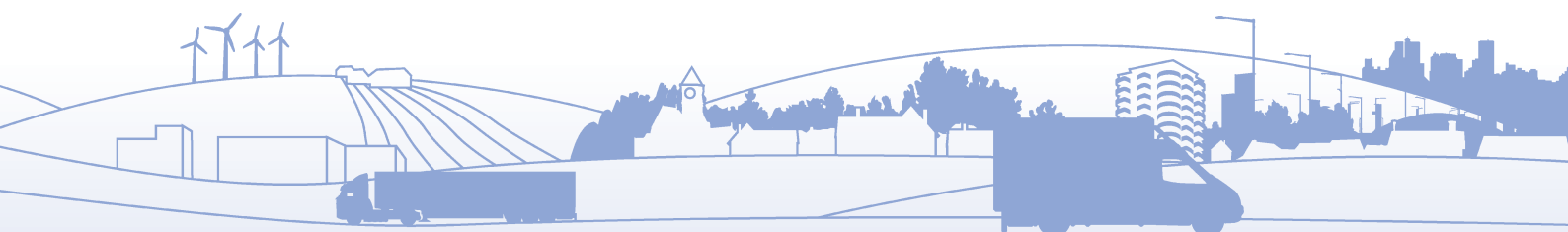


The consumer environment – retail, catering and buying groups *cont*

Community enterprise	Brief description of the enterprise and collaboration activities
Natural Food Co-op	Natural Food Co-op is a Japanese consumer co-op with 72,000 members. It creates a unique marketplace for organic producers, who can make weekly home deliveries of organic and Japanese fresh, frozen and processed foods. It operates from a mechanized distribution centre.
Ovesco www.ovesco.co.uk	Ovesco is a community-owned energy company in Lewes, which has developed a partnership with a local brewery. The brewery roof accommodates a solar PV micro-generation unit, financed by the community. The electricity is used by the brewery whilst income paid by the electricity network operator benefits the community.

Post-consumer

Community enterprise	Brief description of the enterprise and collaboration activities
Cwm Harry Land Trust www.cwmharry.org.uk	Cwm Harry is a charity in mid-Wales. It grows vegetables for sale to local wholesalers and others, and has developed a composting service for food waste collected from households and businesses.
FareShare www.fareshare.org.uk	FareShare is a UK-wide organisation with local depots which take surplus food that is fit for consumption from corporate food businesses, and distributes it to hostels, breakfast clubs and similar projects. It has built a network of community-based partnerships comprised of regional organisations and charities working to address food poverty and food waste.
Restaurants du Coeur www.restosducoeur.org	Restaurants du Coeur is a not-for-profit community interest association providing food and training to marginalised, homeless and unemployed people in France, Belgium and Germany. It has developed long-term relationships with multinational and French-based food businesses, including Danone, Carrefour and Sodexo, to support food distribution and training activities.



4 Experiences of collaboration

Using the sample of case studies listed on pages 7–9, this section explores the experiences of collaboration between community food enterprises and private sector businesses. The narratives of these experiences are organised into four broad themes that represent the goals for a community food enterprise:

- A** Developing profitable trading relationships
- B** Developing skills and knowledge
- C** Meeting social objectives
- D** Meeting environmental objectives

Each theme is further broken down into types of business activity that reflect the opportunities that community food enterprises might consider. Suggestions for action for community food enterprises are highlighted at the end of each sub-section.

A Developing profitable trading relationships

1: Trading from a position of strength

Security and better cash flow can be generated by **strengthening trading relationships**. For example, **Riverside Market Garden**, a community-owned horticultural enterprise just outside Cardiff, has recently been augmenting its direct sales business by working closely with a number of restaurants that it supplies in the city. The restaurants have become very keen buyers, appreciating the freshness of the product as well as the ethos of the community enterprise. After three years, the market garden's cash flow is still quite vulnerable so it has asked the restaurants for **cash on delivery**. They understand this need and are happy to pay. In fact, the restaurants pay very good prices for uniquely fresh salads and vegetables, and the profits the company makes in



Image from RCMA

Riverside Market Garden
on an open day



this market area helps it to meet the pressing financial needs in a period of business establishment.

Additionally, the relationship with some restaurants is now developing more deeply – both parties sit down at the beginning of the season to match up the requirement of the restaurants with the production planning of the enterprise.

Co-operating with other producers is a well-established model for creating more effective supply chains for smaller producers. One such example is **Omsco**, a co-operative company limited by share which was set up in 1994 by a group of five organic dairy farmers in the West of England. Following the abolition of the Milk Marketing Board, dairy farmers were left in a vulnerable position. The co-op offered a **route to market** for its members, initially with key clients, including Yeo Valley and Alvis Brothers, and now including Robert Wiseman, Asda and Sainsbury's. Milk is collected from farms every other day, ensuring regular turnover on the farms without the prohibitive expense of daily collections. OMSCo now has 500 farmer members from Cornwall to Inverness and has become the leading supplier of organic milk in the UK, with over 65% of the market, handling 340 million litres per annum.

The co-op offers great advantages to dairy farmers, providing a strong negotiating position with large buyers and leading multiples – compared to individual farmers who would be 'price takers', subject to arbitrary variation or loss of contracts. Being members of the co-op has given farmers the confidence to invest in developing their enterprises and herds with more certainty and reduced risk. It also means that the organic milk 'brand' can be delivered effectively, which helps embed change in consumer buying behaviour.

Another example of an agricultural co-op is **Co-operativa Agrisviluppo Cuneo** in Italy, which was founded in 2010 by the local branch of the Italian farmers' union Coldiretti. It was primarily established to **develop local markets for local producers** and provide consumers with 100% guaranteed local and regional products. To support its marketing activity it has developed the 'ØKM', or zero kilometre, brand, which reflects a drive to source produce from as close as possible to the marketplace. The standards associated with Co-operativa Agrisviluppo Cuneo are set by the co-op and applied to members' production; farm products have to be 100% regional in origin and demonstrate a regional supply chain.

A diverse set of outlets have taken up the opportunity to stock 'ØKM' products, including multiple retailers, such as Auchan and LeClerc, and the regional supermarket MaxiSconto, owned by Dimar. MaxiSconto regards the promotion of local products and support for local producers as part of its commercial strategy to distinguish itself from its competitors. Agrisviluppo also supplies contract caterers such as Sodexho, which serves schools, hospitals, fire stations and care homes. The majority of these contracts are very small, but they enable the contract caterer to meet tender requirements, which can include specific reference to local and 'ØKM' products.

Image from OMSCo



A meeting of OMSCo farmers



Actions for community food enterprises to consider

- Develop strong relationships with private sector businesses, such as restaurants or other independent buyers, to generate security and better cash flow, such as negotiating a cash-on-delivery agreement.
- Exploit the uniqueness of a product or service offering – for example, the quality of fresh produce.
- Use the potential profitability of private sector trading as a critical income source to feed back into the social enterprise with its multi-faceted objectives.
- Work alongside other producers, either in an informal collaborative group or as part of a more structured co-operative – this allows the individual members to become part of a group of suppliers that can negotiate better terms of business. The common identity or values of producers in such groups creates a strong basis for common branding, such as defining local sustainable food, and may prove very attractive to buyers in retail or catering sectors.

2: Making best use of sponsorship

For many community enterprises, access to finance or other kinds of support is critical in the start-up stage or in early years as they try to develop a viable business model. Grant funding for the establishment phase of the business is one route, but it can be risky if the enterprise becomes too dependent on it. So, increasingly in the last few years, enterprises are seeking community finance or sponsorship to provide capital start up costs.

In France, the **Restaurants du Coeur** initiative facilitates a variety of food and retraining services to marginalised, homeless and unemployed people. Restaurants du Coeur has established a large network of supporters, including multinational and French-based food businesses, such as Danone, Carrefour and Sodexo, which offer sponsorship to support Restaurants du Coeur's activities. These partnerships are governed by Restaurants du Coeur's strict

code of practice, which prevents the sponsors using their food poverty relief work for marketing purposes. However, customers are aware of supermarkets' sponsorship of Restaurants du Coeur through food donation days in their foyers.

3: Providing community finance

In an about-face investment model, communities can invest in the private sector where it safeguards or enables the delivery of the goods and services which the community seeks and which gives some level of control in the supply chain to the consumers. **Regional Wert AG**, a family business in Freiburg, Germany, works in partnership with a land trust. This is an **investment vehicle** that makes farmland available to rent and manage sustainably, creating new business opportunities for the tenant farmers. The result enables a local food economy that matches the community investor's objectives – a wide range of high-quality local produce is delivered back to the



communities that support them, while simultaneously providing local employment and ensuring good environmental management. There are now six farms supported in this way, supplying local communities, school and hospital meals, a fruit-processing business and five organic retail outlets in local towns.

Fordhall Farm is a family business that rents land from a community land trust. Sympathetic people responding to a national campaign generated a significant amount of finance to purchase the land on which Fordhall operates. An Industrial and Provident Society called Fordhall Community Land Initiative Ltd was established. Under the agreement, access to the farmland has been improved and the farming family has been given a 100-year tenancy with the option of succession for their children. The farm business (Fordhall Farm Ltd) manages the land in line with the expectations of Fordhall Community Land Initiative Ltd and ensures that it has full access to carry out research and educational work. The Fordhall Farm case study has been written up in other workⁱⁱ under the Making Local Food Work programme so is not repeated in this research.

An interesting collaboration, although not specifically relating to community food, offers an insight into the kinds of community/private partnerships that can be established. This example is in Lewes in Sussex, between a community-owned energy company called **Ovesco (The Ouse Valley Energy Services Company Ltd)** and **Harveys Brewery**. Between the partners, they have installed a solar photovoltaic array on the roof of the brewery. A community share launch in April 2011 was attended by 300 people and within five weeks the target of £307,000 had been reached – Harveys brewed a commemorative beer called Sunshine Ale to celebrate the launch of the scheme. Whilst the income generation from exported electricity will benefit the community company, Harveys have 'first call' on any power generated, which they receive free of charge and can use to power their coolers.

Addressing a different issue, the **Ecological Land Trust** in Devon has been set up help new entrants to farming to find a plot. The Trust, which is funded by ethical investment, buys land from private landowners and leases it to people that have the skills to manage it ecologically, and who would not otherwise be able to afford to buy the land.

Image from Oliver Allan



An open day at Fordhall Farm



The Trust purchases degraded agricultural land and applies for planning permission for low-impact smallholdings with temporary residences. The Trust provides a water supply, a biological waste-water treatment system, road access and a shared barn made of natural and local materials. If possible, it will also provide a source of renewable energy, such as solar panels, and an electric delivery vehicle. The Trust then sell 999-year leasehold agreements for the

smallholdings at an affordable rate, passing on costs plus a target return to investors of 6%. After the leasehold is sold, the Trust continues to monitor the sites, with a provision for an annual audit built into the leasehold agreement. If the leaseholders do not adhere to the ecological land management criteria, the Trust can intervene. The leasehold agreement also prohibits the property being sold out of affordable, agricultural and ecological use.

Actions for community food enterprises to consider

- Work with corporate sponsors to receive some of the infrastructure needed to run the business, such as premises, equipment or vans; but beware the implications if this support is withdrawn.
- Encourage the community to play a strong role in shaping the supply chains by funding private companies to produce and supply the goods and service they seek – for example, by creating an independent trust which holds the core asset, such as land or premises.
- Look for sponsorship, such as the provision of premises or land, or help with management skills – the sponsor can be seen to be 'giving something back'.
- Ask if primary social targets are being met or whether a degree of 'mission drift' has set in – particularly applies to community enterprises that are trading successfully.



4: Finding efficient solutions for local food distribution

Many community enterprises begin trading in a very limited way, with direct sales to the consumer or to independent retailers and caterers. But when they look for growth, distribution and marketing, in particular, need to be handled more effectively and perhaps by a third party. This **marketing, sales, warehousing and distribution function** can be addressed by working with an existing private sector provider, whose expertise and infrastructure is well-developed.

One such solution is **Heart Distribution** in the West Midlands, which has a business model geared to the distribution needs of micro and artisan food businesses. Heart is a not-for-profit **distribution hub** that was set up by Blakemore, a large wholesale family business, and includes producer members who are in part responsible for the way the service is developed. It now distributes on behalf of 130 producer members, with an annual turnover of £4 million. It enables small producers to get their products into a much wider range of outlets – The Co-operative retail stores, Spar and others – than they could manage by themselves. Heart takes on some of the cash flow worries of the small

producers by paying promptly.

All members need to be compliant with food and drink industry standards. For the buyers, this means that they have one order, one invoice and one delivery, which may comprise a wide range of local and artisan produce. For the producers, this enables them to benefit from the business and management skills as well as the logistical solutions of the parent company. Alongside the distribution service, there are also recycling facilities for packaging and the opportunity to network with other producer members. In this way, a community food enterprise can take on the role of a broker to achieve the objectives that matter to the community by offering an effective service to private sector businesses.

Co-operativa Agrisviluppo Cuneo in Italy does not have a depot, but acts as a **virtual distribution centre** by collating orders and co-ordinating distribution, which is principally undertaken by its members, as well as providing a single invoicing point for customers.

A different type of supply chain solution is offered by **Essential Trading** in Bristol. Essential is a workers co-op established in 1971. It specialises in **wholesale distribution**

Image from Heart Distribution



Heart Distribution delivering to a community shop





*In the warehouse at
Essential Trading*

of natural, organic, vegetarian, fair-trade and local foods and products. Essential is also part of a well-established alternative supply chain in the wholefoods arena, which includes a number of other workers' co-operative wholesale enterprises. In this case, the community food enterprise is the distributor, providing a service to private sector or other buyers, and similarly sourcing from a wide range of suppliers, but within an ethical framework.

Essential's customers include many small independent retailers, wholesale and catering customers, and consumer buying groups across the UK and Europe. For their private sector customers, Essential offers a means whereby the client can buy into an ethical supply chain solution, supporting the brand and market position of the customer's business.

In Manchester, a new supply chain model is being developed under the **Manchester Veg People** initiative. This is a co-operative of organic growers and restaurants working together to provide fresh, seasonal food of the highest possible quality in Greater Manchester. The group's aims are to sell organic fruit and vegetables across the city and to engage customers in a **transparent, open-book system**.

Manchester Veg People started in 2009 as an informal group of organic growers local to Manchester and two retailers, Unicorn Grocery and Dig. The initial purpose was to co-ordinate the crops grown locally with consumer demand so that growers would avoid problems of surplus and buyers could source a wider variety of produce. With the support of the Kindling Trust, the group has developed the model further in areas such as crop co-ordination and planning and pricing. The co-op sells and distributes produce through a central warehouse facility. By creating direct links between buyers and growers all parties benefit from clearer market signals along the supply chain: for example, from an improved



Chef and grower in discussion



understanding of demand as well as transparent pricing based on the real costs of growing and distribution. Sales began in early June 2011 to GreenPlate and the University of Manchester, which has 29 catering outlets.

Natural Food Co-op is a Japanese consumer co-op with 72,000 members, providing weekly home deliveries of organic and Japanese fresh, frozen and processed foods, alongside a small range of imported goods. It operates from a mechanized distribution centre. This co-op grew from the Teikei groups, a form of direct buying by

housewives from local farmers, which have been the only way that organic produce could be sourced. The Teikei groups, however, are weakening as women become too busy to volunteer. Natural Food Co-op provides a convenient alternative as it does not require volunteer labour. Also, it offers a market for organic producers struggling with over-supply to the diminishing Teikei groups. The operation is efficient and mechanized with stringent quality control systems. One downside, however, of this larger system has been a disconnection between the consumer and farmer.

Actions for community food enterprises to consider

- Identify private sector wholesalers and distributors who have access to a wide range of buyers and have well-established logistical skills and administration systems; the reduction in sales income, to allow for the distributor's margin, may be more than compensated for in the time gained and reduction in overhead costs.
- Develop partnerships between producers and buyers to allow close matching of supply and demand, with transparent accounting systems that allow all parties to enjoy a fair pricing structure.
- Create an alternative supply chain system which meets a consumer co-operative's own values; but beware the risk of growing so large that there is a disconnection between members and management or between consumers and producers.



B Developing skills and knowledge

1: Building employment skills for disadvantaged people

Many social enterprises have a primary aim of helping disadvantaged people to find ways into useful employment. Some workplace opportunities may be found by offering catering services, for example, to private sector or other 'mainstream' clients or by arranging work experience placements within private companies.

Aldingbourne Trust in Sussex, provides employment in the local community for people with learning disabilities, and support to develop new skills and opportunities for independent living. It was established in 1978 and now employs 170 staff, 21% of whom have a learning disability. Its enterprise activities include cafés and conference facilities, as well as in wood recycling, furniture restoration and organic fruit and vegetable production. They provide students with opportunities to gain **work experience** – for example, working with local partners such as Southern Rail,

Chichester College, Glaxo Smith Kline, Parham House, Sussex Police and Newick House School. One **catering contract** has been with West Sussex County Council to manage their in-house canteen, which the private contractor was no longer able to operate viably.

The Trust has a key advantage over other catering competitors because of its 'free' labour input by the trainees, who work in the kitchens or in the 'front of house'. The supervision cost creates higher management overheads than a typical catering business, but these are covered through the Trust's funding from social services and other sources.

The **FareShare** initiative is also one that places training and upskilling of disadvantaged people centrally in its mode of operation. FareShare is a nationwide network of community-based partnerships comprised of regional organisations and charities working to address food poverty and food waste. Launched in 2004 it is now operating in 13 locations around the UK. FareShare takes and re-distributes surplus food from food producers and retailers – the food is fit for consumption but would otherwise go to landfill (see below). Training is a key remit for FareShare. For example, FareShare South West has 25 volunteers per week, with over half of these volunteers coming from beneficiary projects. Volunteers benefit from training and NVQ qualifications in a range of work, including driving, warehouse operations, cleaning, administration and support.

Image from Aldingbourne Trust



Catering services by the Aldingbourne Trust



2: Skills development for private sector staff in the community enterprise

In France, the **Restaurants du Coeur's** commercial partners not only give but also offer **professional expertise** and technical logistics training and support to Restaurants du Coeur's beneficiary organisations. This can include work placements or employee volunteering, which provides the staff with a wider work experience. A benefit to the sponsoring company is therefore the broadening of experience of their staff and an increase in motivation.

Actions for community food enterprises to consider

- Identify trading opportunities that social firms can operate viably by keeping labour costs low as part of their training remit, where a private sector operator has been unable to make a profit.
- Meet labour inputs by offering work training placements, which may be funded by public authorities or charities; however, the supervision cost must be factored in.
- Develop employment skills within the context of a community enterprise, allowing the individuals who have been trained to go on and seek jobs elsewhere.
- Encourage a wider partnership agreement in which private sector staff develop their skills within the challenging environment of the community enterprise, which in return benefits from real-world experience and technical skills of the private sector staff.



Meeting social objectives

1: Addressing food poverty, diet and health

Many community food enterprises have been established in order to address inequalities in the food system, such as easy access to fresh healthy food, and in order to address health issues through better diets. Some operations by community enterprises are only made possible because of a relationship with corporate partners, who are motivated not just by meeting their corporate social responsibility agenda, but also because in many cases it makes good commercial sense – for example, by minimising the cost of waste disposal.

FareShare (see page 18) aims to help vulnerable groups within our communities, including homeless people, elderly and children in food poverty. A daily average of 29,000 people around the UK benefit from the service FareShare provides; it contributed 6.7 million meals in 2010. It receives around 30 tonnes per month from suppliers, including Sainsbury's, Pullins, Brakes, Bristol Fruit and Vegetable Wholesale Market and Gerber

Sainsbury's are a key partner for FareShare

Juice. Food business 'partners' are asked to cover the costs of transporting their waste food and other logistical costs. Beneficiaries such as charities and community groups pay a small charge for the food supply service to cover FareShare's operating costs. Food is delivered or collected on a weekly basis, sorted by weight and repacked for deliveries to local projects that cook it or distribute it as food parcels.

Restaurants du Coeur (see page 19) benefits around 860,000 people, with support from 60,000 volunteers. It distributes meals to 2,000 centres and mobile hot meals for home cooking, hot meals for homeless people and food aid for young children



Image from FareShare Southwest

Actions for community food enterprises to consider

- Turn problems such as food waste from large businesses in the supply chain into business opportunities.
- Look for significant sponsorship opportunities, such as the redistribution of food to disadvantaged communities; a community enterprise can charge for its role as an honest broker.



2: Creating a route to market for micro-producers

The last few decades have been difficult for small food producers and family farms because of centralisation and consolidation of supply chains, competition from other countries and economies of scale. At the same time, larger retailers and food service operators recognise the market for artisan and local produce. A number of social enterprises provide facilitation and assistance to help family farms and artisan producers find a viable route to market, acting as honest brokers between the micro-businesses and larger corporations.

One such organisation is the **National Good Food Network** in the USA, which has established an interesting partnership with **Sysco Corporation**, a global leader in catering supplies. Sysco came to realise that their focus on constant streamlining to gain efficiencies had resulted in a very narrow 'industrial' product range that many customers were questioning and rejecting. These customers began demanding more flavour, variety and a real connection to

food producers. They wanted to buy a wider range of freshly harvested fruit and vegetables, to support local farmers and local economies, and to know the 'story' behind the produce, plus increased accountability on labour and environmental practices.

The 'Success for Family Farms' project addresses this issue. It was first piloted at Sysco Kansas City by partnering with 'Good Nutured Family Farms', a co-operative of more than 100 small family farms within 200 miles (320 kilometres) of Kansas City. The products embodied a set of standards around sustainable agriculture, humane livestock care and community commitment. For the farmers, this created a new marketplace opportunity, building on their unique local food offering.

A small farmer in the Success for Family Farms project



Image from National Good Food Network



In a different way, **Migros** has responded to consumer interest and support for local food and local business through its '**De la Région**' label. Migros is the largest supermarket chain in Switzerland and is a federation of consumer co-operatives with over 2 million members and 37% of the Swiss market. By 2011, Migros' business strategy enabled 'sustainable products' to represent 51% of food and non-food sales.

The chain has formed partnership agreements with national and international organisations to supply certified products with social and ecological guarantees. For example, the

'**De la Région**' products must include 90% of ingredients conforming to strict sustainability standards. Other standards include the 'TerraSuisse' label, which is a national association of farming organisations committed to integrated farm management and farm biodiversity; the '**Bioorganic**' label developed with Bio Suisse and the National Institute for Organic Research; the '**Eco**' textile and '**Coton Bio**' organic cotton labels; the '**Max Havelaar**' fair trade label; and '**Marine Stewardship Council**' assurance on its fish. These have contributed to strengthening Migros's position as market leader in the Swiss retail sector.

Actions for community food enterprises to consider

- Look for an honest broker who has resources and is well-positioned to establish the basis for a relationship with a larger organisation; this is especially attractive for small enterprises that find it difficult to trade or negotiate directly with larger corporations.
- Open up a supply chain connection with the help of an expert intermediary – for example, between family farms or other ethical producers with local produce to sell and larger retailers that need a unique product offering.
- Explore opportunities to market products through retailers under ethical food brands.

3: Creating a consumer-led supply chain

Consumer buying groups have become a popular form of community enterprise, which enable small groups of consumers to make joint orders to producers or other suppliers. In Britain, the consumer groups tend to be quite small. However, in mainland Europe there are some extremely large buying groups. These groups can impose their own value

system on suppliers, creating a significant alternative supply chain and reversing the traditional buyer/seller relationship, with consumers demanding that private sector businesses follow certain practices and compete for this marketplace.

One such example is the **GAS** (**Gruppo D'Aquisto Solidale – Solidarity Buying Group**) and **Inter-GAS**, in Italy. Groups of consumers in GAS use their joint purchasing power to



buy socially and ecologically sustainable food at fair prices and create a community-based alternative to commercial retail outlets. GAS groups are very varied – some are informal and some are registered not-for-profit associations or consumer co-operatives. The movement was launched in 1994 and has grown rapidly, now involving over 100,000 people across the country, with large clusters in Central and Northern Italy. Usually, GAS groups are set up by small groups of consumers who undertake joint ordering of both food and non-food products from local, regional and national suppliers. Inter-GAS are regional networks of GAS groups that discuss and implement education, training and support programmes along with joint purchasing.

There is a strong motivation in Italy to create an alternative economic system and GAS offers individuals and groups the opportunity to build an alternative trading system and create new employment. GAS's objective is to establish direct and ethical relationships with suppliers to ensure fairer prices for consumers and develop a new economy based on the principles of solidarity and sustainability.



Image from from Gruppo di Acquisto Solidale di Roma

A local artisan bakery which supplies to a Rome GAS group

Amongst the outcomes from the GAS supply chains are the:

- development of new businesses and co-operatives to sell specifically into this marketplace
- support for local organic and fair-trade items
- establishment of community facilities such as nursery schools and cultural centres
- development of renewable energy schemes
- development of new farming projects.

Actions for community food enterprises to consider

- When buying groups reach a significant scale, they can create new market opportunities for private sector suppliers, and negotiate with strength to dictate the production process that meets the values co-op support members.
- Develop a very loyal customer base – community food enterprises, such as Community Supported Agriculture projects, can do this as suppliers, as long as they are clear how they can meet the consumers requirements.



D Meeting environmental objectives

1: Safeguarding natural resources

Some community food enterprises have been expressly created to address conservation objectives – for example, Wye Community Farm,ⁱⁱⁱ which manages the grazing on a nature reserve, or a honeybee conservation project^{iv}. In some cases, conservation of natural habitats is central to the sustainability of the trading opportunity.

An excellent example of such a partnership is that between the **Orkney Fishermen's Society** and a number of other organisations to help protect the marine ecosystem around the Orkney Islands. By working together, these businesses are collectively establishing an innovative ethical business model that gives them a degree of power in shaping the marketplace.

The Orkney Fishermen's Society is a fisherman's co-operative, which operates crab-processing factories and exports live lobsters, as well as brown and velvet crabs. It has become a market leader, operating

two factories that process 1,500 tonnes of brown crab every year, and which it sells to retail and wholesale customers in the UK, Europe and the Far East. The co-op and its 200 members, including 70 active fishermen, have helped to revitalise the fishing industry in Orkney.

The co-op identified the potential to expand its markets and sales, if they manage shellfish stocks sustainably, but was concerned that development of the marine energy sector could impact on traditional inshore fisheries. In response, the co-op collaborated in a joint research initiative with the **European Marine Energy Centre**, a private company that provides open-sea test facilities for wave and tidal marine energy converters located in Orkney.

The co-op's partnership with European Marine Energy Centre is channeling commercial investment into long-term sustainable management of Orkney's valuable inshore fisheries. Collaboration between Orkney's inshore fisheries and renewable energy sectors is of mutual benefit,

Image © Colin Keldie - K4 Graphics



Crabs coming ashore from the Orkney islands



generating sustainable commercial solutions as well as positive promotion to buyers of shellfish products and 'green' energy. The co-op enables its members to market their shellfish products in a highly competitive market. Their sustainability credentials help create a unique market position.



Image © Colin Keldie - K4 Graphics

Boats in an Orkney harbour

Actions for community food enterprises to consider

- **Look for common ground with private businesses where natural resources need to be conserved and carefully managed to ensure long-term business viability. This conservation-focused approach may in itself offer marketing opportunities for the resulting products of the community food enterprise.**

2: Waste management

Addressing post-consumer waste is an important challenge for production businesses, consumer outlets and public sector agencies. It is important to consider waste issues, such as packaging, in the process of product development rather than as an afterthought. However, dealing with waste food, green waste and used packaging can offer lucrative business opportunities, which community enterprises may be well-placed to take advantage of, particularly where this can be associated with food production processes.

We have already described the work carried out by **FareShare** in redistributing surplus food from private sector partners such as Sainsbury's. In 2008/09, redistribution of food that otherwise would have gone to landfill helped businesses reduce carbon dioxide emissions by 13,950 tonnes. In 2009/10, the Bristol depot alone redistributed 274 tonnes of food that would have gone to landfill.

Another interesting example is that of **Cwm Harry Land Trust** in mid-Wales. The Trust was established in 2000 and launched the Cwm Harry Food Company in 2010. The Trust develops businesses that are sustainable and build local economic resilience. It combines food production activities with waste collection and composting. It collects food waste from households and businesses, manages a composting plant and is piloting a 'Zero Waste' project.

Waste re-cycling at Cwm Harry



Image from Cwm Harry Land Trust



In 1998, the founders of the Trust managed a Community Supported Agriculture project in which green waste was collected by volunteers, composted and used to grow fresh local food, which was distributed to local people through a box scheme and a 'veggie bag' scheme. Based on the experience and support for these activities, the Trust built its linked food waste collections and composting services into a larger-scale business. The Trust's food waste services produces hundreds of tonnes of compost each year.

Cwm Harry Land Trust offers a combination of liner bags and special bins with friendly doorstep collections to build stakeholder engagement and loyalty. It has built its rounds to service 12,000 users in the area. Their Business and Trade Collection Service provides an at-cost collection service to cafés, restaurants, hotels, works canteens, schools, shops and care and residential homes. This service will save businesses considerable costs – around £200 for each tonne of waste sent to landfill. The waste can be processed aerobically, producing a nutrient-rich compost that can be returned to the soil to increase its fertility. The composting takes place under cover in a sealed building. The waste material is

shredded and mixed with garden waste. The eight-week process results in a nutrient-rich compost for farm use.

Powys County Council has offered a service level agreement for the collection of food waste to Cwm Harry Land Trust. Cwm Harry delivers a proportion of the food waste it collects to Biogen Greenfinch in Ludlow on a regular basis to generate electricity that is sold to the National Grid.



Image source from iStock

Compost from waste

Actions for community food enterprises to consider

- **Manage the disposal of food waste or other post-consumer materials, as this can offer viable local enterprise opportunities, saving money for businesses and local authorities that may pay well for this service.**
- **Turn waste into useful materials such as compost; and use waste, through anaerobic digestion, to help generate electricity, saving costs and generating income by offering new products for sale.**
- **Target private sector partners as customers for an innovative product and service – community food enterprises can use their community 'credentials' to provide local products and services.**



5 Understanding collaboration

Drawing on the experiences of the case studies, this section sets out four important areas for community food enterprises and private sector businesses to consider carefully if they explore a possible collaboration: the motivation of each party; the need to clarify which area of the business to focus on; the nature of the relationship and therefore which model of collaboration to adopt; and the wider outcomes or changes that might occur, both positive and negative.

Motivation – why collaborate?

For the community enterprise

Collaboration with the private sector may be critical for **financial viability** – to reduce operational costs, to find more efficient routes to market or to generate new sources of income – or to improve the **operational capacity** of the business by building skills or meeting infrastructural needs.

By trading into the wider marketplace, enterprises can generate income that supports the viability of their business.

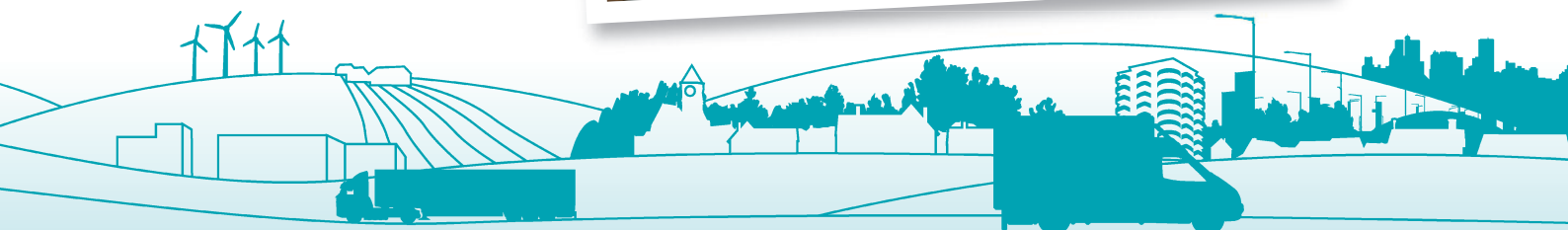
Collaboration may also unlock opportunities to **meet core social objectives** such as addressing food poverty or creating a more environmentally responsible food supply chain. For example, social enterprises have been developed specifically to re-distribute or compost food or green waste from private sector food manufacturers and retailers that would otherwise go to landfill.

Service provision to private and public sector clients, such as catering services, can generate both income and **training opportunities** for community enterprises whose target beneficiaries are disadvantaged people seeking employment.

An independent shop supplied by Essential Trading



Image from Essential Trading



For the private sector

Consumer-focused supply chains, such as those set up by powerful community buying groups in France and Italy, offer astute private sector businesses the opportunity to enter **an attractive and profitable marketplace**.

By working through not-for-profit third parties, smaller producers may find **a route to market**, whilst buyers such as retailers and caterers may be able to source and offer a range of local and artisan or ethically produced foods.

Collaboration with community food enterprises helps to address **corporate social responsibility** in ways that are visible and appropriate, and which may not cost much to service – for example, skill sharing and making workspace available. Offering advice and information to community food enterprises helps with staff motivation and experience, whilst also building goodwill.

Areas of collaboration

Community enterprises can develop useful collaborations along the whole **life-cycle of food production** – from the sourcing of inputs, such as ingredients or fuel, and production, processing, marketing and distribution to the consumer, as well as in dealing with post-consumer issues, such as waste disposal.

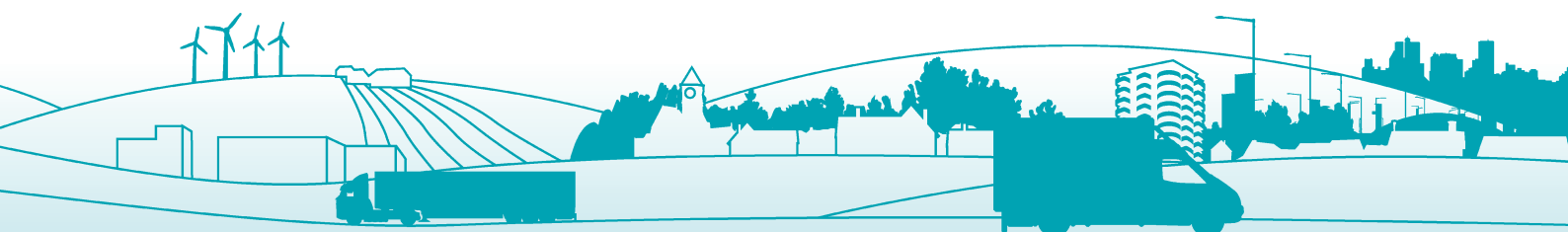
This reflects research by Cardiff University,^v which has suggested that collaboration between community enterprises is a key route to future success. Collaboration with the private sector is equally likely to be a key area of opportunity.

One of the most common challenges for small food producers is distribution and marketing. Some case studies in this report illustrate how collaboration between producers, and vertically with other players in the supply chain such as existing wholesale businesses, has addressed this issue successfully.

*A supplier to the
OMSCo co-operative*

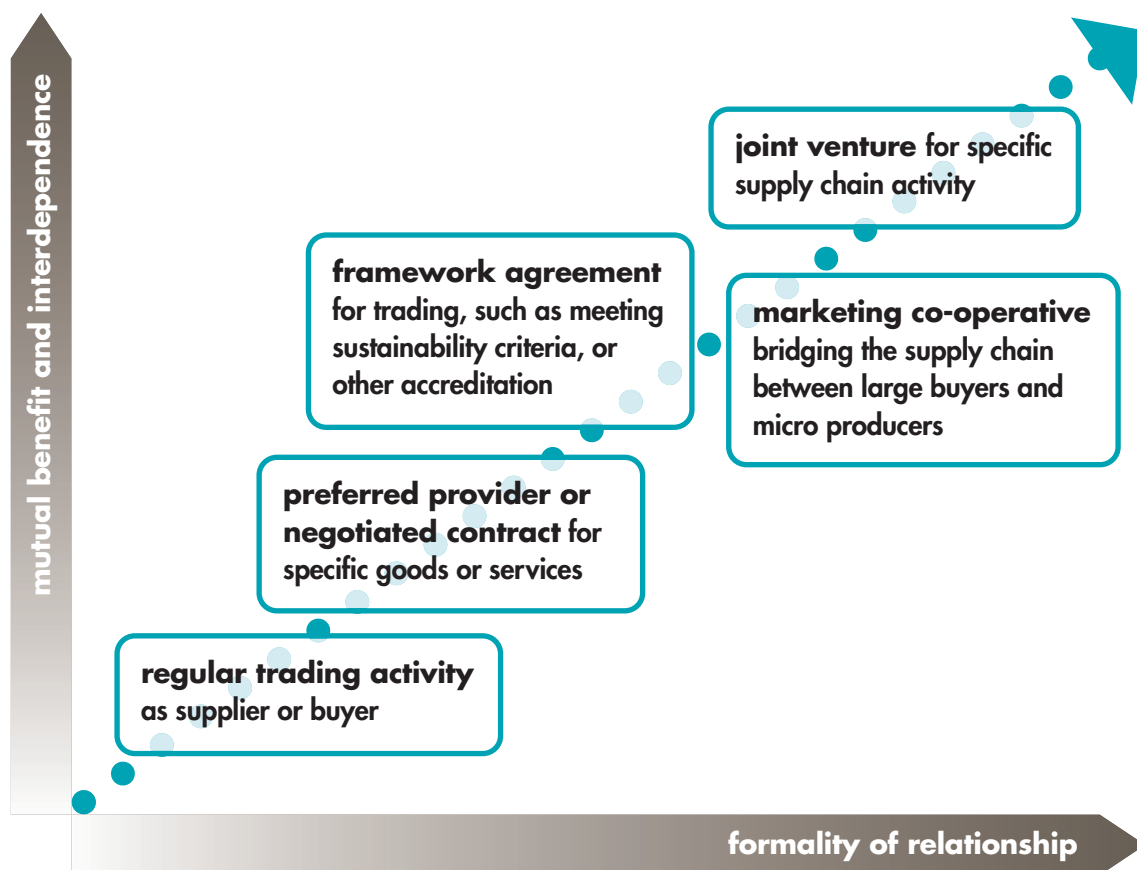


Image from OMSCo



Models of collaboration

Collaboration between community food enterprises and the private sector can range from the simple to the more complex. There may be a progression along this continuum, whereby the relationship begins with simple transactional activity but progresses as trust develops into a more embedded form of partnership. In respect of trading activity, English Food and Farming Partnerships^{vi} has described this as the journey from a 'transactional relationship' to one of 'partnership'. In respect of community food enterprises, we have identified a number of stages that might be experienced in this progression, as illustrated in the diagram below:

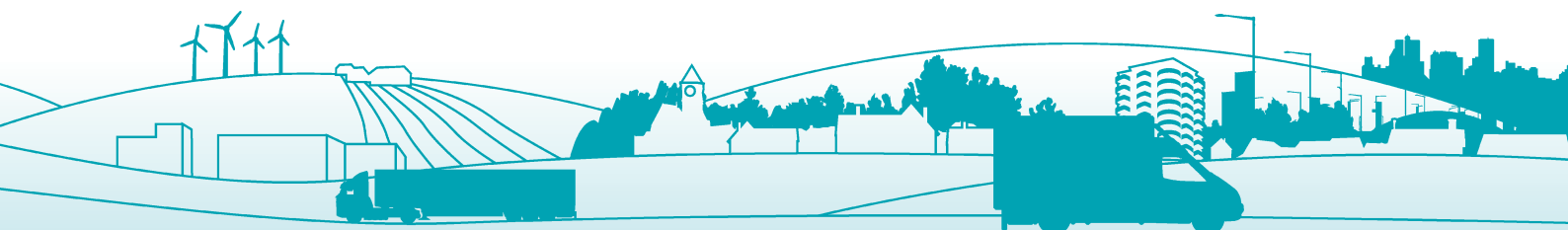


Some examples of collaboration in this report illustrate how **partnerships can be integral to business viability** for all those involved – for example, to secure the sustainability of a marine ecosystem on which several business interests rely.

The examples also highlight the impact and influence of established organisations that act as **honest brokers in the supply chain** –

unlocking access to mainstream supply chains for small producers or co-operatives, enabling access to land for new entrants to farming or helping deliver healthy food to disadvantaged people.

Additionally, **open-book accounting** systems are being developed to bring producers and buyers closer together and around shared values about sustainable food sourcing.



A further model illustrated by several examples of collaboration is the **establishment of a trust or other vehicle** to enable the community to invest in and provide finance for an enterprise, whether a private or social enterprise. This model emphasizes a paradigm shift in the relationship between communities and businesses: rather than communities depending on a business for employment or having to buy whatever that business offers, the communities are becoming the primary enablers of business activity and are adopting a key role in setting business agendas.

Outcomes – wider benefits and pitfalls of collaboration

In addition to the outcomes for community or private businesses, there are **wider benefits** to society including:

- Support for **family farms**
- Retention of **distinctive local products** and **local food culture**
- Development of transparent **supply chain models**
- Shared responsibility for **environmental management**
- Non-governmental initiatives addressing **food poverty** and **food waste**
- **Successful alternative supply chains** may also influence conventional models with regard to environmental and social considerations.

The positive aspects of private sector collaboration should not, however, mask the **pitfalls** that may arise. For community food enterprises, there can be '**mission drift**', whereby the focus of energy is diverted into attractive trading activities and away from the original social mission, or where a disconnection between members and managers occurs as the enterprise grows.

Similarly, private sector partners may need to find ways to evaluate the impact of sponsorship or support to make sure that the **outcomes** are what they intend.

It can also be dangerous to become **dependent** on sponsors, particularly if the business viability depends on the cash or other form of help received.

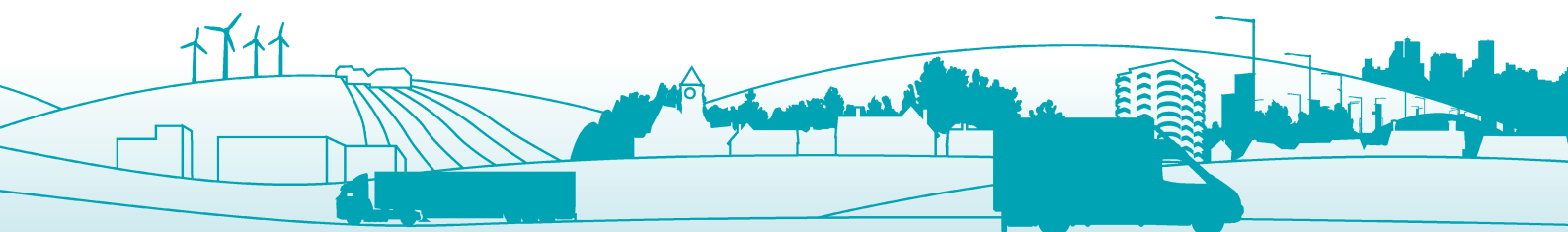
An issue which faces some community food enterprises can be the requirement by mainstream supply chain partners for more **professional business administration**, such as the need for food safety or other accreditations or for efficient accounting and order-tracking systems. This may challenge the community food enterprise to raise its game, which may be a good thing once resolved, but may challenge the skills and competency of the enterprise managers in the interim. However, this can be a benefit from associations that are based on skill sharing.

There may be a **cultural issue** for the community food enterprise as it grows from a starting point of meeting a social need into an organisation with a more 'commercial' outlook. The term 'profit', for example, can feel uncomfortable to many in the community enterprise sector.



Image from Aldingbourne Trust

A great pie and a happy cook with new skills



6 Taking things forward

This work has revealed only a limited number of examples of community and private sector collaboration in the food and farming sector in the UK. It is partly for this reason that the study team looked to Europe and beyond for good practice.

This apparent lack of common practice may simply be because the community food sector is still in its infancy and quite diverse, and growth by collaborating with the private sector is an undeveloped opportunity. It may also be that the private sector is unaware of the range of community food enterprises and their product offering or service capability, or considers the community sector to be insignificant.

Nevertheless, there is increasing recognition by businesses that social enterprises can be important partners, either through trading or through other modes of association that bring mutual benefit. It is also currently a major area of policy for the coalition government, through its Big Society agenda, to encourage local communities and the business sector to work together to address social need.

The key question here is “Who needs to do what?” to encourage collaboration between community and commercial partners. This question is best addressed in relation to the three key audiences: community food enterprises, private sector businesses and support sector organisations.

Community food enterprises

Income generation from trading or securing cash for in-kind support from private sector partners may be critical to the ongoing viability of community food enterprises. This may become more pressing if the grant-funding environment or the opportunity to attract donations becomes less secure.

So what does a community food enterprise need to do? A good **first** step is to conduct an objective review of the business model and use sound financial information systems to identify how to increase income and how to reduce costs.

Second, confirm the management team has the expertise to keep tight fiscal control of the business and is equipped to develop professional administration systems.

Third, make sure the wider membership of the community enterprise understands and supports why changes may need to be made. Becoming more businesslike, and seeking to generate profit or surplus, may require a culture change within the organisation.

Fourth, find out if there are good opportunities for collaboration with other existing businesses in the supply chain. Sharing skills and experience can bring mutual benefits that not only save money but also promote best practice. Researching and



learning from the good examples of successful private sector collaboration can be inspiring, too – it also can help to avoid reinventing the wheel or making unnecessary errors.

Fifth, look for substantive innovation opportunities that might enable a community enterprise to develop a business model that offers superior value to private sector customers, especially if these customers are willing to pay. Finding a good balance between the quality of their product or service and maintaining the goodwill and trust of their ethical consumers will be key to this strategy.

Sixth, exploit every advantage of the community food enterprise's position as a not-for-private-profit organisation to draw in grants and donations, as well as sponsorship for the provision of workplace opportunities for unemployed or disadvantaged individuals.

Private sector businesses

The more astute private sector businesses know that the world is changing and customers are looking more and more towards sustainability and other ethical agendas. With increasing use of tools such as social media, corporations are beginning to engage. Marks & Spencer, for example, is now committed to working more closely with social enterprises because it can see the benefits this brings.

Community food enterprises hold a unique and enviable position in the marketplace: they are trusted by local communities and can quickly take the pulse of local needs and aspirations. Collaborating with such enterprises may assist the private sector partner in fine-tuning their product offering. In the case of retail catering businesses,

community food enterprises as suppliers may also give the buyer an opportunity to market local and ethical goods and so create a distinctive marketplace position.

In some specific areas, such as addressing food waste disposal, community enterprises can offer a unique win-win solution that can save the food business money as well as meeting social targets. The community may also offer skills and the financial means to invest in innovative approaches and products.

Community enterprises can provide strong training opportunities for corporate staff members, who wish to hone or widen their professional skills, whilst helping the community enterprise in the process.

Support sector organisations

Enterprises have much to learn from each other and they could improve the way they share intelligence about the new commercial opportunities and models for collaboration. The development of **peer-to-peer networking** and **information sharing** among community enterprises can help achieve this: appropriate online forums, document libraries and an ongoing programme of local, regional and national events at which good practice can be disseminated. Support organisations in the sector could be crucial here. Once a community enterprise develops a critical mass of interaction and membership, it may become self-financing through membership fees and sponsorship.

The case studies in this report also show that experienced honest brokers can be instrumental to facilitate collaboration and to help manage the process of change for community enterprises as they diversify and grow. A second area for development is therefore for **specialist advisors and mentors**



to offer support to community enterprises in the areas of business planning, marketing, finance and governance. This may include help from advisors with community enterprise development skills and from non-governmental or third-sector organisations who can provide support in specific areas, such as access to land or premises.

Individuals and organisations who provide this support may themselves need to learn more about collaboration models and opportunities through **training and study visits** to observe examples of good practice in the UK or abroad

Finally, it would be interesting to see how the UK could develop some of the larger-scale collaborations and consumer- or sustainability-driven initiatives that have been established in other countries. This may require the hosting of **round-table discussions** to consider how the larger-scale European models could be replicated in the UK. Participants could include government departments, key sector organisations and interested corporations, such as the ethically driven supermarkets.

Image from Riverside Market Garden



Planning the crops for the coming season at Riverside Market Garden



7 References

Case study references

The bulk of this report is based on information from 18 different case studies, which were written up by the researchers following interviews. See the table on pages 7–9 to find the websites for each case study.

Full details of the case studies can be found in the document 'Collaboration between community food enterprises and the private sector: case studies'; f3 – the local food consultants, 2012 – this document is available at www.localfood.org.uk/library/collaboration-case-studies.pdf

Other references

- i 'Influencing consumer buying behaviour', Ian Fitzpatrick and Tom MacMillan of the Food Ethics Council, Making Local Food Work, December 2010
- ii 'The impact of community supported agriculture', Nick Saltmarsh and Josiah Meldrum of Provenance and Dr Noel Longhurst, University of East Anglia, Soil Association, 2011
- iii <http://www.wyecomunitylandtrust.org.uk/>
- iv www.beeguardianfoundation.org/
- v 'Forecast for the Future: Scaling Up the Community Food Sector', Professor Kevin Morgan, Dr Roberta Sonnino and Tim Crabtree, Cardiff University, 2011 ongoing
- vi 'Unlocking the commercial benefits of integration', EFPF 'Our View' paper, <http://www.effp.com/knowledge-ban>

