

Local Economic Systems

Session 5

The development of local economic systems –
networking, collaboration & support mechanisms

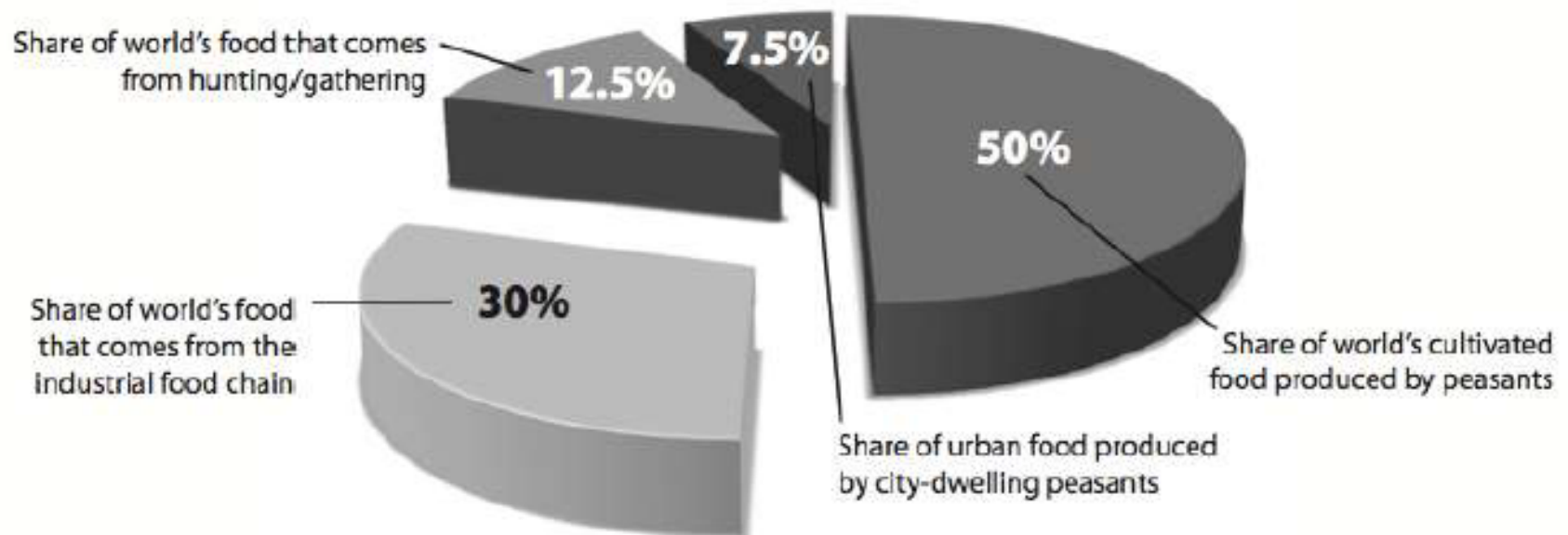
Tim Crabtree

Focus of session

- Exploration of how individual local food enterprises could collaborate with other organisations.
- Such collaboration could be at a less formal level, for example the creation of networks or “communities of practice”
- Or through “secondary structures” designed to provide inputs (the 5 capitals)
- Or allow collaboration around operations, marketing & distribution or waste recycling.

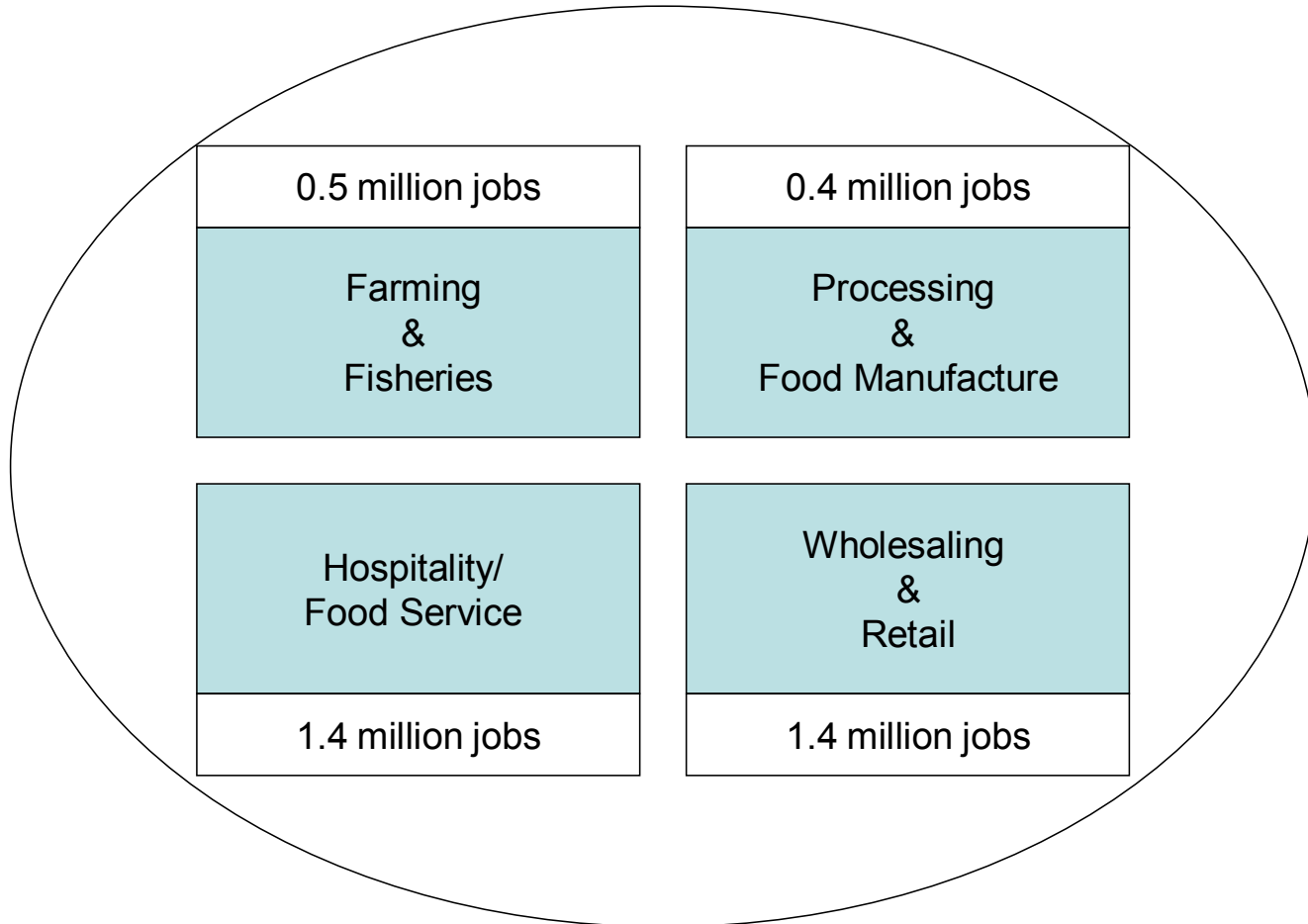
Who produces the world's food?

Peasants Feed at Least 70% of the World's Population



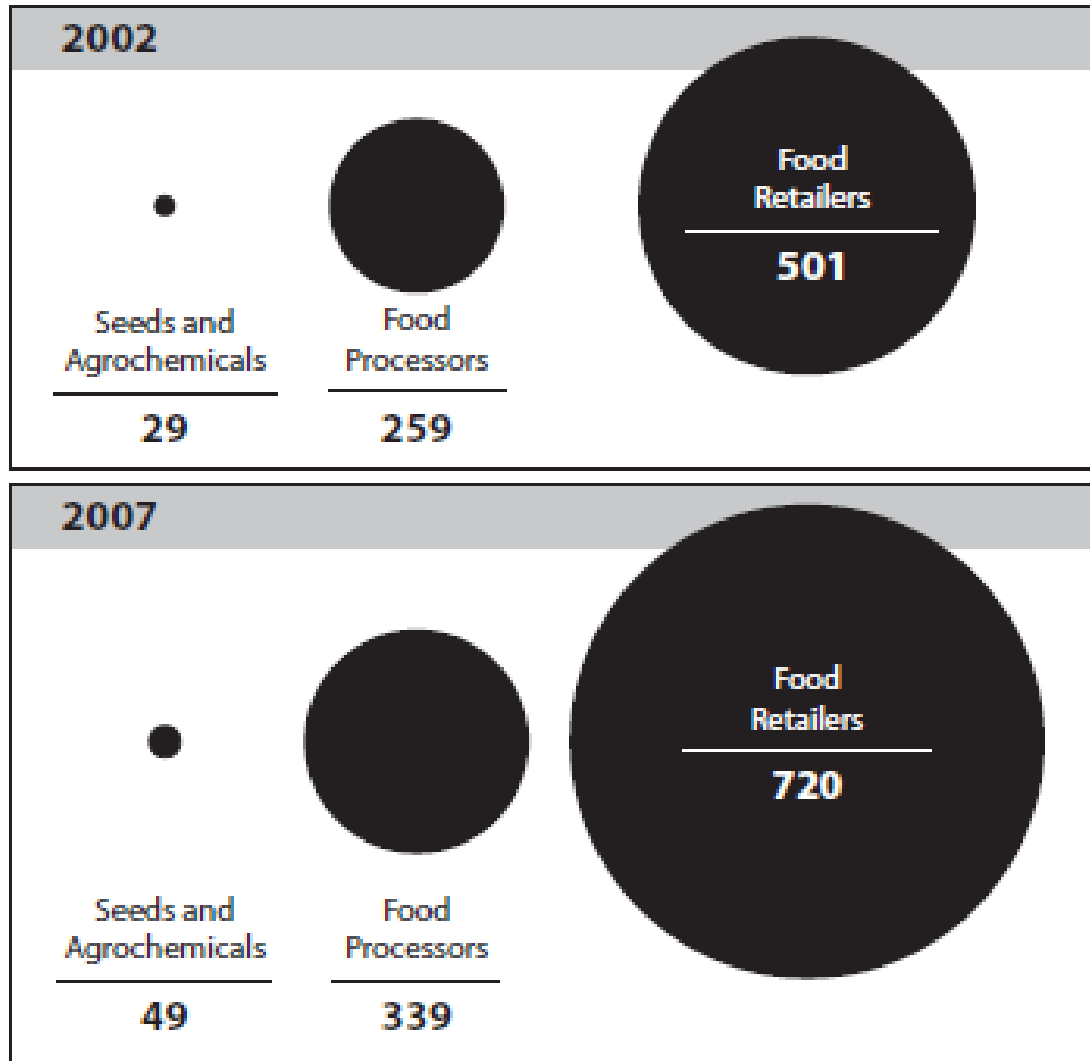
The Food Industry in the U.K.

Total consumer spend on food and drink = £172 billion per annum



The UK Farming and Food Industries: Employment

Corporate Food Chain At-a-Glance: Top 10 Revenue Share (\$US billions)



Source: ETC Group. Note: In 2002, Wal-Mart did not report grocery sales separate from total revenues. For purposed of comparison, we estimate that 40% of Wal-Mart's 2002 revenues were derived from grocery sales. In 2007, grocery sales accounted for 46% of Wal-Mart's sales.

Grocery Retailing Industry

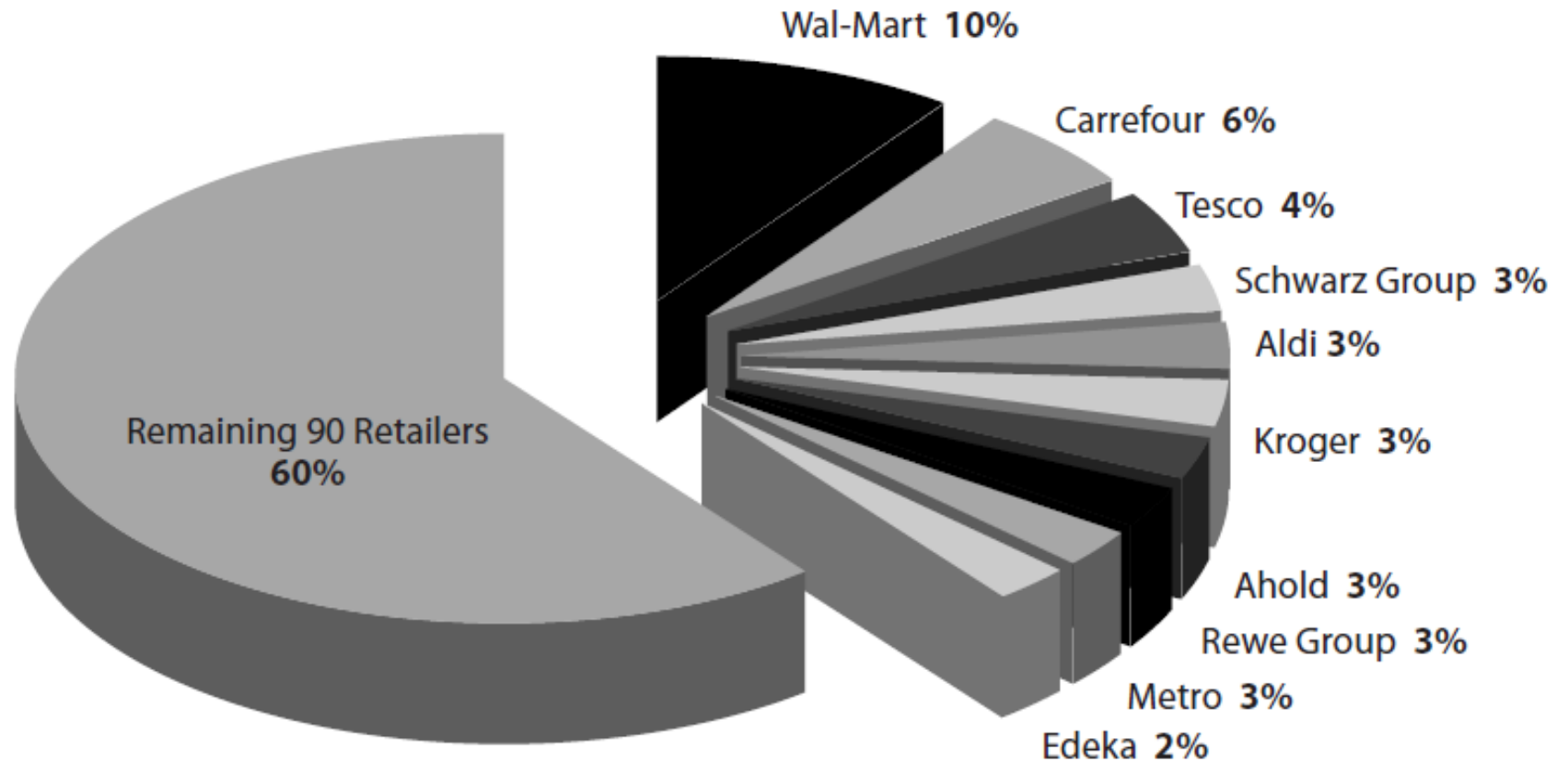
World's Top 10 Global Food Retailers



Company	2007 Food Sales (US\$ millions)	2007 Total Sales (US\$ millions)	Grocery as % of Total Sales
1. Wal-Mart (US)	180,621	391,135	46
2. Carrefour (France)	104,151	141,087	74
3. Tesco (UK)	72,970	100,200	73
4. Schwarz Group (Germany)	58,753	70,943	83
5. Aldi (Germany)	55,966	65,251	86
6. Kroger (US)	52,082	73,053	71
7. Ahold (UK)	50,556	62,614	81
8. Rewe Group (Germany)	49,651	56,324	88
9. Metro Group (Germany)	49,483	73,538	71
10. Edeka (Germany)	45,397	51,272	89
Total Top 10	719,630	1,085,417	

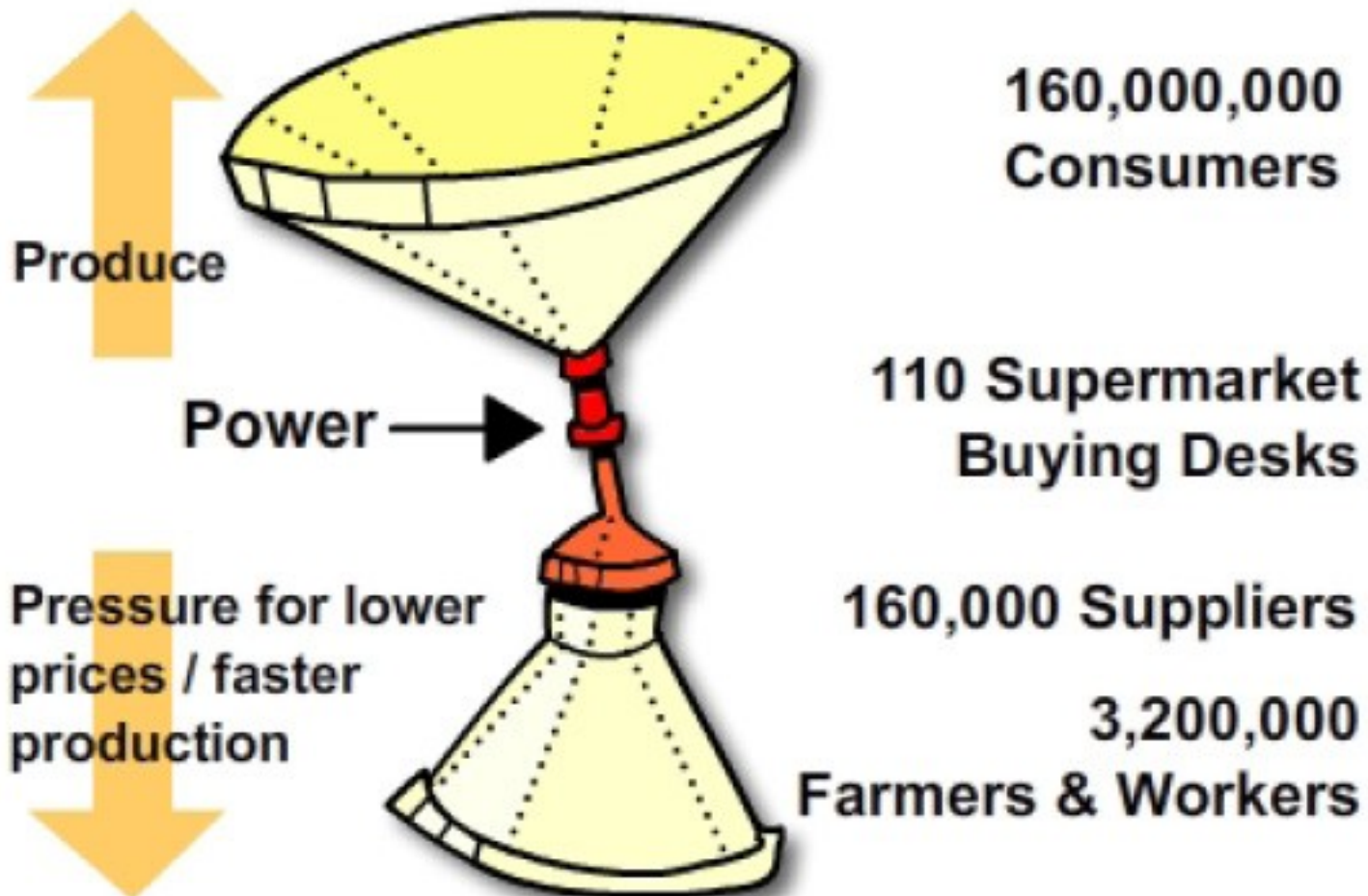
Source: Planet Retail

Global Food Retailers: Top 10 Account for 40% of Groceries Sold by Top 100



Grocery sales of top 100 retailers in 2007= US\$1.8 trillion

The Food Supply Chain Bottleneck



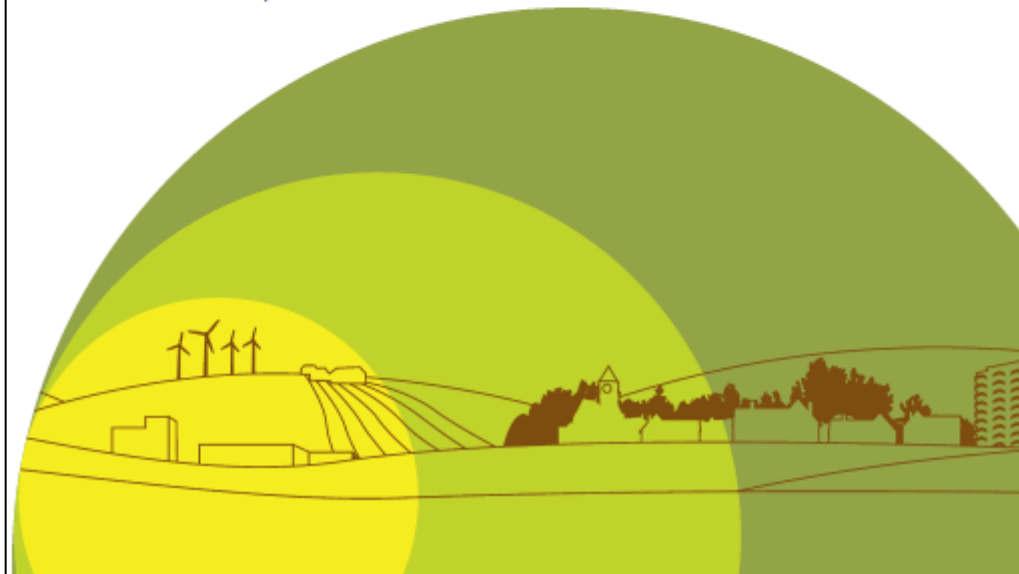
Source: Grievink (2003)



Prospects for the Future: **Scaling Up the Community Food Sector**

Research by Cardiff University for the
Making Local Food Work Programme

September 2012



Is collaboration the future for community food?

Forecast for the Future: Scaling up the Community Food Sector



Research aims

- to analyse the current characteristics of the community food sector;
- to forecast how this sector can mature and grow in the coming years; and
- to understand if collaboration – enterprises consciously working together to achieve joint aims – is an integral aspect of the future for community food enterprises.

Is collaboration the future for community food?

Forecast for the Future: Scaling up the Community Food Sector



Key hypothesis

That 'scaling up is really connecting up'

....and that this will require support structures that allow enterprises to actively work together, to learn from each other's activities, and to share resources in a mutually beneficial manner.

The UK Farming & Food System

Farming
&
Fisheries

Processing
&
Food Manufacture

Hospitality/
Food Service

Wholesaling
&
Retail

The “core”
food economy:
*households &
civil society*

Initiatives aimed at
creating an
ethical alternative

Initiatives aimed at
defending
local economies
and livelihoods

Initiatives using food as
a vehicle for
other purposes

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Household
gardens & kitchens

Allotments

Community
Gardens

Wholefood shops

Organic farms

Permaculture
initiatives

Farm shops

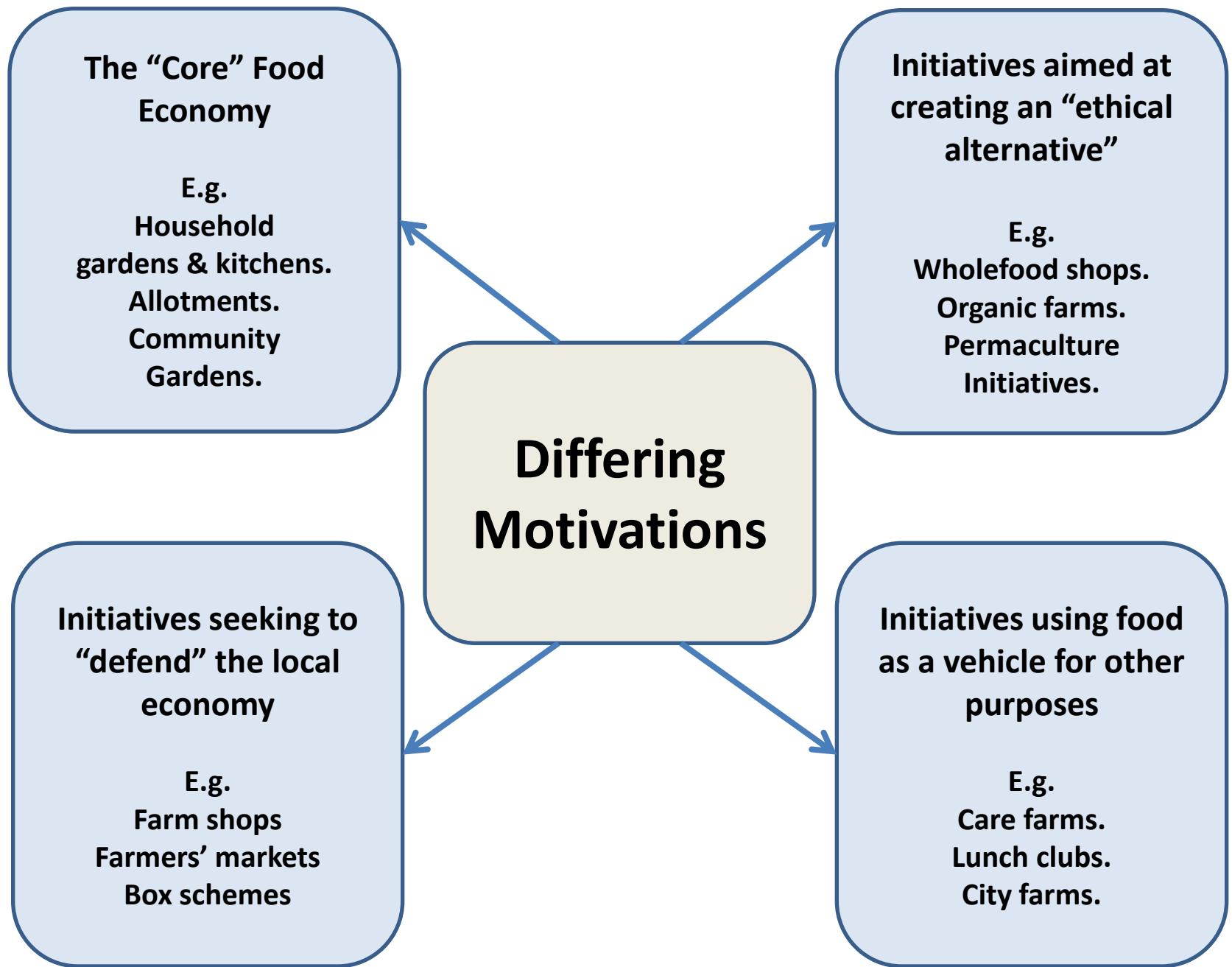
Farmers' markets

Box schemes

City farms

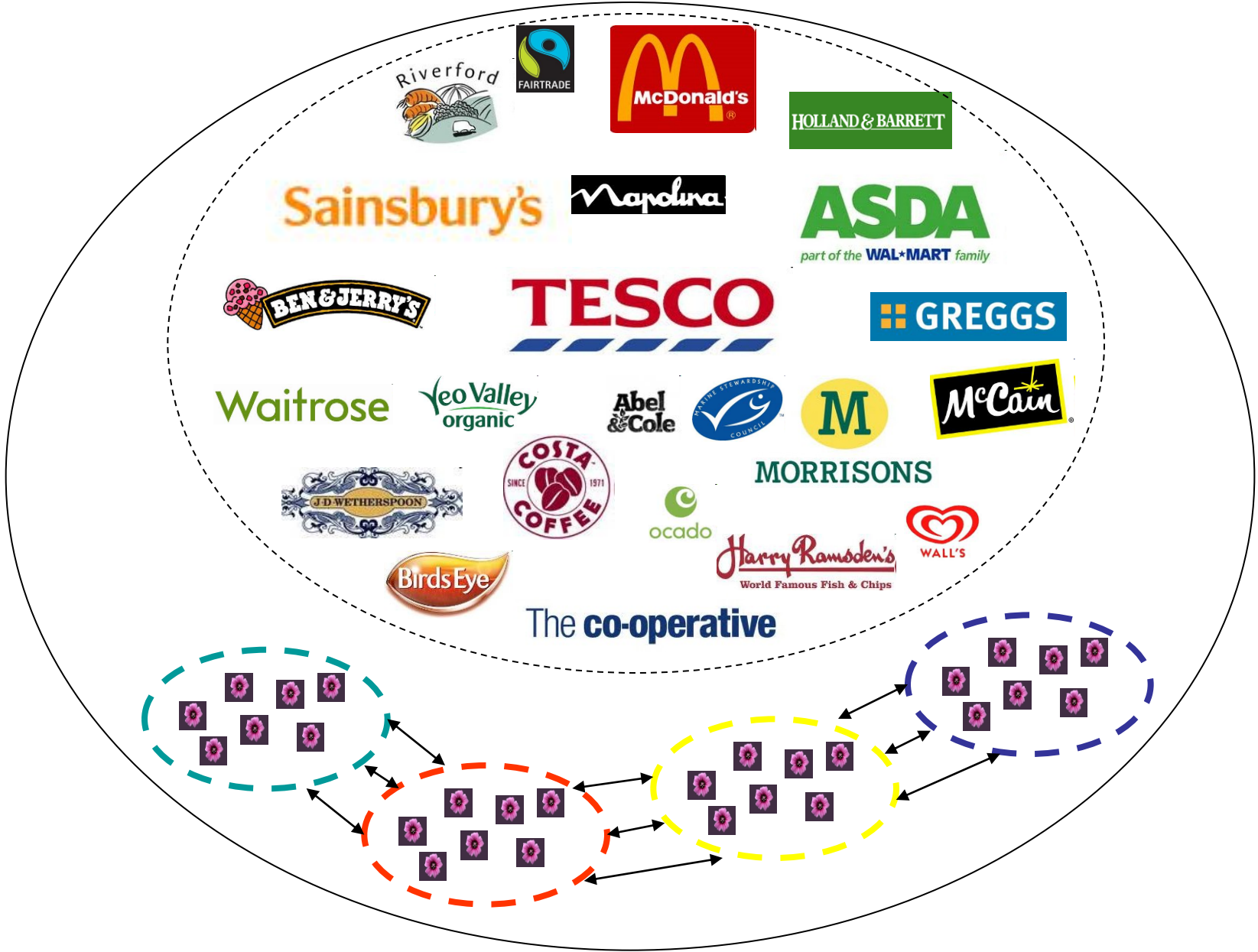
Care farms

Lunch clubs



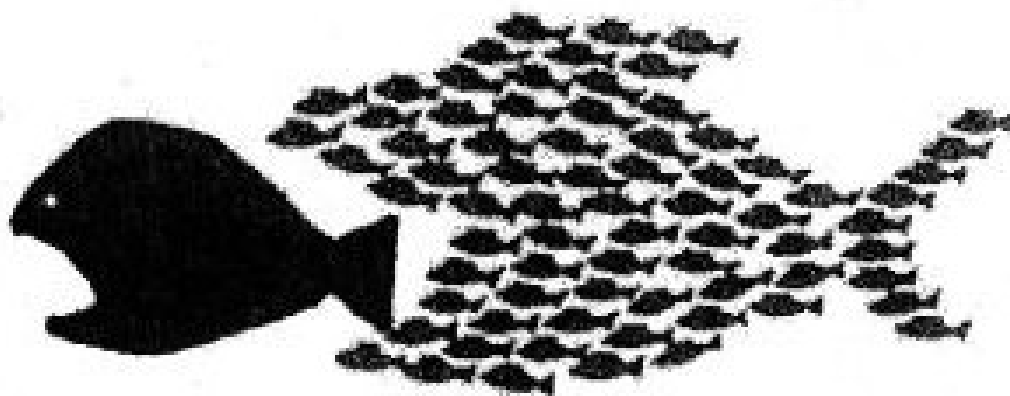
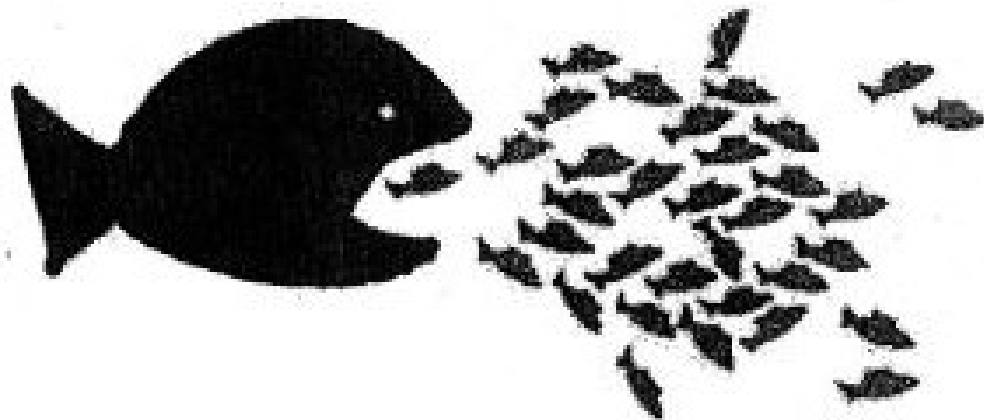
Competition or collaboration?

- The community food sector has evolved in recent years, with new types of initiatives emerging, e.g. Transition Towns
- There are reports of the different types of initiative competing amongst themselves for the same small % of consumers
- The challenge, then, is to support mutually beneficial collaboration



Three Key Ecological Principles

1. Cooperation moderates competition
2. Networking underlies ecosystem health
3. Diversity creates stability (resilience)



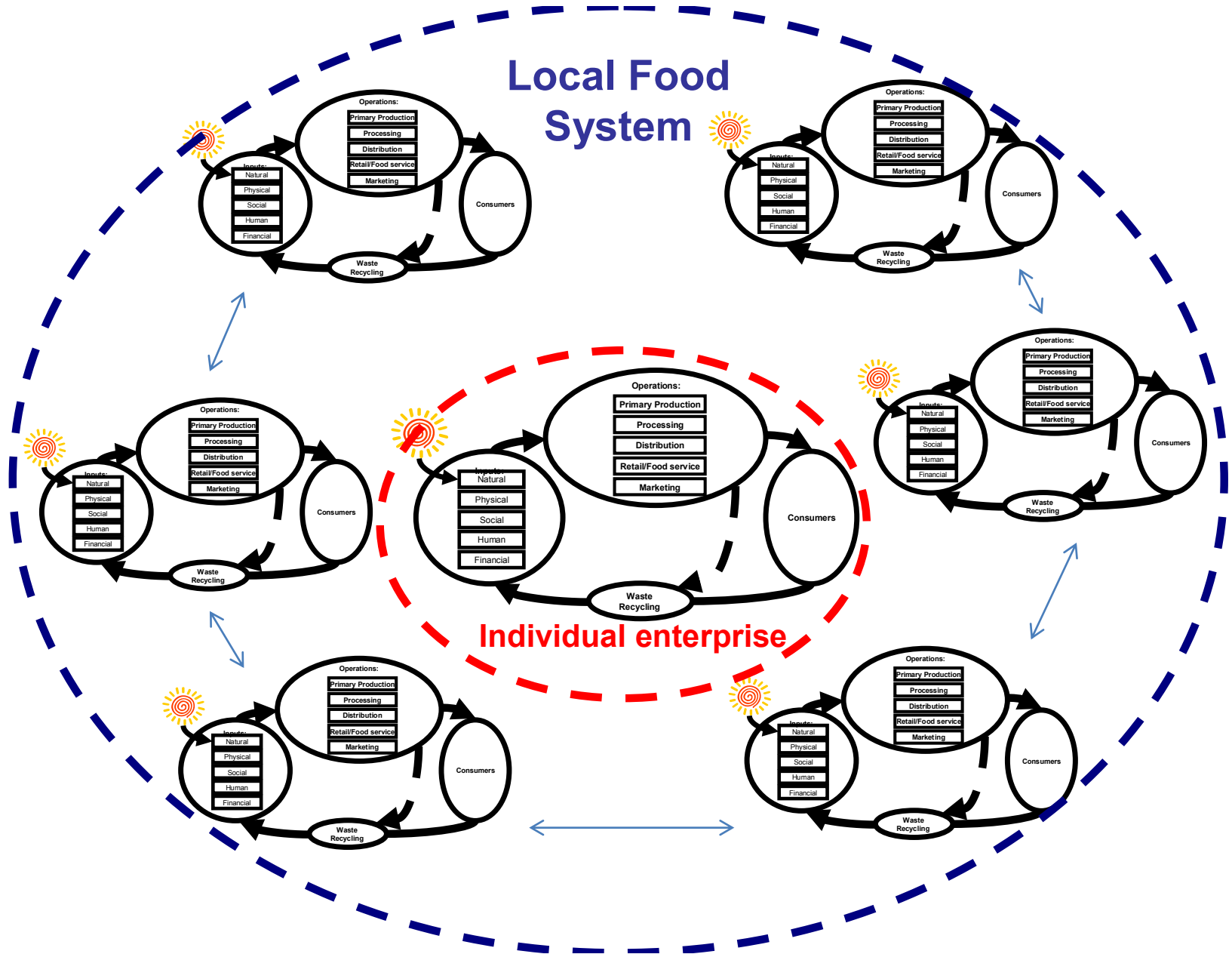
Nested systems

A community food enterprise can be thought of as a system, as can a local food economy.

Meadows:

“Systems can be embedded in systems, which are embedded in yet other systems.”

Local Food System



Direct delivery

+

Collaboration

+

“Food policy” partnerships
working at a local level

+

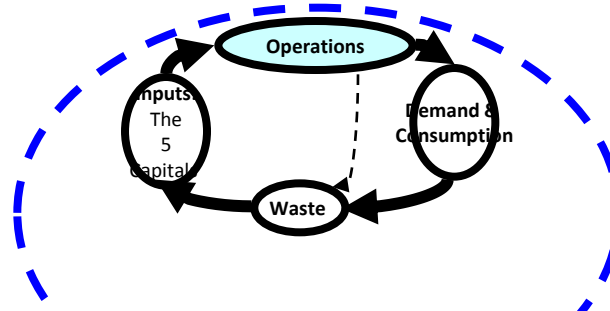
National
food policy/influencing work

Collaboration

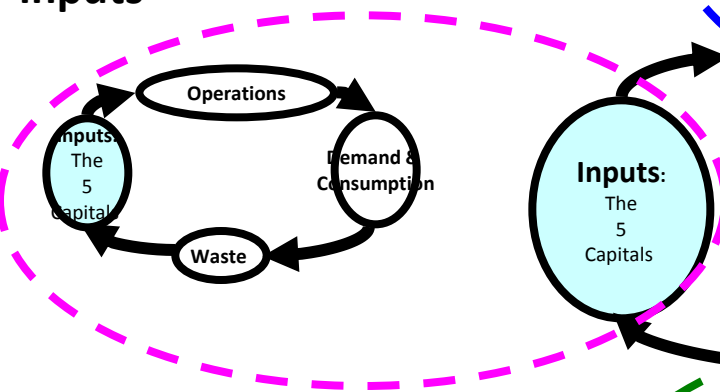
- Collaboration between organisations in a local / regional area is potentially a way of overcoming the range of difficulties faced by community food enterprises.
- This collaboration can take place in 4 ways:
 - Around access to resources
 - Around improving operations
 - Around consumer engagement
 - Around improving sustainability (closed loop processes)

Linking with other enterprises in the local food system

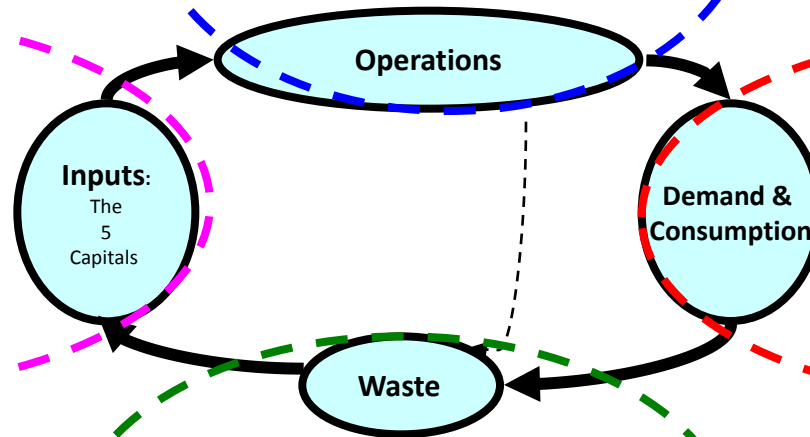
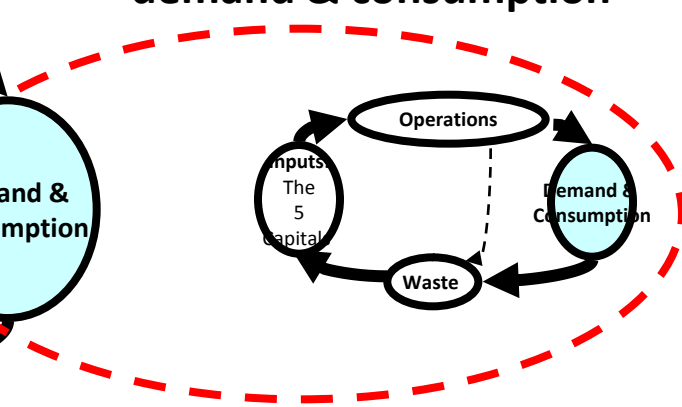
2. Collaboration around operations



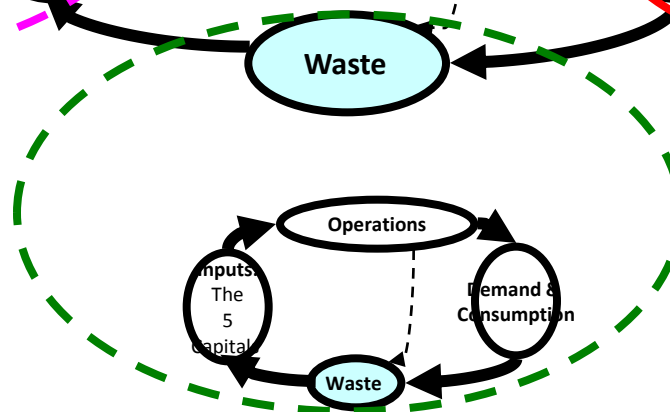
1. Collaboration around inputs



3. Collaboration around demand & consumption

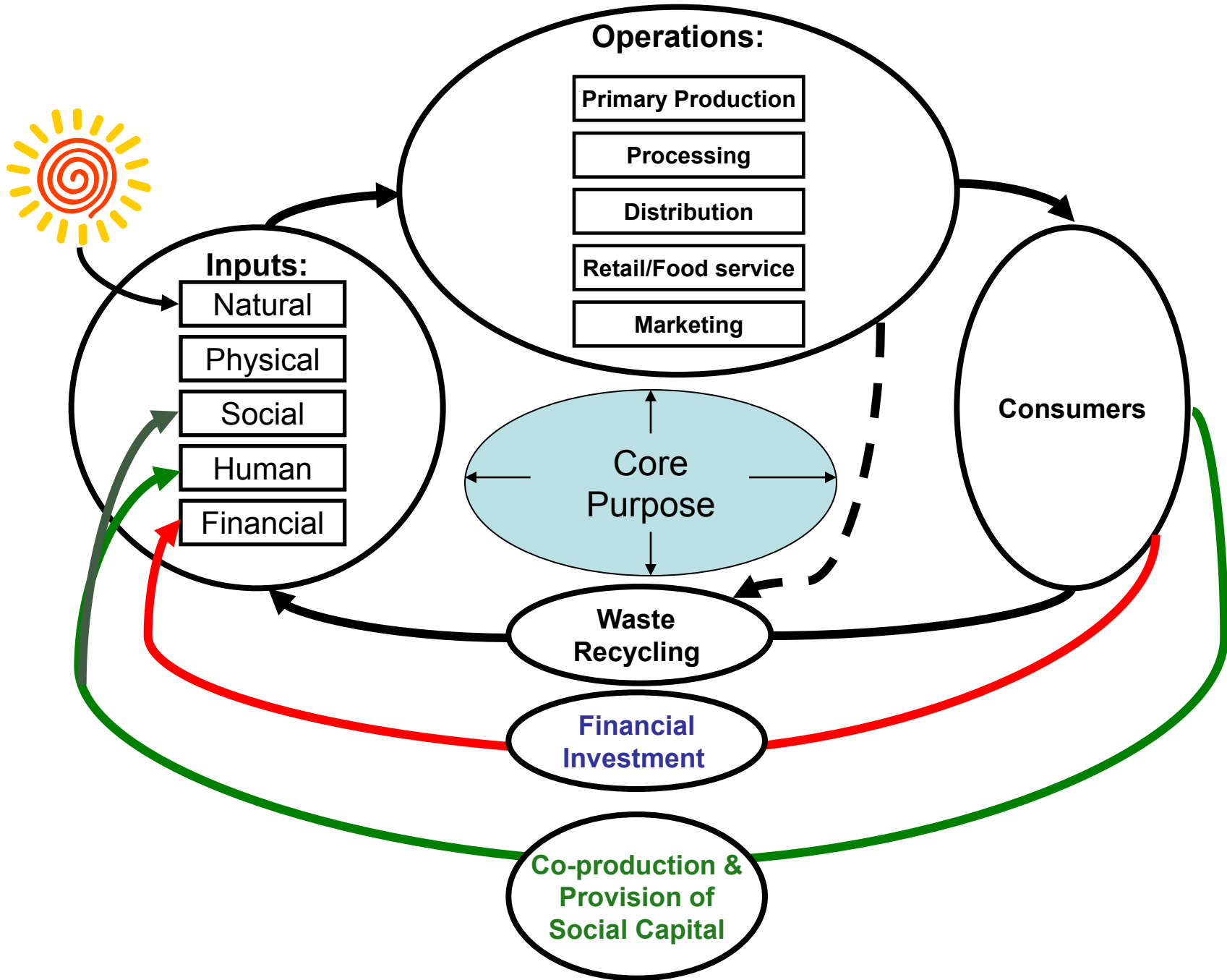


4. Collaboration around "closing loops"

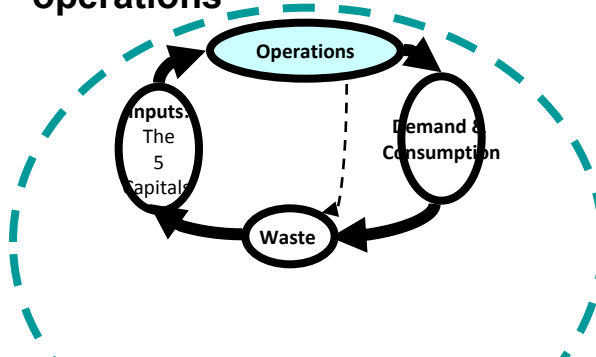


Collaboration is not easy

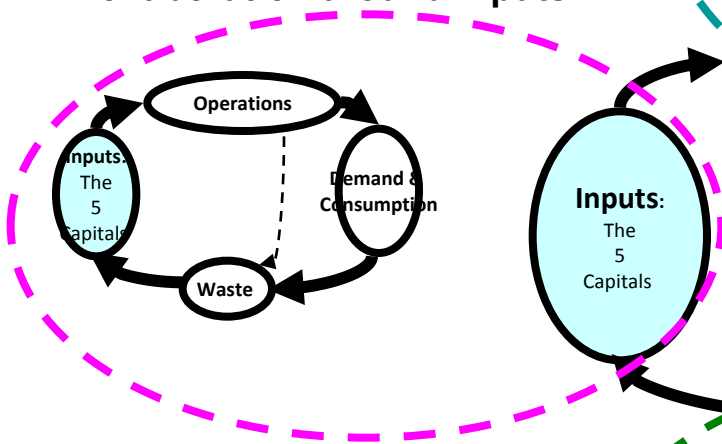
- It involves dealing with an increased level of complexity.
- It may require co-operation between individuals and organisations with divergent motivations.
- It is subject to resource constraints: time and money.
- It is carried out in a context of competition from large scale organisations able to influence the rules and ensure “success to the successful”.



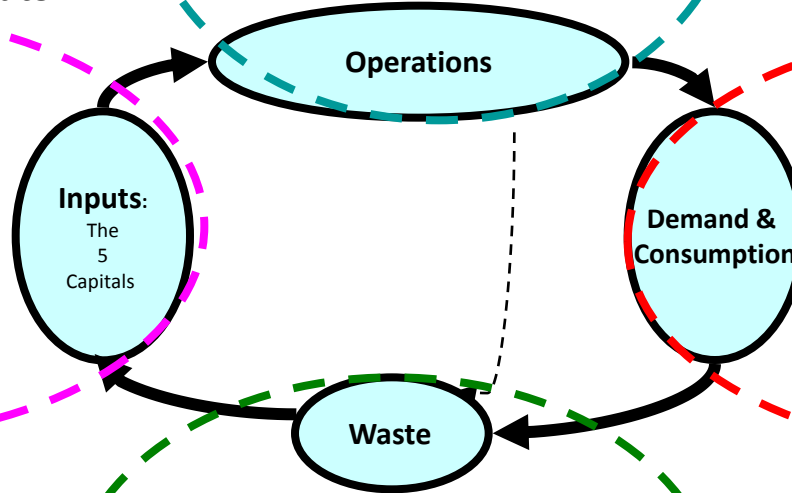
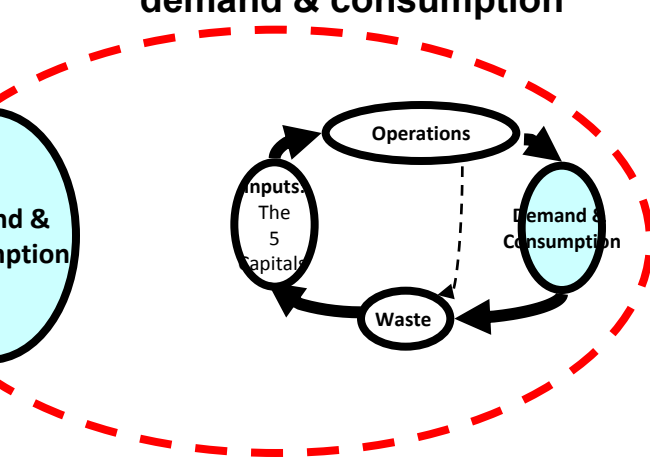
2. Collaboration around operations



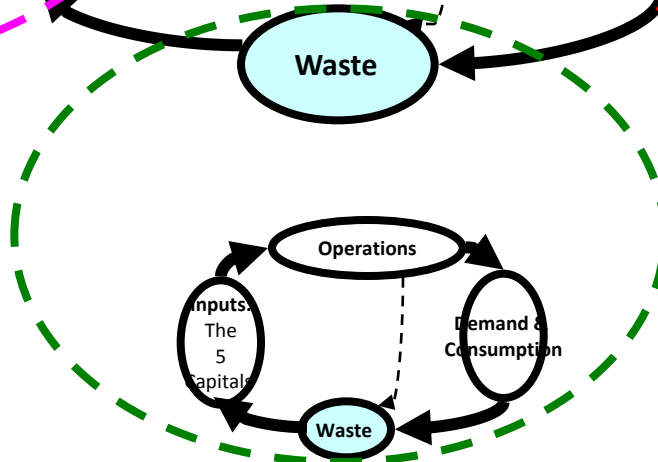
1. Collaboration around inputs



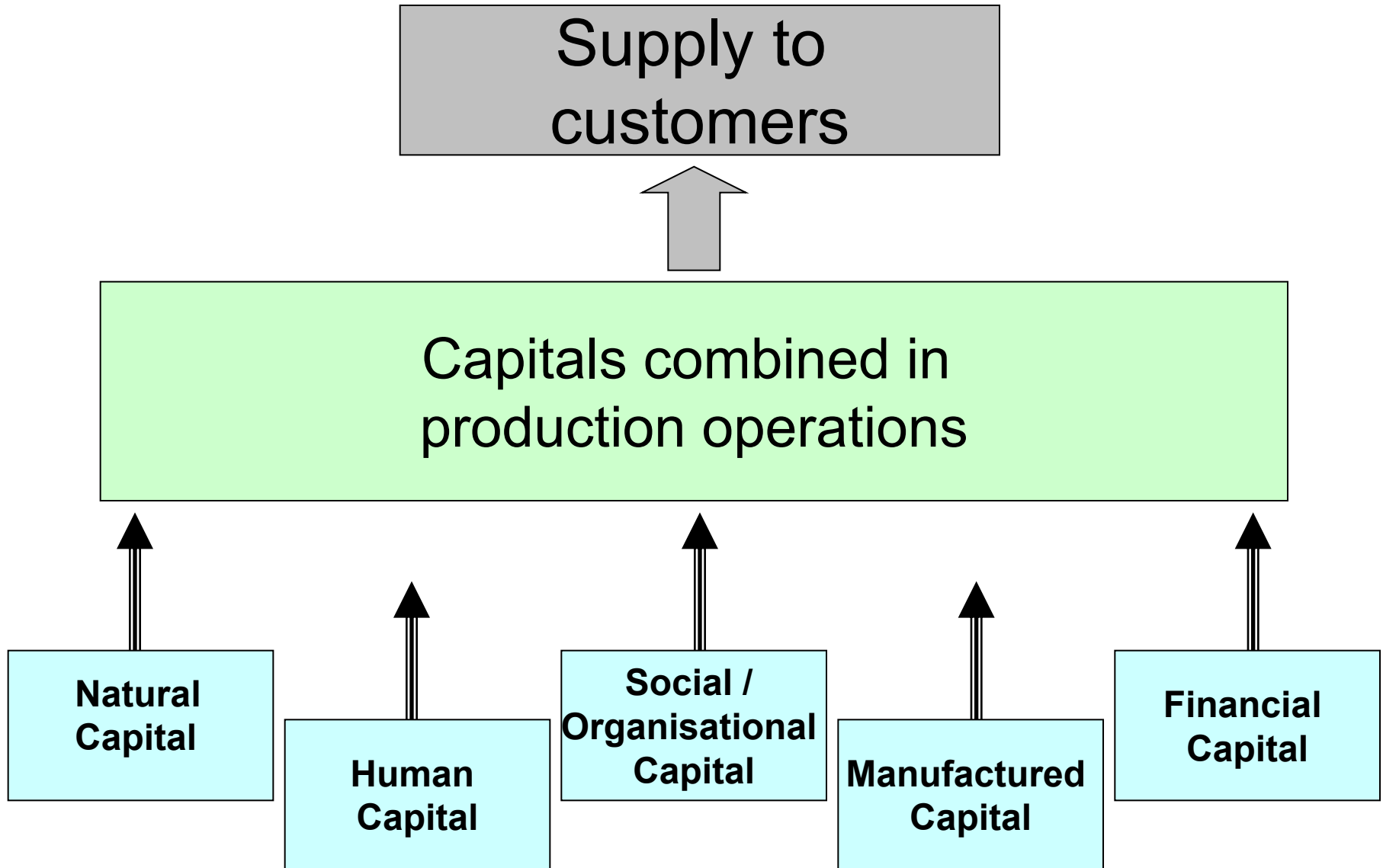
3. Collaboration around demand & consumption



4. Collaboration around waste



The 5 capitals model



Barriers to developing supply

Natural Capital

High cost of all land
& limited availability in urban areas.

Human Capital

Leadership & management skills.
Absence of incentive structures for entrepreneurs.
Community / volunteer engagement has a cost.

Social / Organisational Capital

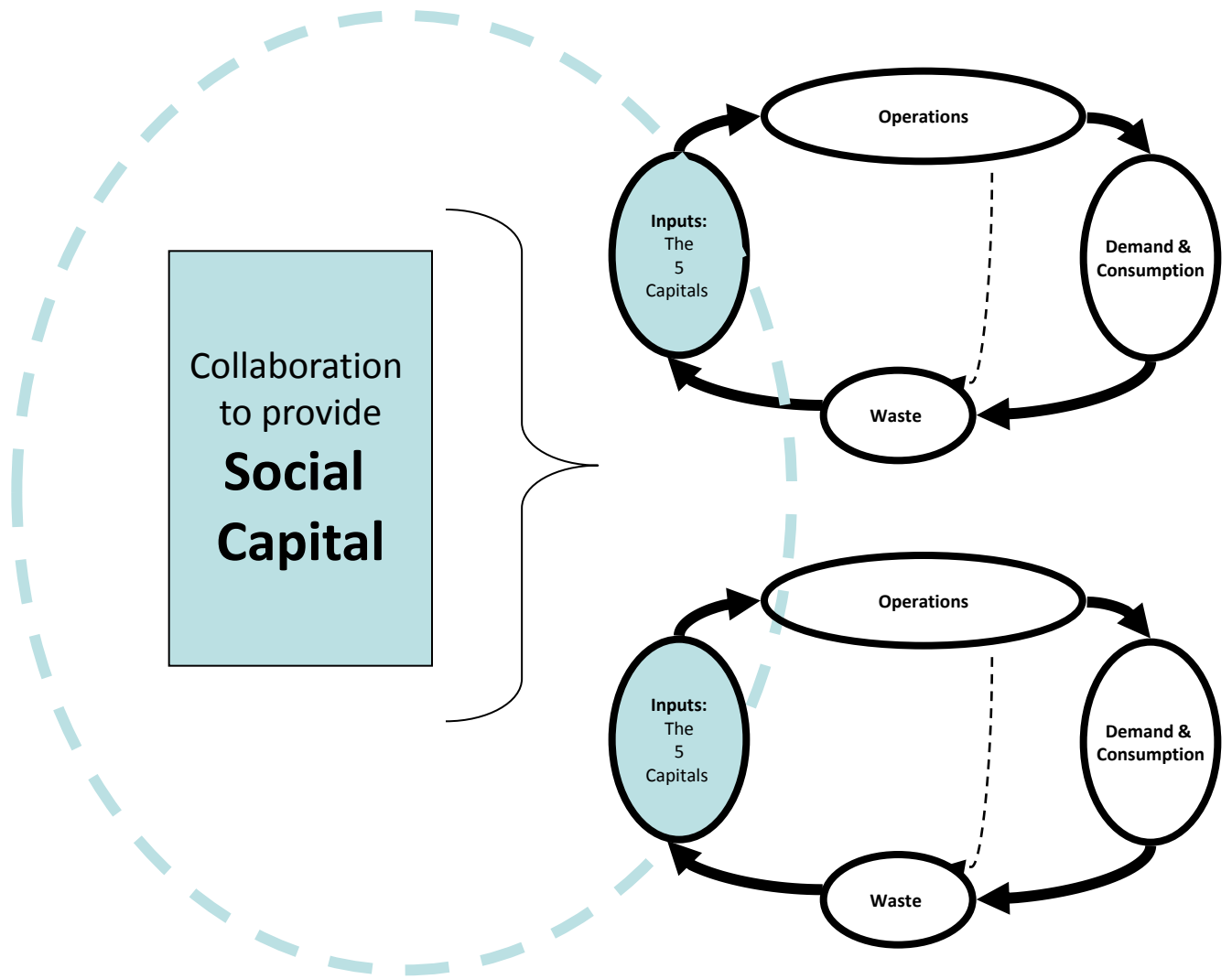
Choice of organisational structure & governance.
Big Society fatigue.....
ICT could be powerful tool, but cost / skills barriers.

Manufactured Capital

Access to suitable premises can be difficult –
“food hubs” could be one solution.

Financial Capital

Cultural barriers: lack of entrepreneurship or understanding
of legal structures & types of finance.
Cost barriers: difficult to pay market rates.



Social capital – the example of Mondragon in the Basque region, Spain

84,000 employed in
256 co-operatives

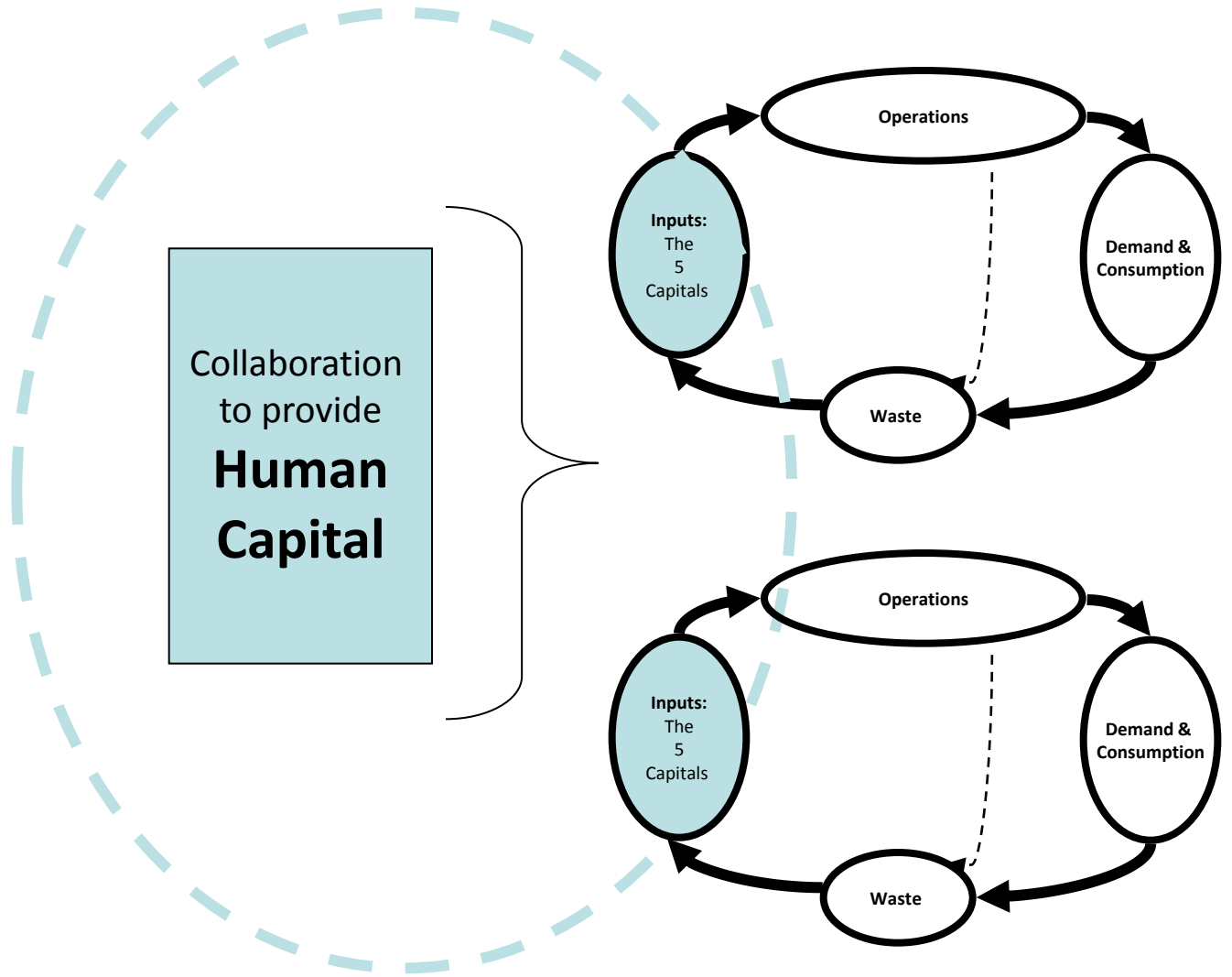
Supported by Mondragon Co-operative Corporation



- **MONDRAGON** Corporation began in 1956
- Started with a Technical College
- Corporate Values:
 - Co-operation.
 - Participation.
 - Social Responsibility.
 - Innovation.
- The Corporation's Mission:
 - the use of democratic methods in its business organisation,
 - the creation of jobs,
 - the human and professional development of its workers
 - a pledge to development with its social environment.
- In terms of organisation, it is divided into four areas: Finance, Industry, Distribution and Knowledge, and is today the foremost Basque business group and the seventh largest in Spain.



**“Culture is
the only asset
that is never
devalued”.**



Manchester Land Army



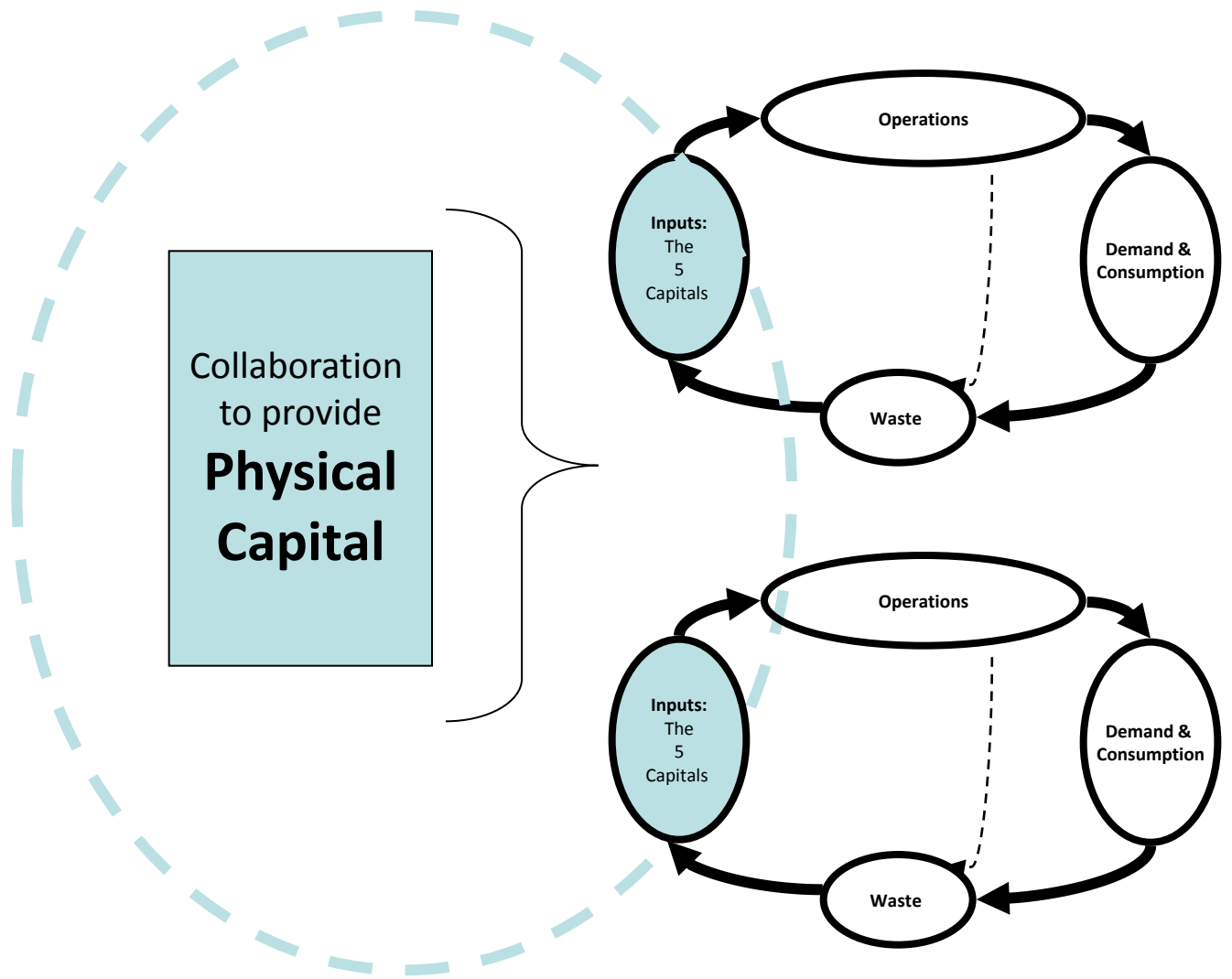
AIM:

To establish a financially resilient 'land army', which:

- Has the capacity to involve a large 'unskilled' pool of individuals, resulting in potential increases in yields and income for growers.
- Nurtures a small number of committed and trained individuals that growers are able to call upon in times of need.
- Offers progression for potential new growers to meet increased demand.

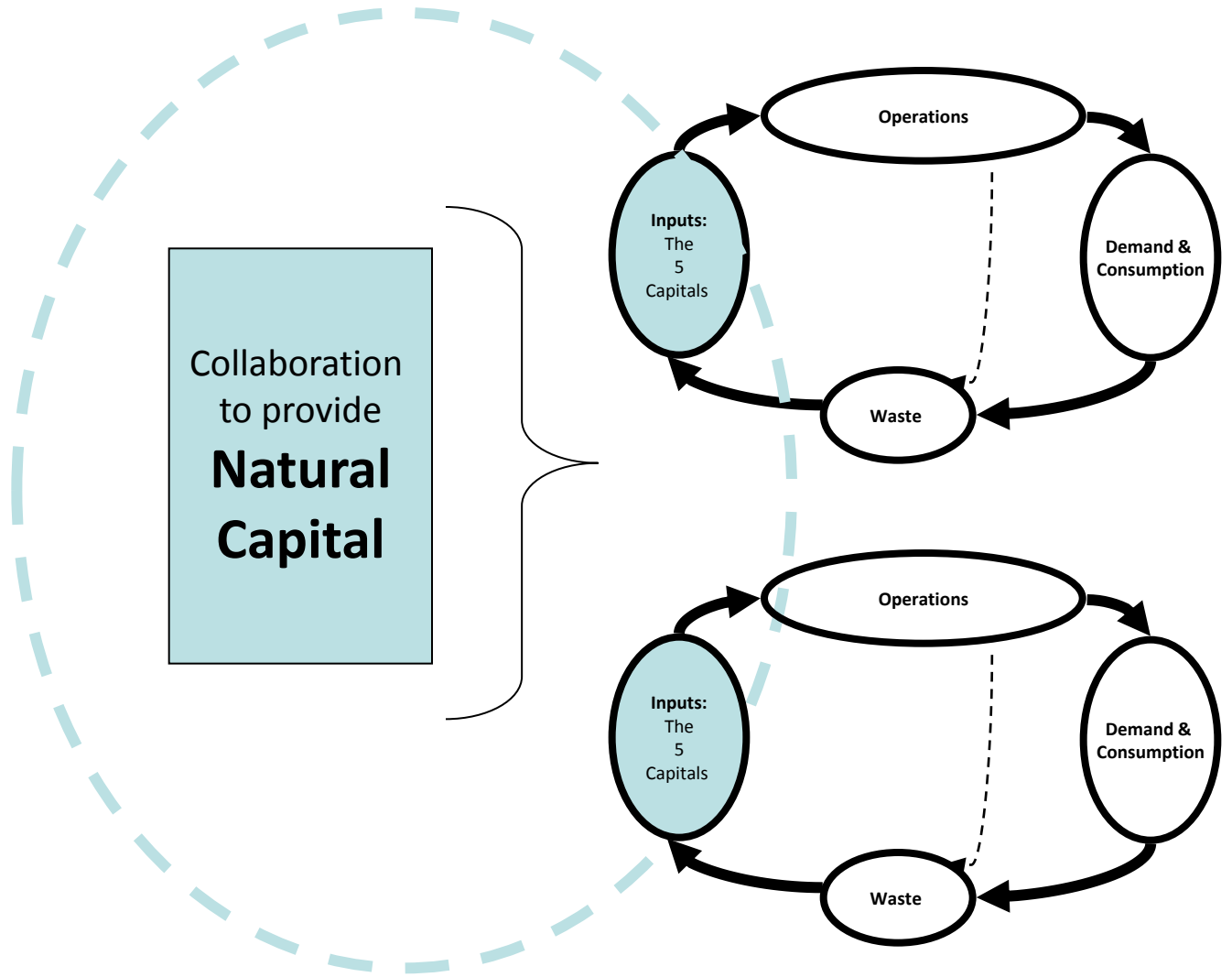
WWOOF





Dorset Small Producers' Network – Processing Barn at Five Penny Farm







About us



Welcome »



The Earth Trust

- Set up in 1967
- Now own 1,200 acres of farmland, woodland, nature reserves, research plantation and wetland
- 30 staff, 100 regular volunteers
- 750 regular supporters
- Around 30,000 people each year take part in Trust activities annually



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[What is Cultivate?](#)

[About us](#)

[Community Share Offer](#)

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community share offer

opens: 16 January 2012 **closing date:** 16 April 2012

Cultivate is about new ways of feeding Oxford.

You are invited to invest in a new co-operative social enterprise that will bring fresh, local, organically-grown food direct from farmers to the city and surrounding towns and villages: a local response to global issues.

Cultivate's ecologically-run market garden and other small farms nearby will supply the fruit and vegetables sold in the VegVan, our mobile greengrocery, which will set up wherever communities want it, as well as supplying local restaurants and caterers.

Cultivate is people-powered: a co-operative owned, run and financed by its members. Profits are reinvested in Cultivate's objectives.

people-powered food



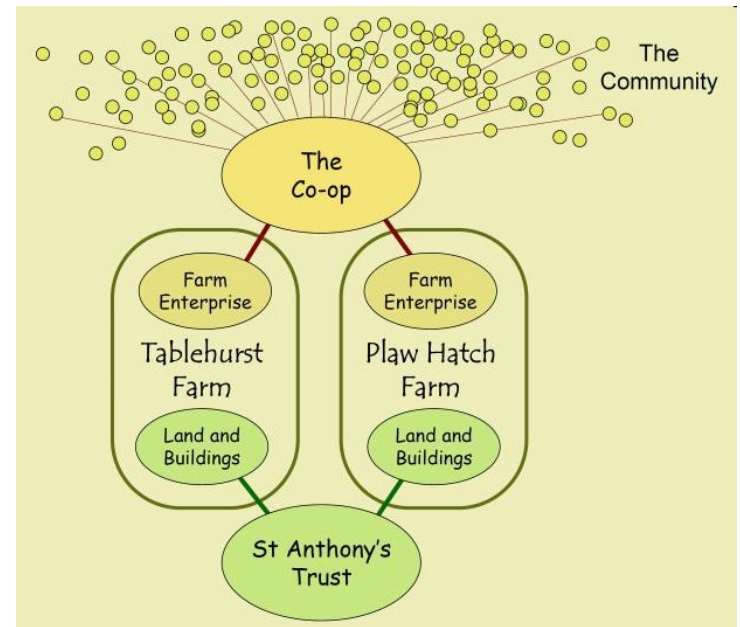
member of:



supported by:



New ways of accessing land

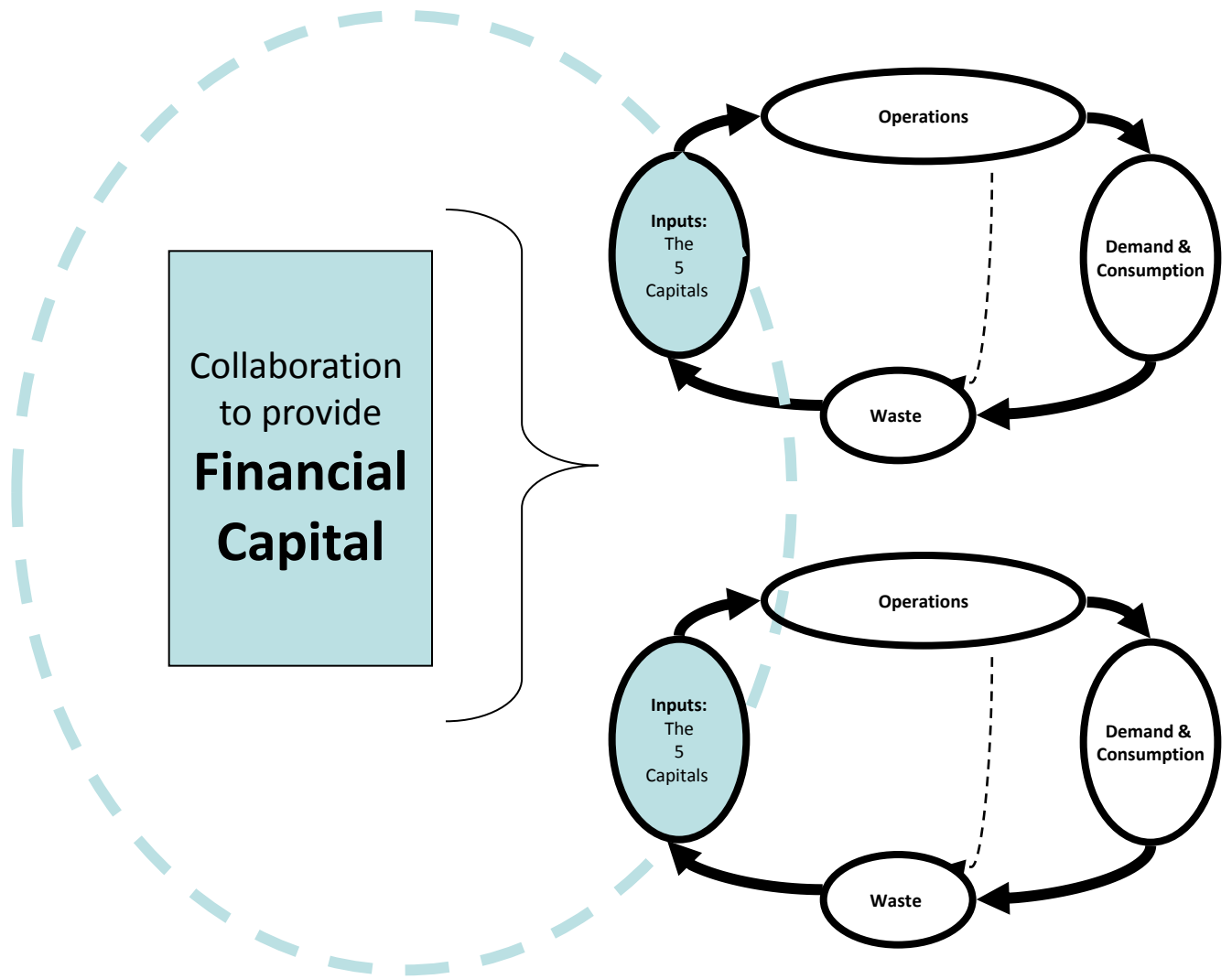


**Fordhall
Community
Land
Initiative:**
owns land and
public access
facilities

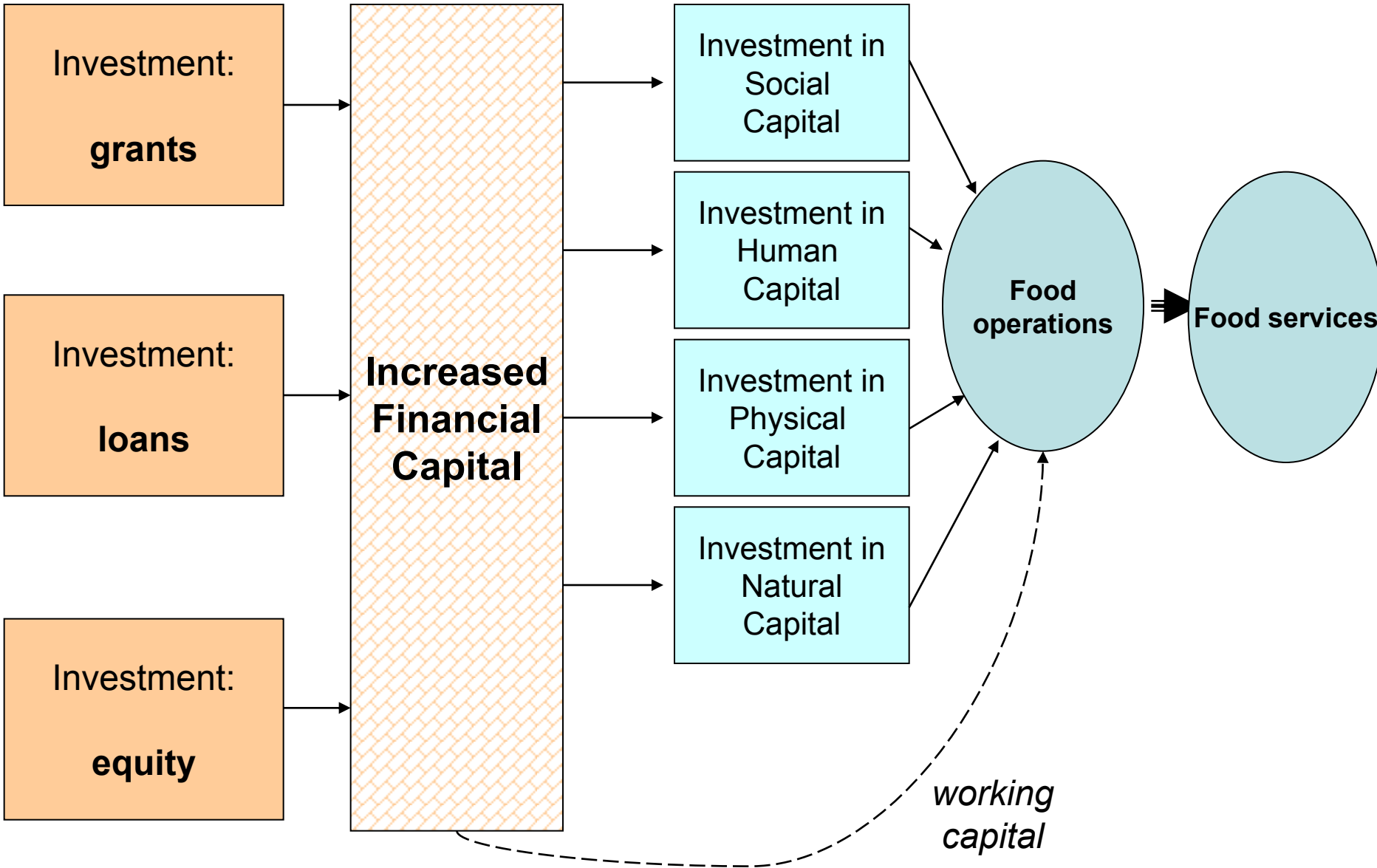


**Fordhall
Farm Ltd:
lifetime
tenancy**





Investment into food organisations



Wessex Community Assets –

a secondary structure helping communities raise local finance through share issues and loans



£152,775 raised



£105,000 raised

Unicorn Grocery

UNICORN
manchester's co-operative grocery

[about us](#) | [produce](#) | [ethics](#) | [recipes](#) | [jobs](#) | [contact us](#) | [search site](#) | [home](#)

page finder

Since opening in September 1996 Unicorn Grocery has been offering a stunning range of wholesome and organic foods to its South Manchester customer base.

[Find out more...](#)



[Opening Times](#) ▶



Shop News

At the risk of sounding like a broken record, the range of local veg continues to impress. Parsnips, beetroot, and sprouts from Stockley Farm in Cheshire are all abundant. Add to this a sprinkling of crops grown on Unicorn land, along with some Dunham Massey potatoes and there is a great local selection.

In contrast to an abundance of winter-warmer type UK crops, several lines associated wi...

[continued](#)

Seasonal Fruit & Veg

Cauliflower	January King
Onions	Squash
Carrots	Beetroot
Sprout Stalk	Apples
Swede	Leeks

Loan stock issue to borrow funds from customers of Unicorn Grocery



UNICORN LAND PROJECT

In Autumn 2008 we became the proud owners of 21 acres of prime growing land in Glazebury, near Leigh, just under 14 miles by road from the shop. The land became fully organic in June 2010, and is certified by the Soil Association. In April 2010, a 10 year tenancy was signed with Moss Brook Growers, a co-operative veg growing business set up by two Unicorns – Stuart & Rob (often seen working in the Veg area). They now have the tall task of managing the site and supplying us with lovely vegetables! See below for the latest update on their progress.

Unicorn's aim behind this project was to have a more secure supply of food amidst future uncertainties (growing world population, rising fuel prices etc.) and to expand our model of how to feed an urban population in the most sustainable way. We really think this is the way forward - a direct, organic, local supply, minimising energy use and getting veg from the land to your table in the shortest time possible.



Unicorn Grocery: "Grow A Grocery" Guide



[about us](#) | [produce](#) | [ethics](#) | [recipes](#) | [jobs](#) | [contact us](#) | [search site](#) | [home](#)

page finder

GROW A GROCERY

There's no doubt that the food system needs improving. Unicorn has succeeded in carving out a genuine alternative to the supermarket for its local community, but shopping options remain sadly limited for much of the UK. We think there's room for a Unicorn-type store in every city, and perhaps more besides. We have



no plans to expand outside the one shop, so we've put together a guide intended to help facilitate the emergence of new stores run on similar lines all over the UK.

Starting a new business is a daunting process, and starting a new food business in this era of supermarket dominance is perhaps even more so. We have put together a guide based on the model Unicorn has tried & tested since 1996, designed to assist in the establishment of new wholefood co-operatives. The 'Grow a Grocery' guide walks potential grocers through all areas of the business, in the hope that it will make starting a new shop an

[Download the Grow a Grocery Guide](#)



Additional Resources

* = On application only

People

- [Rotas](#)
- [Teams List](#)

Planning

- [Prehistory](#)
- [Chronology](#)
- [Prospectus 1996](#)

Produce

- [Statistics](#)
- [Supplier List *](#)
- [Wholesalers](#)
- [Packaging](#)

Practical Resources

The Handmade Bakery

the
handmade
bakery 

[our bakery](#)

[our bread](#)

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[courses](#)

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flour, water, yeast, salt... bread revolution

[invest in us](#)

[our bread](#)

[share our passion](#)

The Handmade Bakery

the
handmade
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Invest in Us



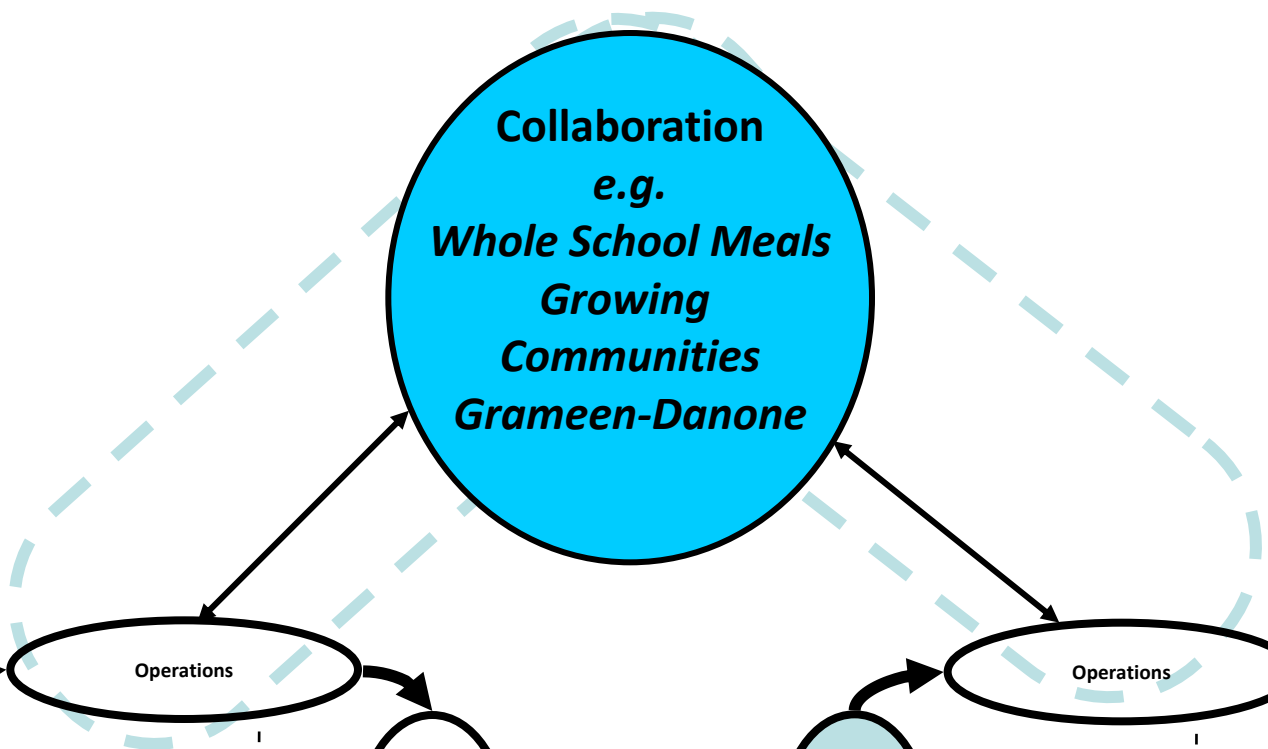
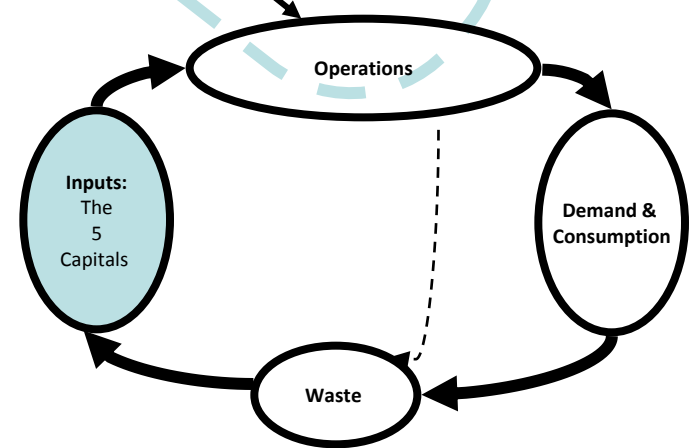
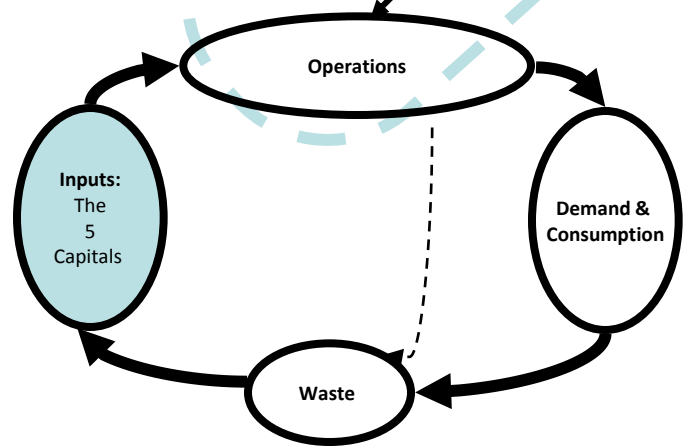
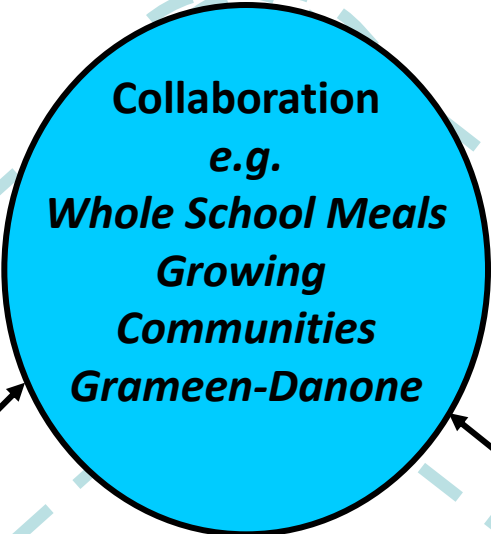
INVEST IN US!

Join the Bread Revolution and support the development of The Handmade Bakery.

[Buy Bread Bonds](#)

[Buy Course Bonds](#)

Be a Bread Revolutionary!



Growing Communities – Start Up Programme

Growing Communities *start-up programme*
Transforming food and farming through community-led trade

Home What is GC? ▾ The model The programme ▾ Get involved ▾ Members

Home » Start-up Programme » Get involved

So what next?
Sign up for news

How you can get involved



If you are interested in setting up a community-led box scheme using the **Growing**



Sign up here to receive news by email



Grameen – Danone Joint Venture

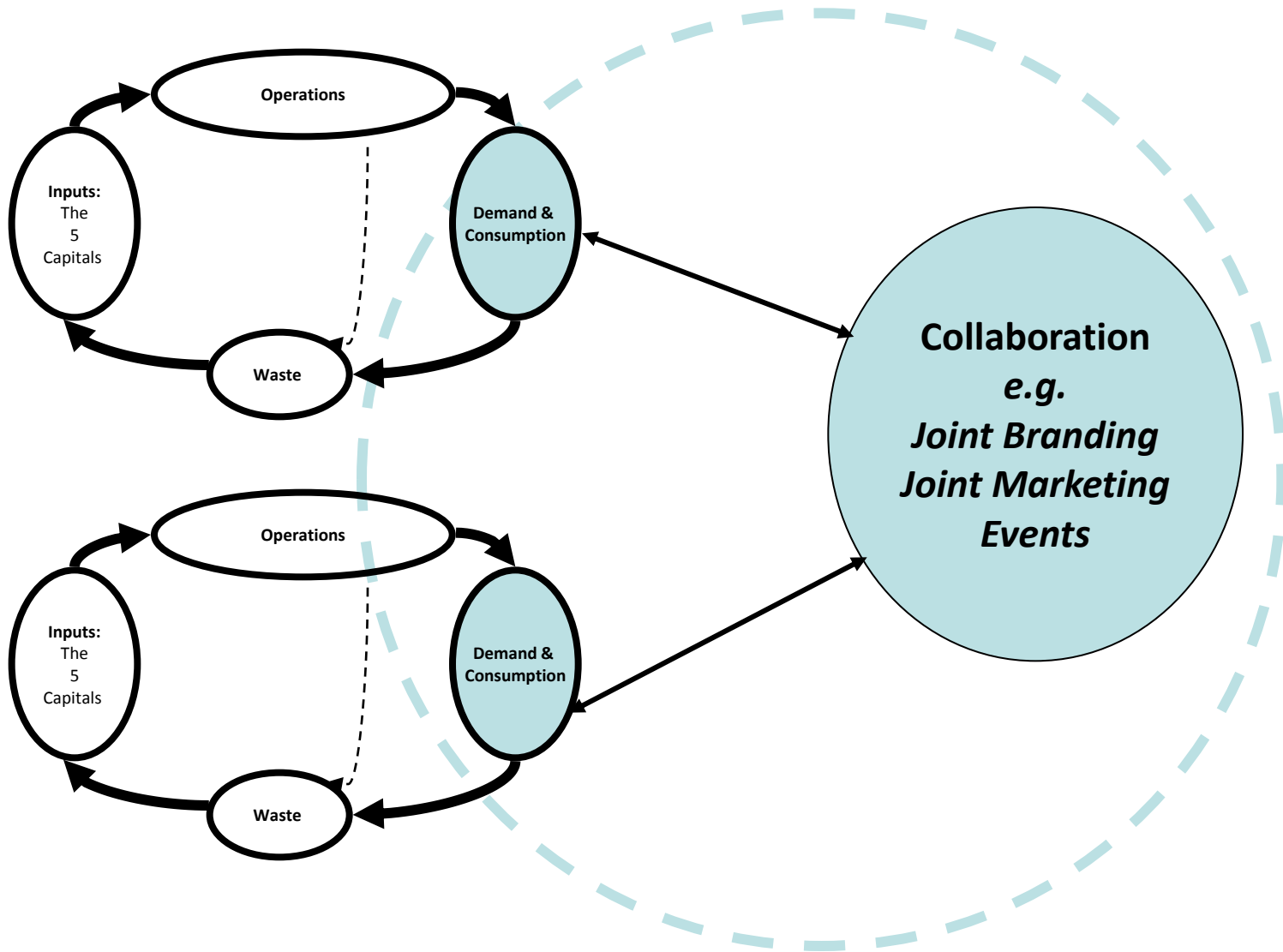


Grameen-Danone Shoktidoi yogurt factory in Bangladesh

Hostetin Apple Juicing Plant, Czech Republic

- supporting local small orchard owners





Manchester Veg People video

Farmers' Markets

- a collaborative marketing mechanism



Taste Tideswell:

Using Branding to Promote the Local Food Sector



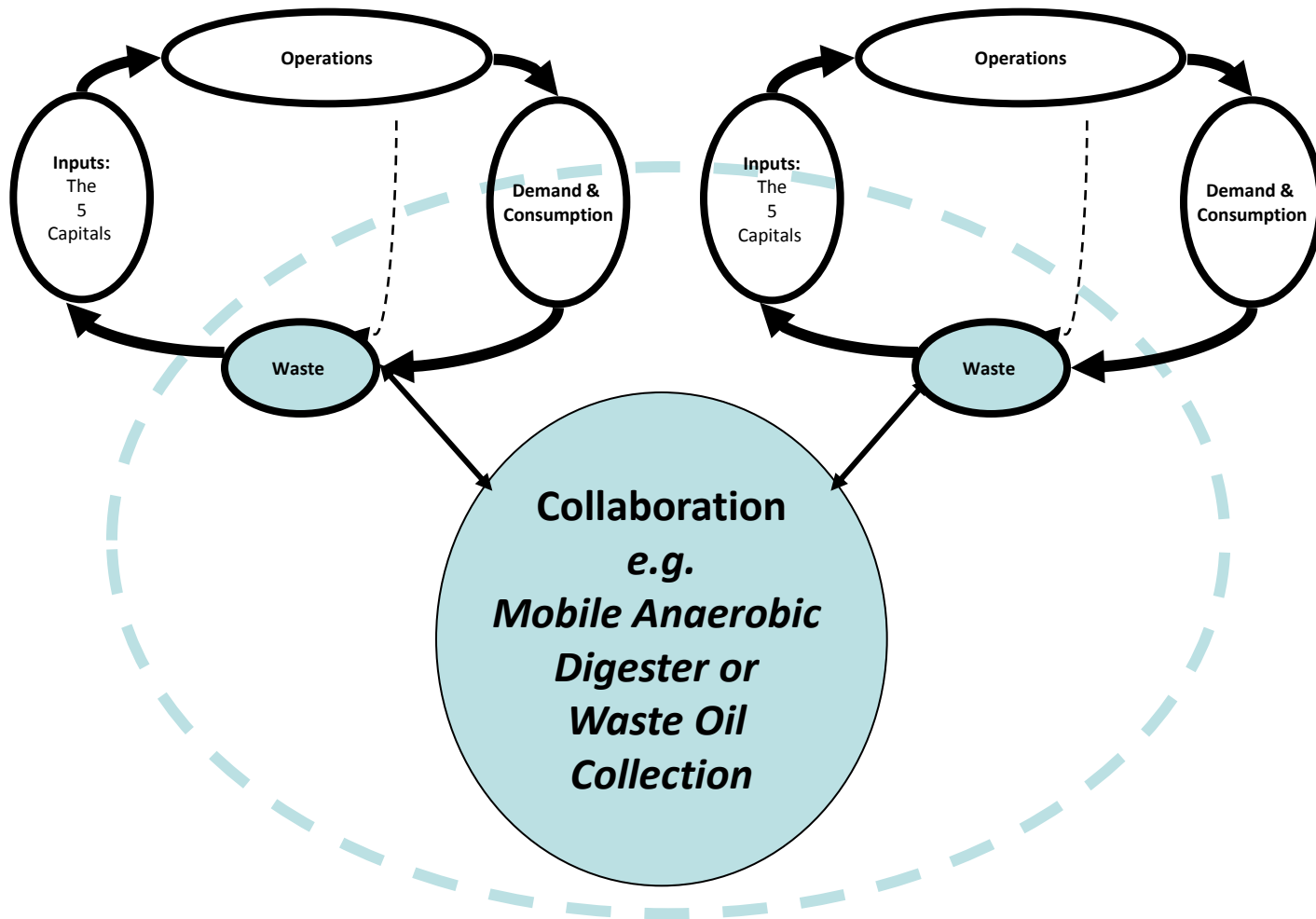
MAST 



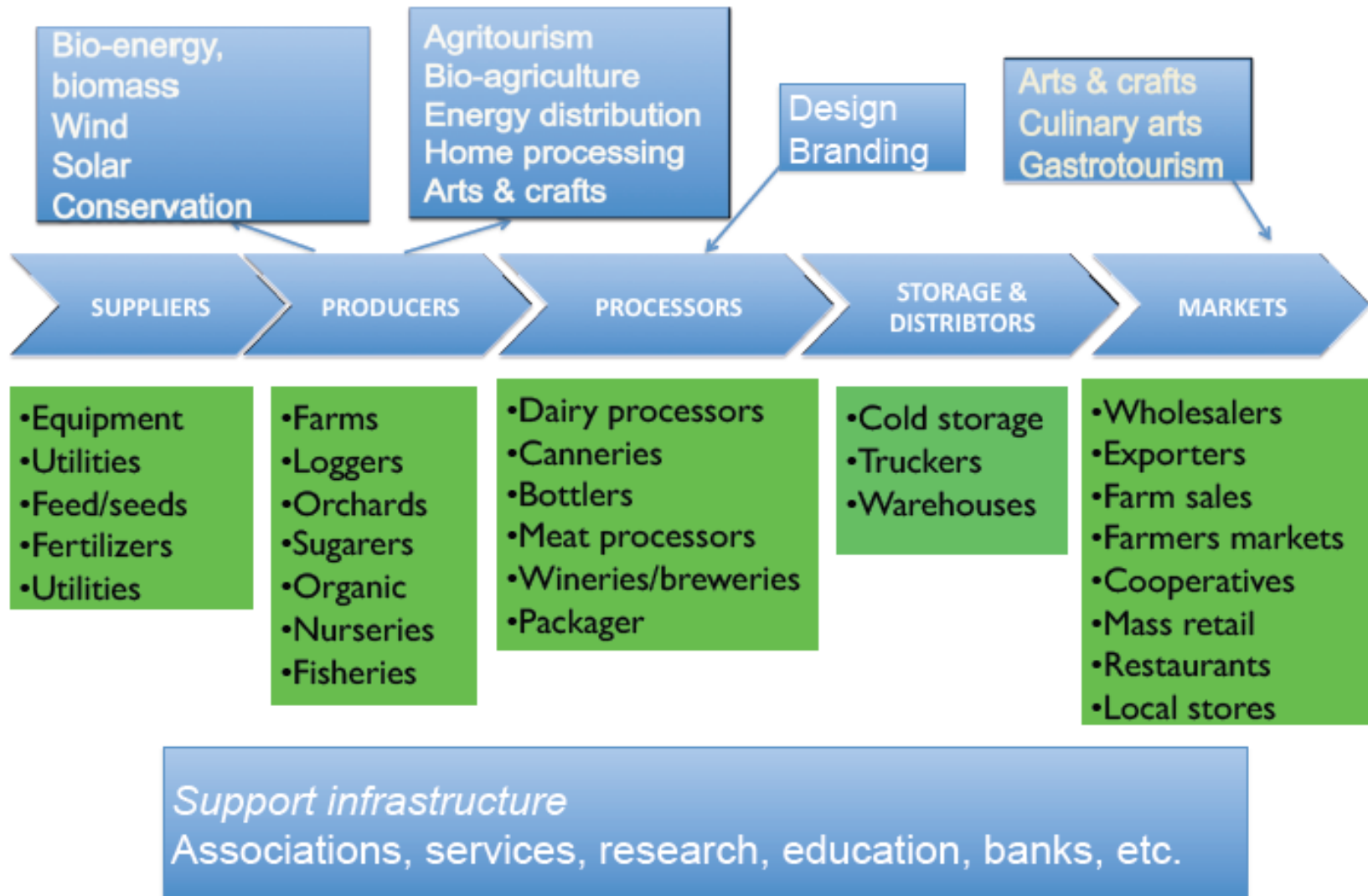
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greenvalleygrocer

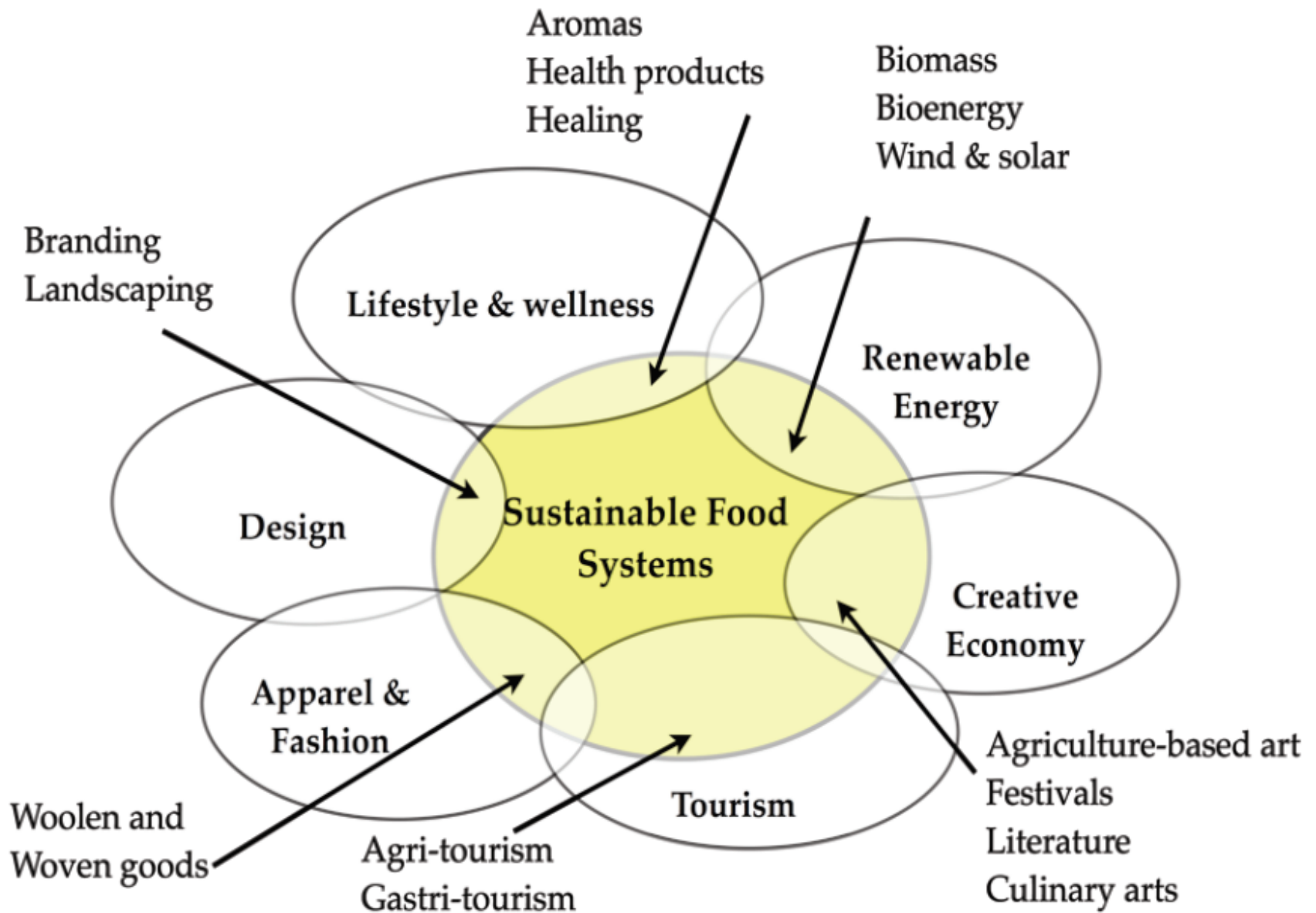
the
handmade
bakery 



Sustainable Food Systems Cluster



Convergence amongst clusters



Bridport Renewable Energy Group

- With WCA have established BESCO (Bridport Energy Services Company)
- Secured DECC funding for pilot anaerobic digestion scheme – purchase of mobile digester
- Will work with local farms to research potential to integrate food waste recycling and renewable energy generation
- Will design low cost DIY scheme



Bridport Renewable Energy Group at 2011 Bridport Food Festival:
producing hot water for Festival cafe

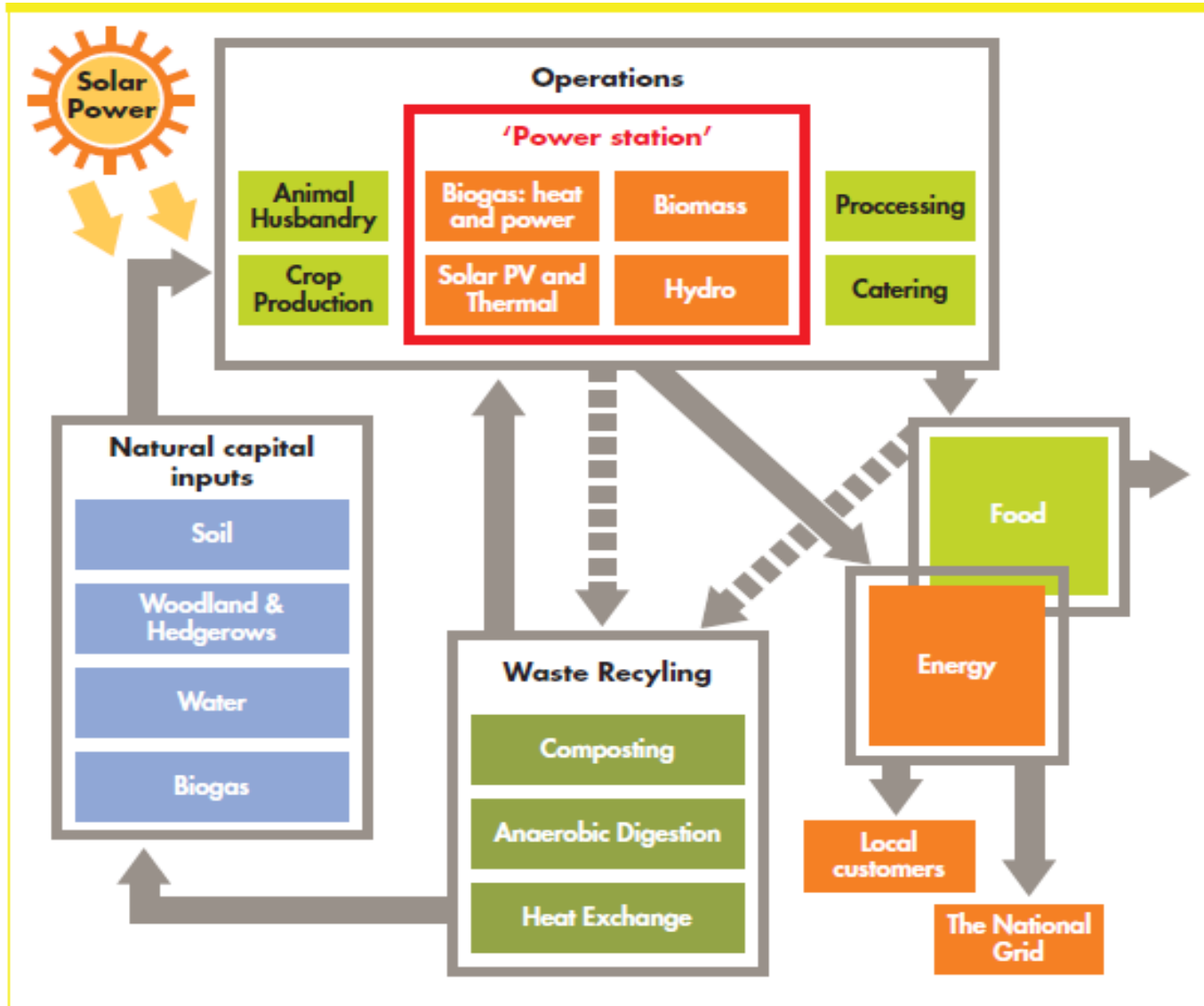


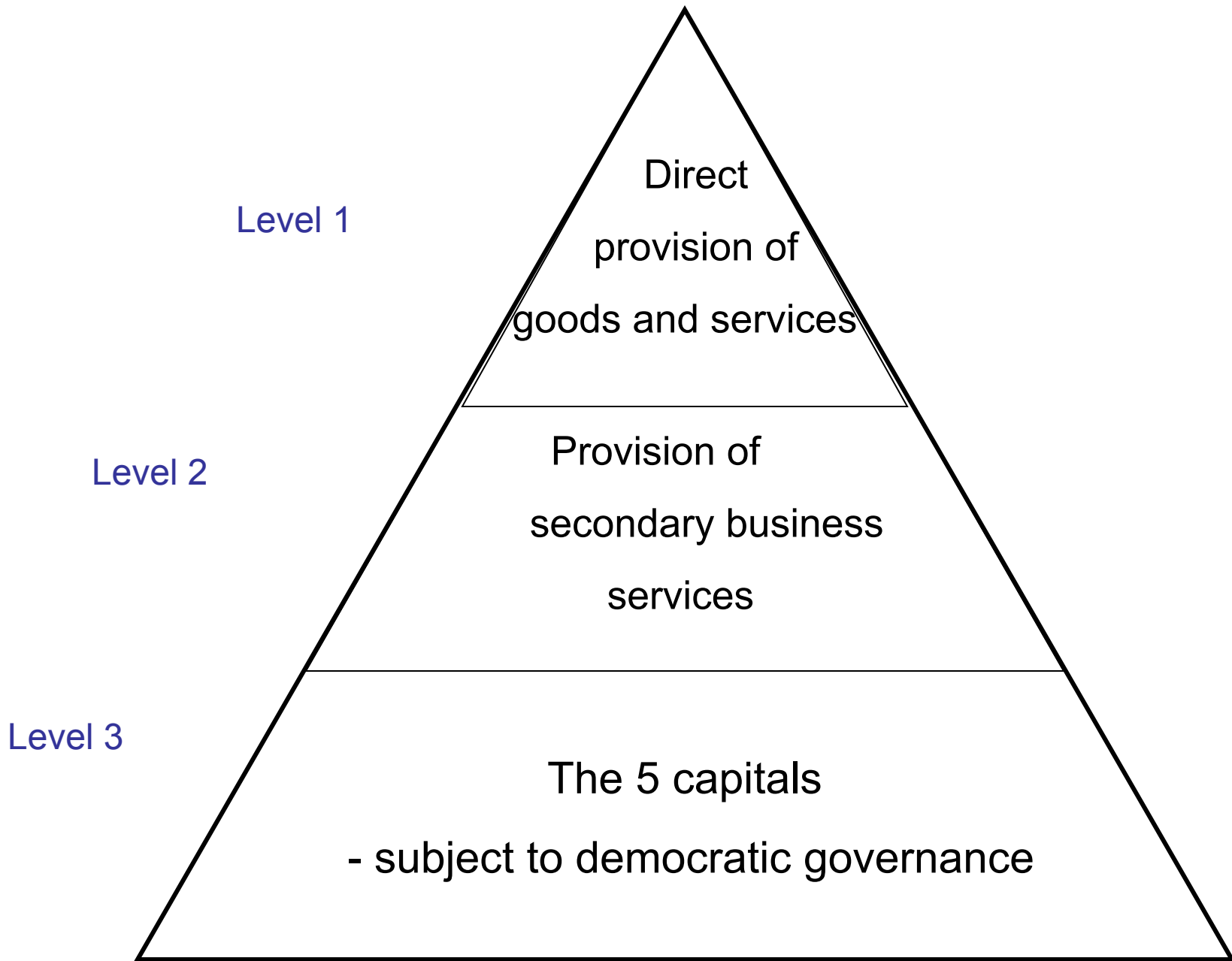
**BRIDPORT
RENEWABLE
ENERGY
GROUP**





Stage 2 – linking the portable Anaerobic Digester to a mobile catering trailer





Level 1

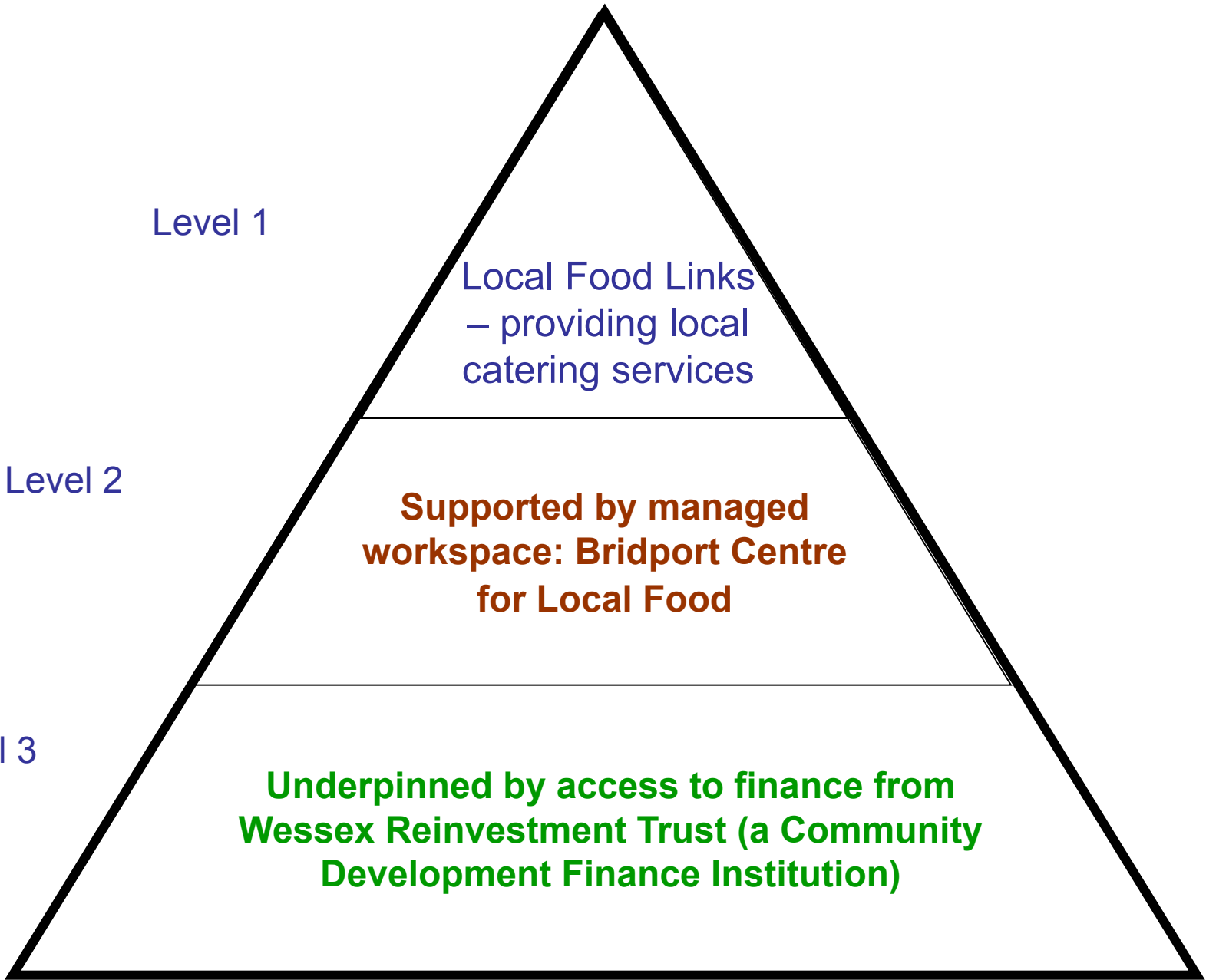
Local Food Links
– providing local
catering services

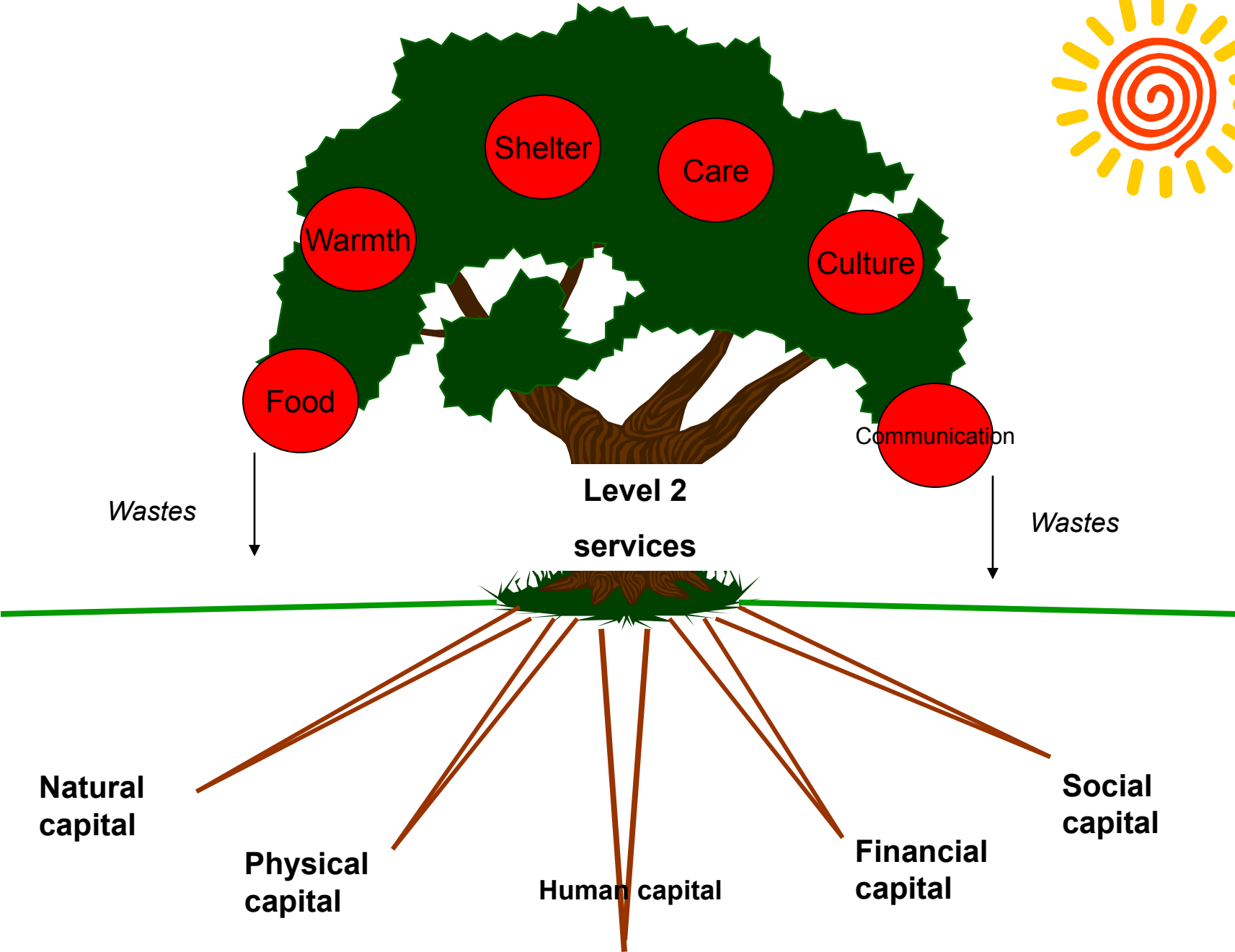
Level 2

**Supported by managed
workspace: Bridport Centre
for Local Food**

Level 3

**Underpinned by access to finance from
Wessex Reinvestment Trust (a Community
Development Finance Institution)**





Shelter

Care

Warmth

Culture

Food

Communication

Wastes

Level 2
services

Wastes

Natural
capital

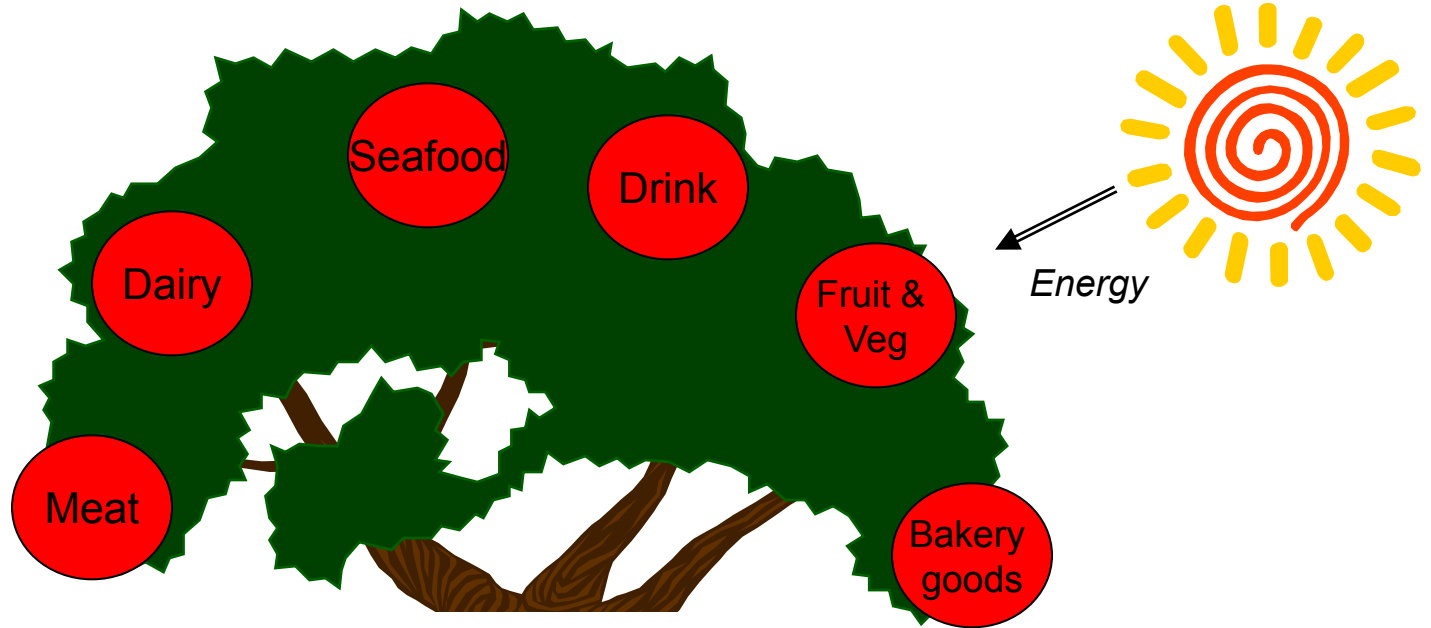
Physical
capital

Human
capital

Financial
capital

Social
capital

**Level 1:
Production**



Level 2: Services
e.g. Farmers Markets & the Centre for Local Food

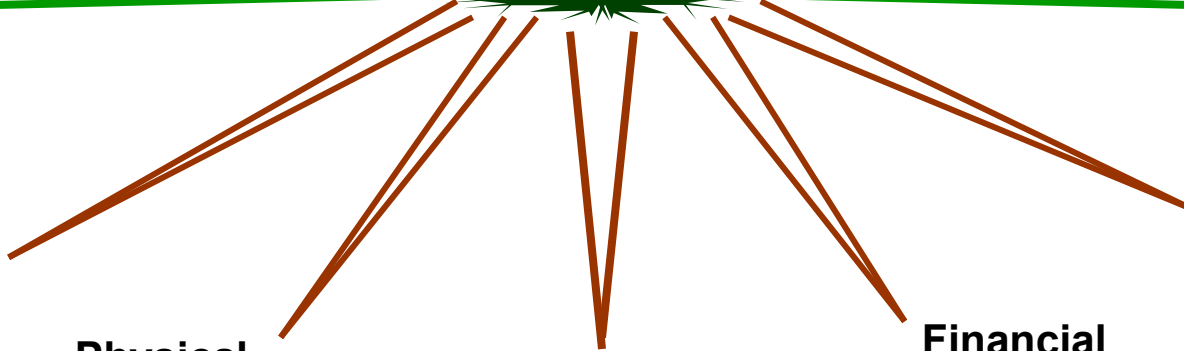
Wastes



Wastes



Natural capital



Physical capital

Human capital

Financial capital

Social capital

Level 3: Key Resources

Landscape: Our vision is a vibrant landscape of interconnected enterprise

