

Summary Document

Growing the local food market in Tyneside

A feasibility study looking into setting up food hubs to make it easier to buy environmentally friendly and local food, starting in the West End of Newcastle.

Report produced by Food on the Tyne, a project of the WEA Green Branch
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Executive Summary

Every day we all eat food, we all buy food, or someone else buys it for us. And the choices we make every day have an impact, even if we can't see it.

They have an impact on our health, the local economy and on the environment.

In Wingrove, situated in the west end of Newcastle, and on Tyneside generally, there are limited opportunities for buying food produced locally using environmentally friendly production methods.

This study is the first step in deciding whether or not Food on the Tyne should set up Wingrove Food Hub. Food hubs aim to make it easier to buy local, environmentally friendly food directly from the producers.

The study looks in depth at three other food hubs in the UK; StroudCo, Fife Food Co-op and Fair Food Carlisle. We look at how they operate, the benefits they can bring, and ask whether they are financially viable. We have also learned from Growing Communities and OrganicLea in London.

The study asks;

Could the food hub model work in Wingrove?

Would enough people pledge to buy from it on a regular basis so that;

- 1) it is worth setting up a trial*
- 2) we can attract funding for the trial and*
- 3) we can have some confidence that it will break even in the future.*

Is there sufficient support from community organisations for the idea, so that it is relevant to people from a range of socio economic backgrounds and won't just be considered a niche activity.

Are there enough producers to sell produce to the hub?

What are the logistical issues and are they manageable?

What are the benefits to setting up a food hub?

It concludes that there is sufficient support for the idea, from both individuals and community organisations, that it is possible for a food hub to be financially viable, and that due to the benefits a food hub would bring, that this work should be continued. Next steps include looking for further funding to identify more producers and to try out the software, and for a minimum of three years running costs.

The authors also put forward the case for Food Hubs across Tyneside and how that could look.

What is a Food Hub?

Food Hubs are usually cooperatives that act as an intermediary, so that the people who grow and make food can sell their produce to the people who buy and eat it. However, unlike a conventional intermediary, such as a supermarket, the Food Hubs have a social and environmental purpose, as well as being a food business. Their main aims are:

- To make it easier and more affordable to buy local food with shorter supply chains, both in distance and the number of people involved.
- To support small businesses and farms, with producers given a fair price for their produce.
- To support local economies.
- To support environmentally friendly farming and production methods.
- To create change in the existing food system.

The three models we have looked at all operate an online platform so prices can be kept as low as possible. For each order cycle, producers upload the produce they have available onto the website, then customers choose what

and how much they buy. Their order is then delivered to a collection point, sorted into bags by the food hub and the customer picks up their order at an agreed time. This is the basic model, each food hub we have looked at has slight variations on this.

The Food Hubs all operate either weekly or monthly order cycles.



SUPERMARKETS HAVE CHANGED OUR FOOD ECOSYSTEM FOR THE WORSE



Discussion and Conclusions

Is Wingrove food hub feasible?

This study was carried out to see if it was feasible to set up a Food Hub in Wingrove. For us, this involved answering the following questions.

Can food hubs be economically viable and what lessons can we learn from other food hubs?

StroudCo has broken even after operating for nearly five years, for the last two months in 2014. This was in the run up to Christmas and it will be interesting to see whether they can maintain this in the coming months. Its losses for 2014 in total were £3,415.

Fair Food Carlisle has reduced its losses from £11K in year 1 to £5K in year 2 and Fife Diet saw an increase in orders at the end of the six month trial period.

Each of the projects operates in a different geographical area with different limitations. Fife Diet was limited in the amount of customers it could attract as it is a rural location, with dispersed customers, so many of the customers who expressed interest did not buy from them as their nearest hub was set up too far away. Also, it took a lot of time and transport costs for co-ordinators to travel between hubs, transporting food from the hub in the north to the hubs further south.

Stroud is a small market town with a limited customer base and strong competition from other ethical food suppliers such as farmers markets, box schemes and independent food and health food shops, as well as having a large amount of supermarkets for a small town. Carlisle is the most similar geographically to Tyneside, with a rural area providing food for a city (population 107,524).

In comparison, we have a large, dense population (829,300 in Tyneside) in an urban area. With few suppliers of local, environmentally friendly produce.

All of the hubs received grant funding to get up and running. StroudCo received funding for 4 years of running costs and Fair Food Carlisle received a grant for a three year period to cover their diminishing costs. Sharing learning about the food hub model was included in StroudCo's funding. We can benefit from

the experiences of existing food hubs and utilise the software they have developed. We would need to gain funding to support the food hub.

Only Fife Diet ran a pilot, the other hubs started operating and modified their operations as they went along. We need to decide whether to have a pilot or just start operating. Stopping the hub after a pilot would mean losing continuity, therefore losing customers and make it harder for growers and producers to rely on us as a market. Fife Diet have stated that the short pilot did not allow for them to build up the customer base necessary to demonstrate economic viability and that a three year trial would have given them a better opportunity to demonstrate this.

If we don't run a pilot, but started operating, we need to decide how long we want our grant funding to be for. As stated above, Fife Diet recommend three years, and banks usually allow 3 years to see if a business is viable. StroudCo took nearly 5 years to break even. If we cannot find the funding for a sufficient amount of years do we go ahead? To receive grant funding for too short a period could mean the initiative fails. 3 years would be the minimum time needed.

Setting up a series of food hubs across Tyneside could provide economies of scale, and help the initiative to be economically viable.

Retaining existing customers and attracting new ones is a challenge, so food hubs not only need marketing at the beginning but constantly. Effective use of social media is vital.

Additional unpaid time is put into these projects by the lead staff (particularly StroudCo and Fair Food Carlisle). However, this can be a risk as well as an advantage. If motivated lead staff leave, then it can be hard to replace them if the work is not properly paid for. The biggest risk to this project currently is the reliance on the ongoing goodwill and commitment of the authors of this study, who are putting in a lot of volunteer hours into this work. Volunteers are important for all the projects, for packing bags and running hubs, but having paid lead staff is vital.

Discussion and Conclusions

Other key points

We share the same values and principles as the other food hubs we have looked at.

These initiatives came out of existing organisations which had organisational structures in place. They also had existing membership from which customers could be drawn and who could be consulted on future plans. If we are going to run a successful hub we need to further strengthen Food on the Tyne or find another organisation to host the food hub. Other organisations such as Student Community Action Newcastle are interested in the food hub idea. We need to collaborate with these groups.

Is there demand for a food hub and would the model work?

We have identified that there is significant demand for this project in Wingrove and beyond, with 91.5 % of respondents saying they would buy from the hub on a regular basis: weekly, fortnightly or monthly. Our results showed that the majority of respondents would be willing to pay more to know their food is ethically sourced but that the food had to be good quality and a good range of choice was wanted, some wanting it to be organic. Whether people would pay more was dependent on how much more and whether they could afford it. 75 % of respondents do not already buy local produce.

The responses indicate that an online ordering system with set collection points could work. 89 % of respondents were happy to order their food online and those who prefer telephone orders or do not have internet access could be catered for by giving the option of telephone ordering or working with local community organisations to provide computer access. Preferences for being able to see and touch food before buying were given by a small minority. 96 % responded that they were willing to collect their food, only 4 % responded that they would want it delivered to their door.

A limitation of this survey is that initial pledges do not always translate into actual buying from the Hub. Fife Diet received 400 pledges to buy from the hub which resulted in 50 actual customers, though they were operating across a much larger geographical area, with hubs often set up many miles away from potential customers.

Is there support from community organisations?

All of the organisations we spoke to were supportive of the idea and wanted to either buy from the food hub themselves, help their participants to buy through us or both. One project wanted to bulk buy vegetables from us to support their food co-op. They also had suggestions for further work, for example, working with Halal meat suppliers, and were interested in the farm visits and the educational resources that we could potentially offer.



Growing Communities – Patchwork Farm in Hackney is made up of small plots of land where people who have come through the Urban Apprenticeship scheme grow salad to sell to the weekly veg box scheme

Are there enough producers to sell produce to the hub?

We have talked to producers of vegetables, milk, butter, lamb, bread products, jams and ready meals who are interested in supplying the hub, and have identified producers of other products through desk based research. Discussions needs to be had with these potential producers, so that we can fill gaps in product range and ensure we have a regular supply of products. In particular more work needs to be done identifying fresh fruit and vegetable producers who can grow for us. If we cannot find people who will grow for us, we at least need to have enough growers who will sell their surpluses through us.

Discussion and Conclusions

What are the practicalities and are they manageable?

Delivery points and collection points would need to be found in Wingrove. There are offers from a number of community organisations in helping us with this which would need to be explored in more detail. The food hygiene aspects are manageable, with the food hub needing to become registered as a food business, and obtain public and employers liability insurance.

Software options

There are currently two options that would suit our needs. The Open Food Network online platform and the platform developed by Fair food Carlisle. Both are available to use.

The benefits of setting up a food hub

A food hub is not just a business but has an environmental and social purpose, as well as aiming to strengthen the local economy.

Other food hubs have:

Provided additional markets for farmers and growers. This can help farmers to stay in business and encourage new entrants, apprenticeships and community supported agriculture.

Provided support and a market for market gardening activities within the city.

Encouraged environmentally friendly farming.

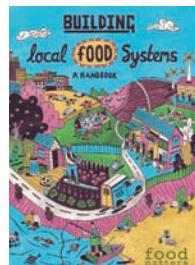
Increased the profile of food businesses through the hub websites, resulting in sales additional to those through the food hub.

Supported the development of micro food processing businesses. This could be particularly helpful in increasing employment and skills in Wingrove.

Encouraged better connections and understanding between the urban and rural populations.

Contributed to Local Authorities' objectives of reducing carbon emissions, through more environmentally friendly agriculture and reduced food miles.

This project has already:



Opened up opportunities for community organisations and individuals to discuss the food system.

If set up, as well as the activities above, we hope that the food hub will:

Provide educational opportunities and resources about the food system, the environment, health and the local economy. This fits well with the WEA's educational aims.

Play a small part in changing the food system on Tyneside. There could be more strands to the work of Food on the Tyne, as well as co-ordinating the food hub, for example, we could work with Halal meat suppliers and continue the surplus sharing events which we already run.

Encourage the councils of Tyneside to understand the importance of land for growing food, rather than for building on.

The bigger picture - Food Hubs across Tyneside.

As we have carried out this research it has become clear that a network of food hubs across Tyneside would provide economies of scale and be attractive to farmers who would be travelling to Tyneside to deliver produce.

If a network of food hubs were to be set up, what form could it take? There seems to be two options. One is for Food on the Tyne to operate food hubs across the city. The other is for an organisation (which could be Food on the Tyne) to be an umbrella organisation, providing the IT software and liaising with producers, but for the hubs to be managed and run at a very local level.

Our current thinking is that it would be better if there were locally run hubs, with an umbrella organisation providing support and liaison with producers, as local ownership increases involvement and ownership. Thinking about the longer term, bigger picture has helped inform our thinking about what features any software system we use would need.

Discussion and Conclusions

Conclusion

There is demand for a food hub in Wingrove and beyond.

The food hub model could work in Wingrove and across Tyneside.

Community organisations would buy from a food hub, and help their members to buy from it.

Food hubs can be economically viable. Setting up a food hub in Wingrove would benefit from a dense urban population.

Setting up a series of food hubs across Tyneside would have economies of scale, and be more attractive to producers to supply us.

There are producers who would like to supply the hub, but we need to identify more of them.

The software we need to run the hub is available.

Food hubs are not just a business but have a social and environmental purpose. There is demand for educational opportunities and resources about the food system.

Next Steps

That we strengthen Food on the Tyne so it can host a food hub, and work collaboratively with other organisations with similar ideas and interests.

That we look for further funding to identify more producers, and to try out the software.

That we look for funding for a minimum of three years running costs.



If you would like more information or to join the Food on the Tyne steering group please check out our Facebook page www.facebook.com/foodonthetyne or contact going.green@wea.org.uk



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