

# Co-operative and Community Ownership

{ It's Place in the New Food Economy

**Plunkett Foundation**, Mike Perry and Jennifer Smith  
**Riverford Organic**, Guy Watson

# Today's Session

## Objective of Session

Explore co-operatives & community-owned enterprises within the food sector — warts and all!

## Structure

Overview of community food enterprises: 20 minutes  
*characteristics, motivations, stats, trends*

Perspective from Guy Watson: 20 minutes  
*Community ownership and Riverford Organics*

Open Discussion: 45 minutes

## Speakers

Mike Perry, Head of Communication at Plunkett Foundation

Guy Watson, Founder of Riverford Organics

Jennifer Smith, Head of Operations at Plunkett Foundation

# Co-operatives worldwide

1 billion members

1 million co-operatives

Secure livelihoods for 3 billion people

100m employees

Largest 300 co-operatives equivalent  
to the 9th largest national economy

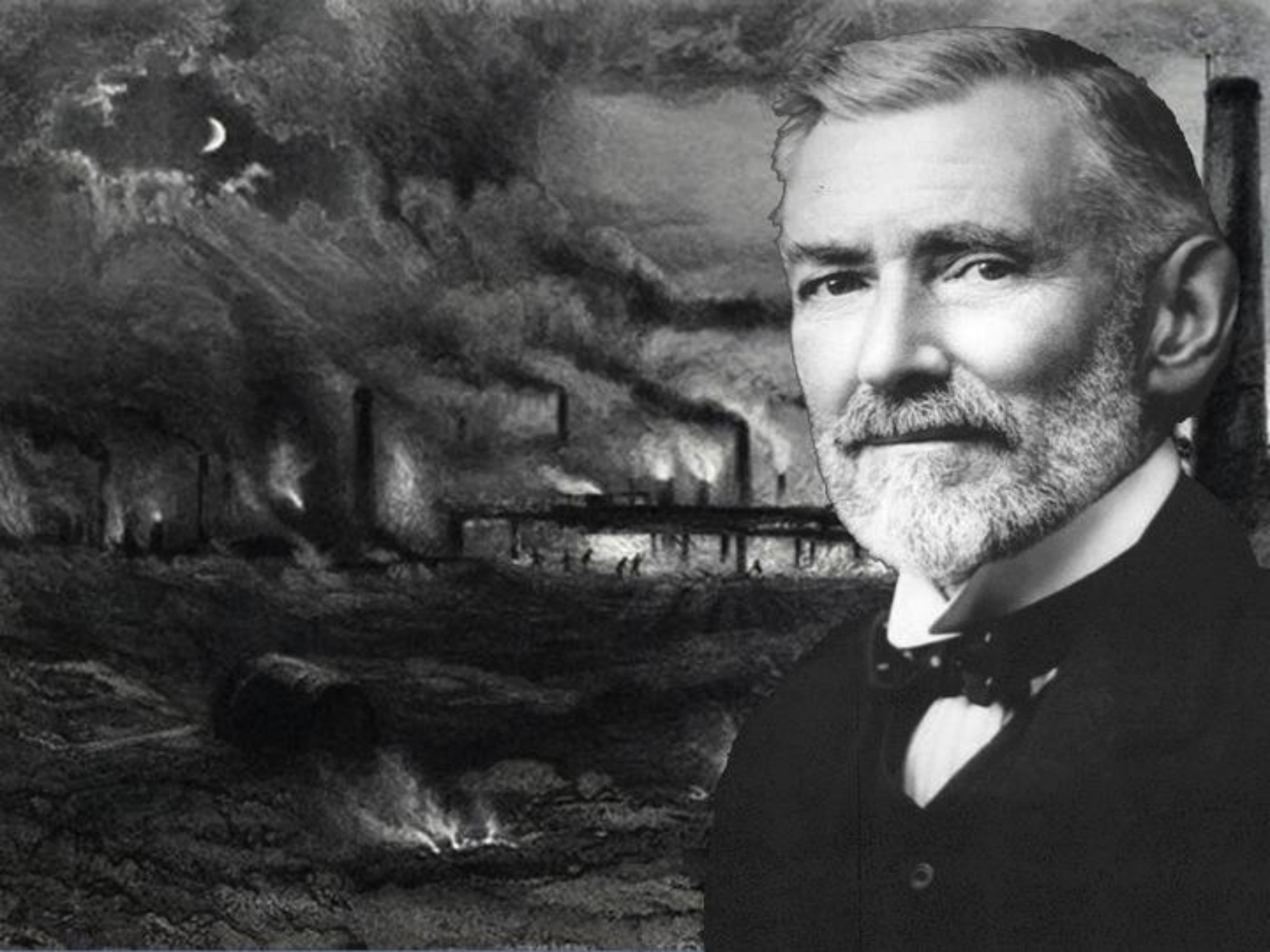


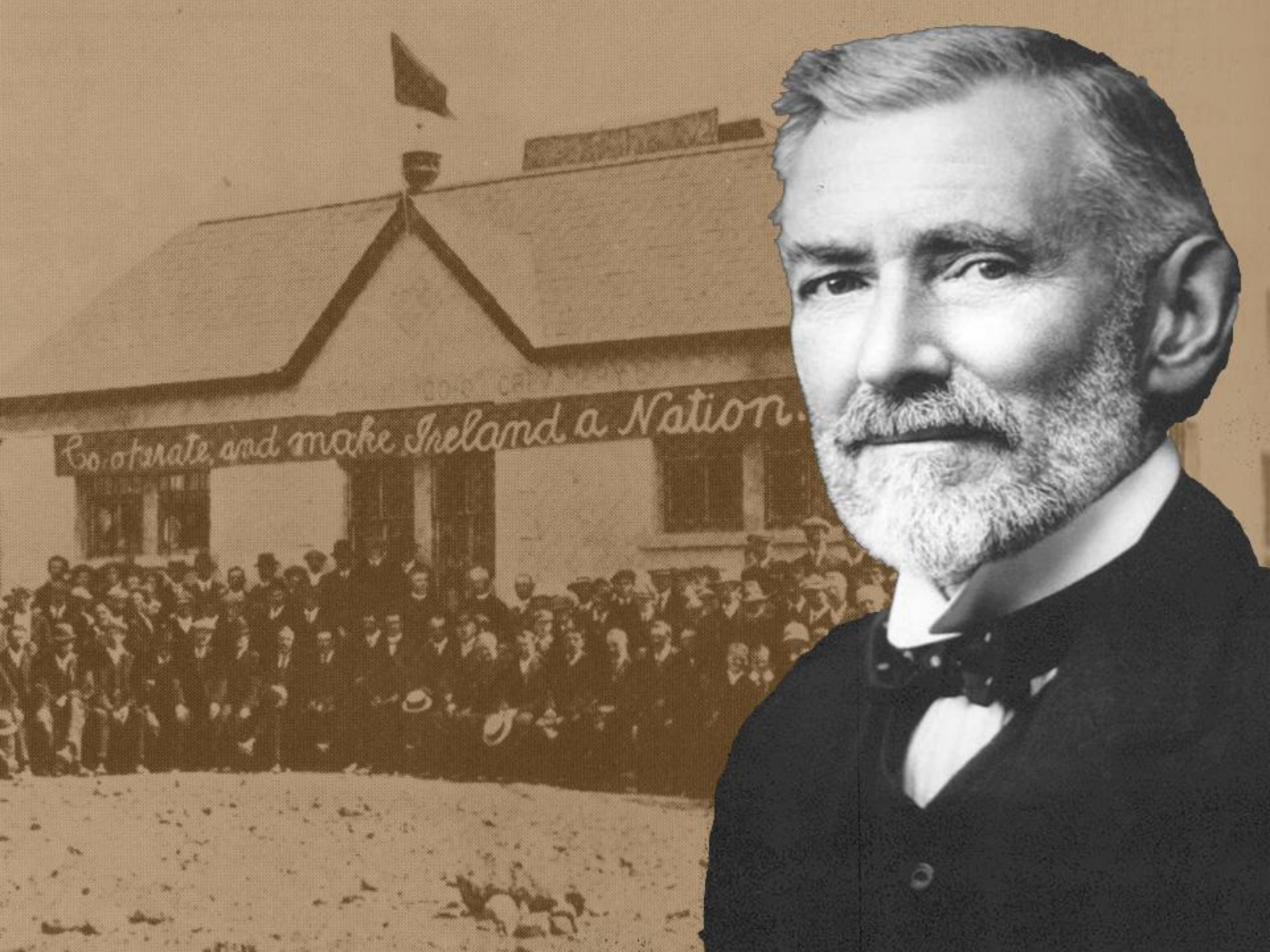
# The new co-operative economy



Why co-operation?

*“What one can’t,  
many can.”*





# Horace's co-operative approach

- Economic change is the best way to secure social change
- We have to inspire communities that co-operation can help solve their problems
- Developing co-operatives is a team activity
- The role of the state is to support not to do
- Keeping a co-op rooted in its community is the greatest and most important challenge
- See every aspect of rural development as being connected





Total UK annual consumer spend on food and non-alcoholic beverages in 2010:

**£84 bn\*\***

Of this **93%** was spent in supermarkets (multiples) and **2.7%** (About £2.3bn) with independent retailers

In 2012, a conservative estimate of the economic value of the **community food** sector: **£150 million**

# Defining Community Food Sector

Social Enterprises run by their community for their own benefit

Primarily involved in at least one part of growing, harvesting, processing, distributing, selling, serving or disposal of waste food.



# Motivations within the sector: 3 categories

1. Initiatives aimed at creating an **ethical alternative to the dominant food industry**
2. Initiatives aimed at **defending local economies and livelihoods**
3. Initiatives aimed at **using food as a vehicle to achieve other purposes**
  - Education
  - Nutrition and Cookery
  - Vocational Training
  - Community Cohesion





## The value of the Community Food Sector

An economic baseline of Community Food Enterprises



- Objective: to understand the **economic value** of the sector
- Research undertaken in **2012**
- Telephone interviews undertaken from a representative sample of **325** community food enterprises

Table 2: Sub sector representation

Sub sector	No.	%
Community-owned shops	60	18%
CSA	55	17%
Country market societies	45	14%
Collaborative farmers' market organisations	43	13%
Food co-op/ buying groups	42	13%
Education/training providers, including City Farms	25	8%
Food hubs and distribution	19	6%
Community cafes	17	5%
Other	19	6%



52% of sector have been trading for 5 years or less



**45%** have a turnover of less than £20,000 per year

**19%** have a turnover of less than £5,000

The estimated combined turnover of the community food sector is **£77 million**.

**80%** of this comes from community shop and food coop sub-sectors



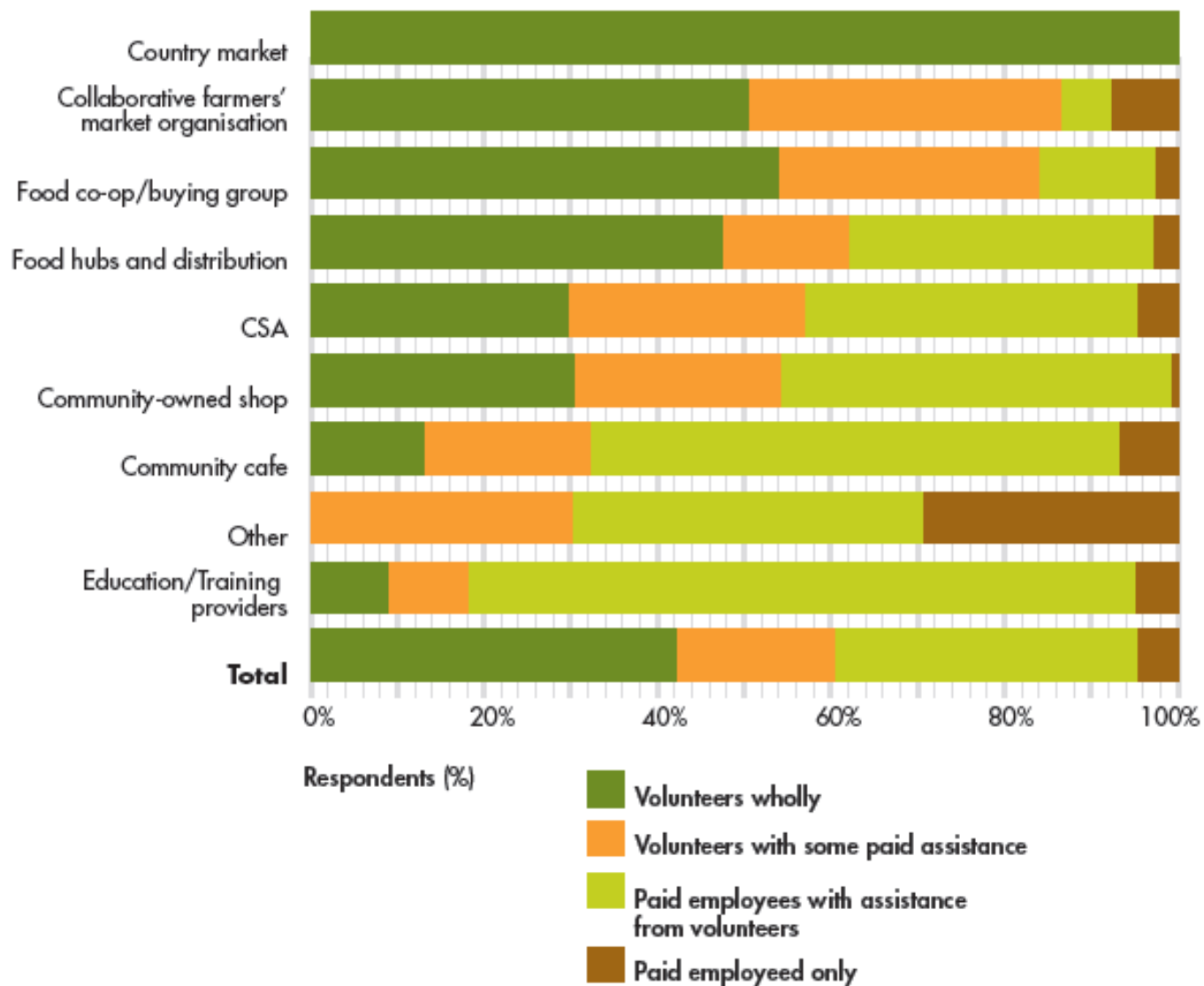


The **wider impact:** it is estimated that an average farmers market has a value of **£100,000 per year for its stallholders.**

Therefore, value of collaborative farmers markets to stall holders is around **£21 million per year**



Chart 2: How organisation is run – by sub sector



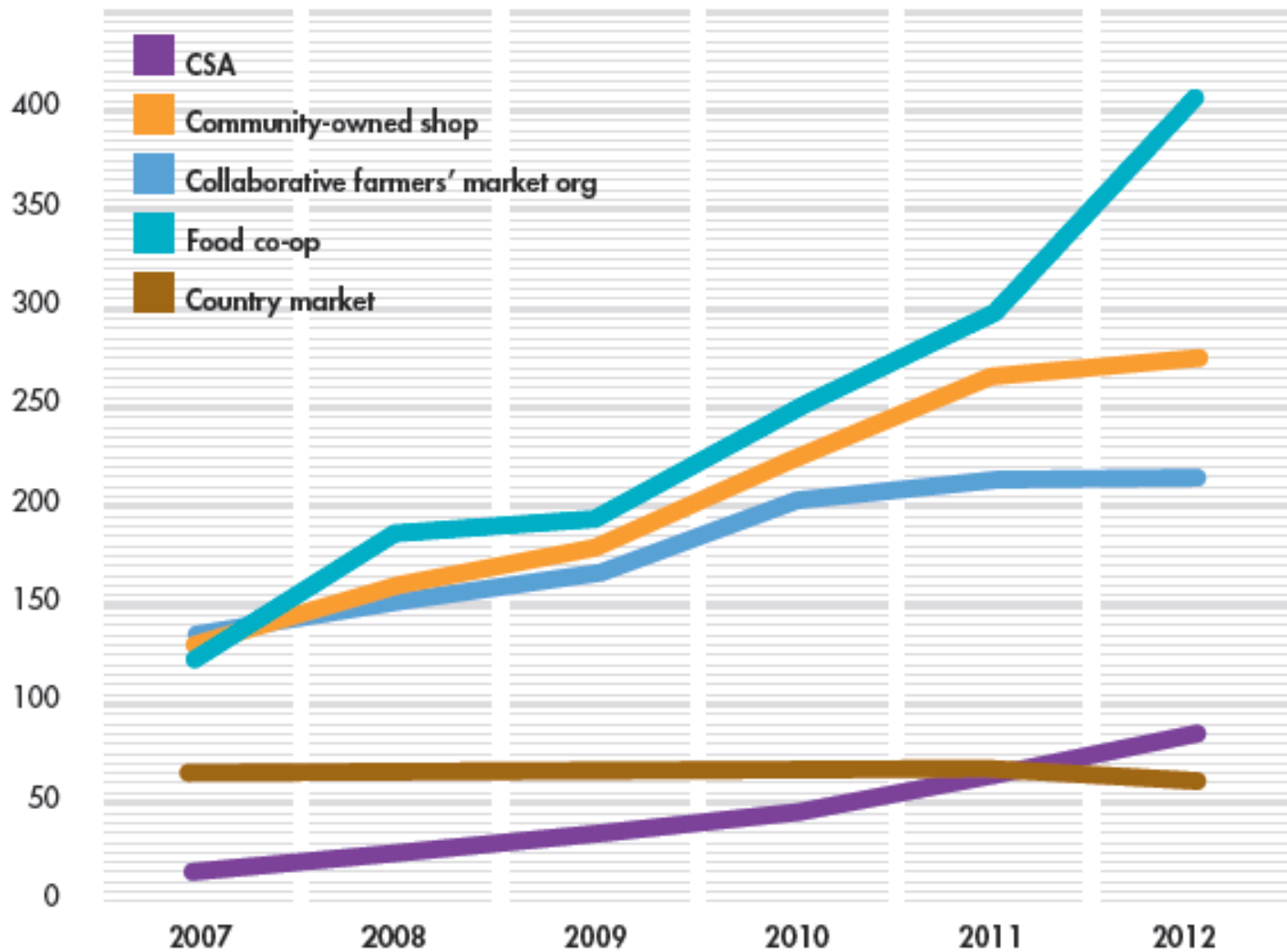
The vital role of volunteers

# Local Impact:

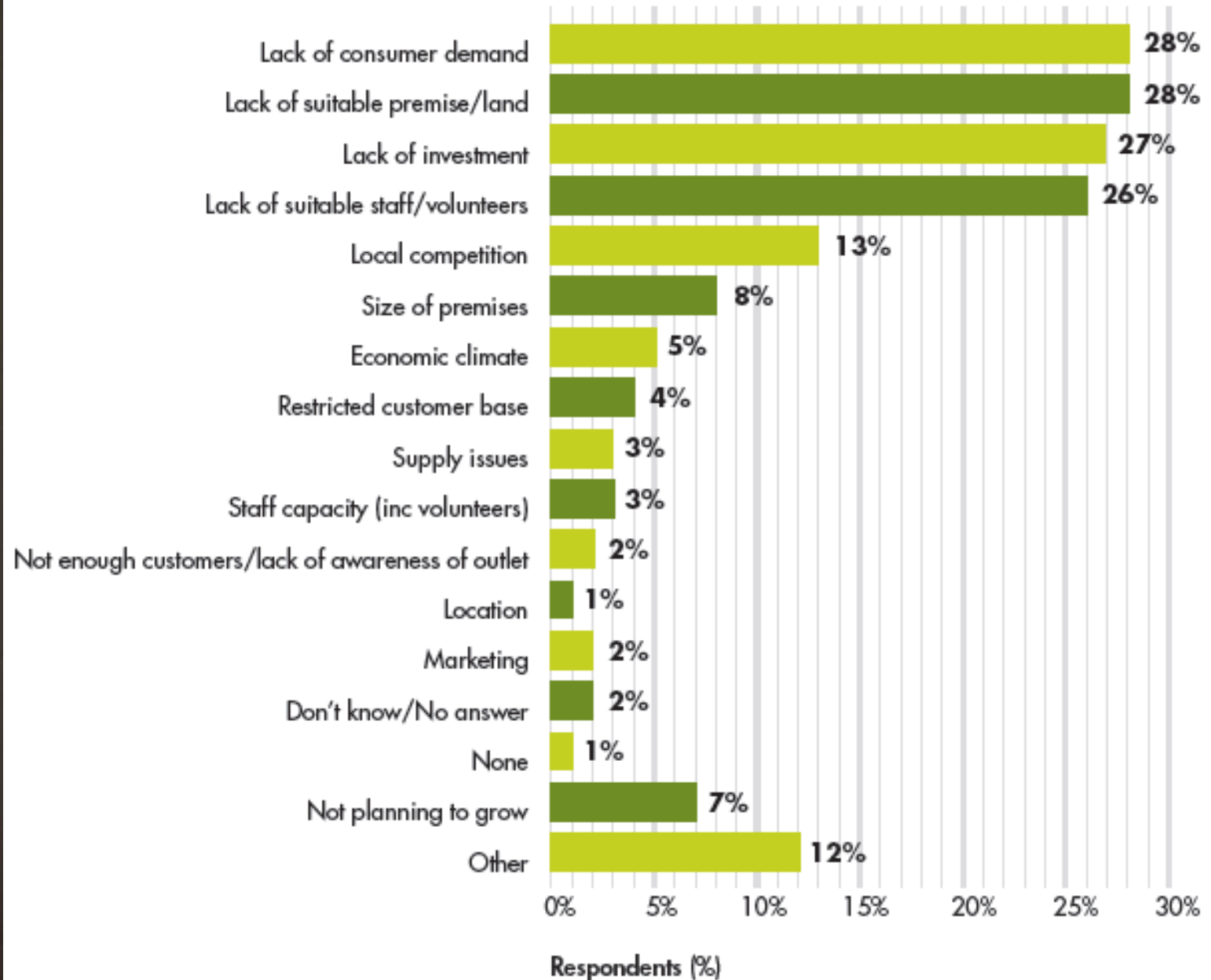
46% of respondents use only local suppliers.



Chart 19: Recent growth of the core sub sectors



**Chart 25: Factors restricting growth**



# Financing Co-operatives and Community-Owned Businesses

Traditional forms of finance like grant and loans

## Community Shares

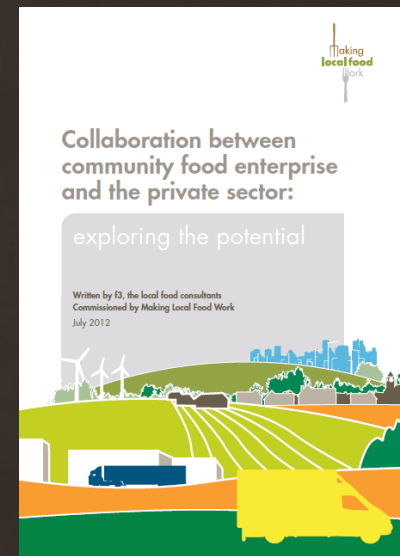
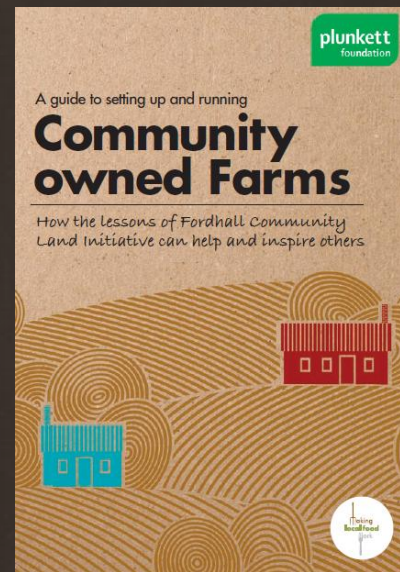
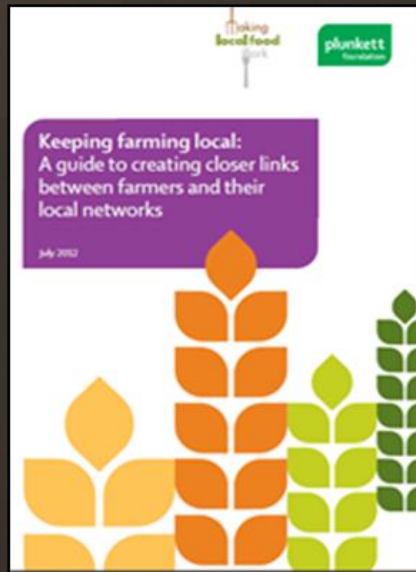
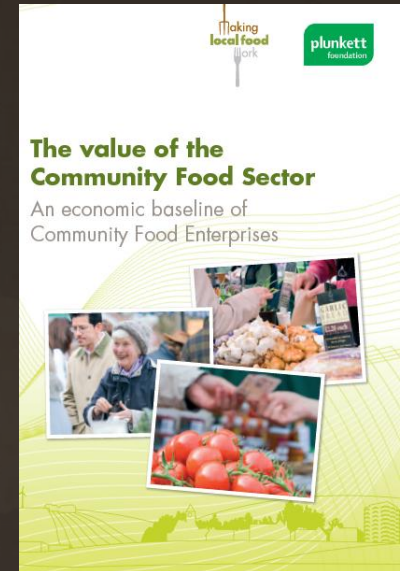
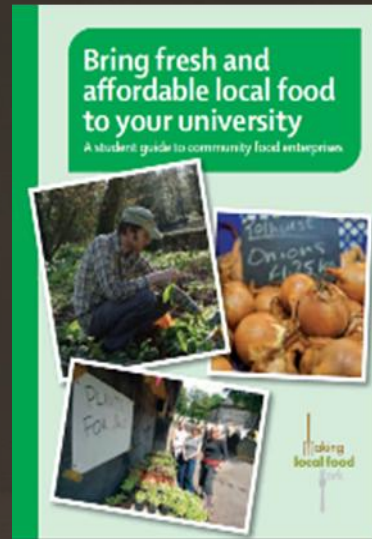
- Community investment through community shares
- Industrial and Provident Societies
- Community-owned shops – average of £55k per share issue
- Co-operative pub has raised £250k
- Fordhall Farm c£500k
- Cultivate c£80k

## Public Works Loans

# Lessons Learned on Making Local Food Work

1. Balancing Objectives
2. The role of volunteers
3. Tricky business of Distribution
4. Supply of Local Food
5. Importance of Networks
6. Value of sector specific advice
7. Finance and investment





# Thank you

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# Riverford Organics

{ Guy Watson