

COOPERATIVE FUTURES

business for good

Moving Beyond Food Aid in Plymouth; Co-operative Options



November 2021

Introduction

In 2021, Co-operative Futures was commissioned by Plymouth City Council to explore and propose various co-operative business model solutions for Plymouth, to enable the management of food-aid activities in a more sustainable and inclusive manner than the systems that presently exist.

Within this report, 3 different models for co-operative business models in Plymouth are presented and explored:

1. Food co-operatives
2. a) Organisational bulk buying food co-operatives
b) Co-operative Distribution Centres
3. 'Added Value' Food Co-operatives

The new co-operative/s structures should provide a more collaborative and financially viable approach to collecting and distributing food in Plymouth and seek to address both food insecurity and food waste.



1. Food co-operatives:

This term has been used to refer to any community food outlet run on a not-for profit basis for the benefit of local people, the members. They go by many other names such as food clubs, social food outlets, food groups, pantries, or simply described by whatever they do such as a bag or box scheme, community market, fruit and veg stall or mobile store. The key component of a food co-op is that it is an outlet run by the members that is involved in supplying food for the benefit of the community, rather than for private profit.

As there are different models of food co-operatives, Plymouth may need one or more of these. However, the constant is that they are all based on members making a financial contribution.



More details on the different models of food co-operatives and examples are in Appendix 1 on page 10.

2a. Organisational Bulk Buying Food Co-operatives:

This is based on the food co-operative model, but *organisations* are the members rather than individuals. The members buy food (and other items) at scale e.g., by the ton. This enables members to access food at a lower cost. The members can include food support organisations, other food co-operatives, and any other organisations that would fit a membership criteria. This co-operative is not about surplus food donations that food support organisations might receive, the purpose of the co-operative is to reduce the cost of *additional* items that those organisations might purchase. Depending upon the scale of the co-operative it may be possible to buy directly from local producers such as farmers rather than through wholesalers.

This model should be financially self-sustainable through payments made by members. However, space will be needed for storage and distribution and administration and logistic support may be needed which might negate any cost savings to members – see co-operative distribution centre below.



More details on organisational bulk buying food co-operatives and examples are in Appendix 2 on page 13.

2b. A Co-operative Distribution Centre:

As has been demonstrated throughout the pandemic, food support organisations need co-ordination and access to storage for surplus food and additional items. There are several existing organisations in Plymouth offering a surplus food distribution service, FareShare SW, DCFA and The ARC. In a co-operative model the members can include food support organisations, other food co-operatives, and any other organisations that would fit a membership criteria, giving them ownership and control of the business.

The co-operative model can integrate a bulk buying co-operative to give it additional financial stability. As a co-operative there is the opportunity to take a more entrepreneurial approach than that of a charity.



More details on co-operative food distribution centres and examples are in Appendix 2 on page 14.

3. 'Added Value' Food Co-operatives:

A lot of surplus food from retail organisations is donated to food aid organisations to redistribute to people in food poverty. An alternative is to use the surplus to add value to the food through processing, to generate an income to support food aid organisations or as waste reduction activities. Where surplus food is processed, it is commonly used to create free/cheap hot meals at community cafes, rather than more 'high end' products that can generate income to enable the organisations to become more financially independent. This activity can be a stand alone co-operative or integrated into an existing organisation, the former would reduce the liabilities and risk of an existing organisation. The members of a co-operative could be drawn from a range of stakeholders, for example, workers, suppliers, or consumers.

This should be a fully commercial operation designed to generate a surplus that can be used to support food aid organisations in the city.



More details on 'added value' food co-operatives and examples are in Appendix 3 on page 15.

A Co-operative Alliance

Each of the options above has the potential to be stand-alone. However, there is a symbiotic relationship between them that could deliver greater effectiveness and impact. In particular, the relationship between the bulk buying co-operative and co-operative distribution centre is key, as they would have an overlapping membership and complimentary activities. It may therefore be sensible to combine these into a single co-operative.

Some possible relationships are shown in Appendix 4 on page 17 - A Co-operative Alliance.

Comparison of Models

Structure	Members	Income streams	Geographic area	Food sources	Pros	Cons
Food Co-operatives	Individuals	Sales to members (Individuals)	Local/ Neighbourhood level	Purchased direct from producers, farmers, or wholesalers.	Different types that can be adapted to circumstance/needs of members.	Need to be initiated by local community organisers/anchors who are not always immediately apparent.
Co-operation Town Food Co-ops		Grants			Can be used as a route from food aid to food dignity.	Members need to have a certain level of organisational skills/capacity.
Social Supermarkets		In kind - access to space etc.		Some models use surplus from supermarkets, via FareShare etc.	Members have some/complete choice over goods that are purchased.	Will need access to space.
Community Larders					Creates community cohesion through local people working together.	There is a perception that they are for 'foodies'.

					<p>Financially self-sustainable models.</p> <p>Economies of scale.</p> <p>Supports wider local food economy.</p> <p>Provides a solution to food deserts.</p> <p>Several sources of support to set up.</p>	
Organisational Bulk Buying Co-operatives	Organisations	<p>Sales to members (organisations)</p> <p>Grants</p> <p>In-kind access to space, transport, etc.</p>	City wide	Purchased direct from producers, farmers, or wholesalers.	<p>Economies of scale for food aid/food co-ops.</p> <p>Can be financially self-sufficient.</p> <p>Supports wider food economy.</p> <p>Reduced packaging.</p> <p>Members have complete control over goods purchased.</p>	<p>Needs access to a large space.</p> <p>Need access to transport.</p> <p>Need an organiser/logistics support.</p> <p>Need a minimum number of members to create economies.</p>
Co-operative Distribution Centre	Organisations	<p>Sales to members (organisations)</p> <p>Commercial agreements</p>	City wide	Surplus from supermarkets, via FareShare etc.	<p>Can be more entrepreneurial than a charity model.</p> <p>Provides more structure and co-ordination.</p>	<p>Challenging economic model – may need an element of grant funding or in-kind support.</p> <p>Need logistics skills and capacity.</p>

		<p>with large retail organisations to take surplus food.</p> <p>Grants</p> <p>In kind – access to large space e.g., warehouse; admin and logistics support</p>		<p>Purchased direct from producers, farmers, or wholesalers.</p> <p>Integrates with previous 2 models (see Appendix 5 for more detail)</p>	<p>Reduces duplication of effort.</p> <p>Single point of contact for providers of surplus food.</p>	<p>Would need to employ staff.</p> <p>Not as likely to be able to access grants as a charity.</p> <p>May not be geographically convenient for groups.</p>
'Added Value' Food Co-operatives	Individuals	Sales to customers (could be individuals or other businesses)	Either local or city wide.	<p>Surplus from supermarkets, via FareShare etc.</p> <p>Purchased: Additional ingredients needed for added value products</p>	<p>Fully commercial model – should not be any reliance on grants for core activity.</p> <p>Can provide income for food aid organisations.</p> <p>Provide training opportunities for young people/unemployed.</p> <p>Good use of surplus food.</p>	<p>Expensive set up costs.</p> <p>Needs catering quality kitchen.</p> <p>Qualified chef also able to train people.</p> <p>This alone will not reduce duplication and the need for co-ordination.</p>

Appendix 1 - Food Co-operatives:

This term has been used to refer to any community food outlet run on a not-for profit basis for the benefit of local people. They go by many other names such as food clubs, social food outlets, food groups, or simply described by whatever they do such as a bag or box scheme, community market, fruit and veg stall or mobile store. The key component of a food co-op is that it is an outlet run by local people that is involved in supplying food for the benefit of the community, rather than for private profit. They are generally locally based focusing on community infrastructures such as schools, university students, environmental groups, community groups or hyper-local geographies. There are a range of different motivations for food co-ops, connecting to local producers, reducing plastic waste or, access to more affordable food through bulk buying. [Sustain](#) are the main support organisation for food co-ops in the UK.

Below are some useful examples of different types of food co-operatives, namely a) Bulk Buying Co-ops for individuals, b) the Co-operation Town model and c) Social Supermarkets

Bulk Buying Co-ops for individuals:



A consumer co-operative [Naked Larder](#) provides a range of grains, beans & pulses, nuts, dried fruit, flours, pasta, cereals, eco-friendly cleaning product refills, body care products and more. All of their items are ethically sourced and purchased in bulk volumes to ensure a minimal impact on the environment and reduce costs.



[Penryn Produce](#) is a student-led food co-operative that provides local, seasonal, and minimally packaged produce for collection every week.

Islington Food Co-op Network

This network aims to help people set up neighbourhood bulk buying co-ops within Islington. They can provide some start-up funding courtesy of Sustain, as well as training courses. They are also promoting the starter pack developed by [Co-operation Town](#) (see below).



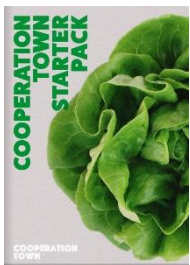
[Streetbox London](#) is not technically a bulk buying co-operative, but a veg box scheme, and is registered as a CIC. However, by purchasing a box, a second is donated to a food aid organisation in the city, and so providing healthy fresh food for those unable to afford to buy a box themselves.



Guide to setting up a local food co-operative:

Sustain - https://www.sustainweb.org/publications/food_co_ops_toolkit/

Co-operation Town:



During Covid there has been a rise in the popularity of [Co-operation Town](#) Food Co-ops. This model is based on a combination of free supplies and food bought cheaply in bulk. Members pay a small amount every week and contribute up to one hour a week to run the co-op. The Cooperation Town model is based on 'need, not transaction' everyone receives the same shopping bag, containing a share of the free supplies, all the staples and any additional items the co-op purchased. When collecting their shopping, members who receive more than they need, can return their surplus by putting it back into a common basket, where members with a greater need can help themselves to the extra items. These are hyper-local co-ops, and it is recommended that each one has no more than 20 members.

Co-operation Town How to Guide: <https://heyzine.com/flip-book/0b7ac2a45f.html#page/1>

Social Supermarkets:

In this model surplus, expired best before date and donated food is stored in a 'shop' and members can buy it at a discounted rate. There are 2 models; a fixed price for a basket of a certain number of items that members choose, or an online order for collection. Although these are not structured as co-operatives, they are all membership organisations and could be adapted to be one.

Social Supermarket - Sheffield

People join the social supermarket for a membership fee of £3/ week. They can then choose at least 20 items of food from the shop including fresh fruit and vegetables.



Your Local Pantry is a national franchise where members pay a small weekly fee, typically £3.50, for which they can choose at least ten items of food each week, along with additional opportunities of volunteering and training.

COMPANY SHOP GROUP In this model the Company Shop buys or is donated surplus goods from the manufacturing, distribution or retailing processes. These are then either sold through the Company Shops at reduced prices. The income from this is used to distributed to the Community Shops where members can purchase goods at a greatly reduced price. To be a member of a Community Shop you must be in receipt of a means tested benefit.

Comparison of the three models:

	Bulk Buying Co-ops	Co-operation Town	Social Supermarket
Pros	<p>Members have complete choice of goods from their suppliers.</p> <p>Access to high quality food.</p> <p>Economies of scale.</p>	<p>Members have some choice over goods that are purchased.</p> <p>Creates community cohesion through local people working together.</p> <p>No/small administration costs.</p> <p>Focused on a financially sustainable model.</p>	<p>Members have complete choice of what they buy from the 'shop'.</p> <p>Can cover a large geographical area.</p>
Cons	<p>Tend to be about access to local or organic food rather than affordable food.</p> <p>Communities of interest rather than geographical communities.</p>	<p>No choice of surplus foods.</p> <p>Need to be initiated by local community organisers/anchors who are not always immediately apparent.</p> <p>Members need to have a certain level of organisational skills/capacity.</p> <p>May still need access to space.</p>	<p>Need permanent premises which can be costly.</p> <p>Needs a lot of staff/volunteer capacity.</p>

Appendix 2 – Organisational Bulk Buying Co-operatives and Co-operative Distribution Centres

This is based on the food co-operative model, but organisations are the members rather than individuals. The members buy food, and other items, at scale e.g., by the ton. This enables members to access food at a lower cost. The members can include food support organisations, other food co-operatives, and any other organisations that would fit a membership criteria. This co-operative is not about surplus food donations that food support organisations might receive, the purpose of the co-operative is to reduce the cost of additional items that those organisations might purchase. Depending upon the scale of the co-operative it may be possible to buy directly from local producers such as farmers rather than through wholesalers.

As has been demonstrated throughout the pandemic food support organisations need co-ordination and access to storage for surplus food and additional items. In a co-operative model the members can include food support organisations, other food co-operatives, and any other organisations that would fit a membership criteria, giving them ownership and control of the business. The co-operative model can integrate a bulk buying co-operative to give it additional financial stability. As a co-operative there is the opportunity to take a more entrepreneurial approach than that of a charity.

There are several existing organisations in Plymouth offering a surplus food distribution service, FareShare SW, DCFA and ARC.



[The Active Wellbeing Society](#) is a community benefit society which has been co-ordinating the emergency food response in Birmingham during the Covid-19 pandemic, which consists of a network of over 80 organisations running food aid services. These organisations are able to access surplus and bought food from TAWS' [distribution centre](#). Emergency grant funding from Birmingham City Council has been awarded directly to TAWS, enabling them to supply the wider network across the city. The distribution centre was set up in response to the pandemic and by January 2021 had distributed 67,982 food parcels and 1,480 bulk food orders to other organisations. This has decreased the administrative burden on the council, as their grant funding has gone directly to one organisation.

Co-operation Town

Co-operation Town is a not-for-profit worker co-operative. Their purpose is to support communities to set up small local food co-operatives however they recognise the benefits of a local 'hubs' in areas where there is a high concentration of co-ops, to make ordering and distribution more efficient. They are in the process of exploring options in the Camden area of London. Although the Cooperation Town food co-operative model is not based on grants there is the expectation that the hubs will need grant and in-kind support.

Appendix 3 – ‘Added Value’ Food Co-operatives

A lot of surplus food from retail organisations is donated to food aid organisations to redistribute to people in food poverty. Alternative uses of surplus food are to add value to the food through processing to generate income to support food aid organisations. This can take a number of forms from creating pickles and chutneys to making ready meals and outside catering. There is a tendency to use surplus food to create free/cheap hot meals at community cafes, but the examples below are focused around more ‘high end’ products that can generate income to enable the organisations to become more financially independent. [Research](#) has shown that some consumers have a preference for value-added surplus products (VASP) and that they may be able to fetch a price premium, like those afforded to organic foods.



– Stroud, Gloucestershire

[The Long Table](#) started as a community food hall offering pay-as-you-feel lunches and evening meals open to the entire community, a place to meet and eat together. During the pandemic, the community food hall had to be closed and this was replaced by a ready meals service aka ‘The Freezers of Love’. Ready meals were produced and sold to the public. This was still operated as pay-as-you-feel but a price guide was provided including the option to buy a meal for yourself and one for someone else. Initially the offer was only in Stroud, a town in Gloucestershire, but was so successful that a series of distribution points have been set up throughout the county. The Long Table is now also offering takeaways as well. The Long Table is a CIC which is a wholly owned subsidiary of a community benefit society ([The Grace Network](#)).



– Leeds

[The Real Junk Food Project in Leeds](#) is the original Junk Food Project, a model that has been replicated across the world. Consisting of cafés, outside catering, events, Sharehouse: TRJFP and Kindness into Schools, it uses the Pay As You Feel Concept to utilise surplus food, educate the general public and campaign against global issues that food waste creates. [Kindness](#) catering is the other arm of The Real Junk Food Project. It caters for both private and corporate events including weddings, birthday parties, christenings, conferences, business lunches and festivals. Prices start from £4 per person for an express lunch to £20 per person for a sit-down wedding meal. Real Junk Food Projects are historically registered as small membership CICs but have the potential to adopt a co-operative structure.



– Birmingham

[Eat Make Play](#) is a Community Benefit Society established in the B16 area of Birmingham to utilise surpluses, both in terms of food and textiles and also underutilised spaces. EMP have previously taken surplus food from The Real Junk Food Project Birmingham to add value by preparing freezable meals to distribute throughout the local community - <https://www.facebook.com/EatMakePlayB16/photos/1999759116986936>



– Preston

[The Larder](#) is a Worker Co-op operating in Preston, Lancashire. As well as a larder providing food that is purchased directly from local farmers and producers, the co-op adds value by utilising the food in running a café and outside catering service.



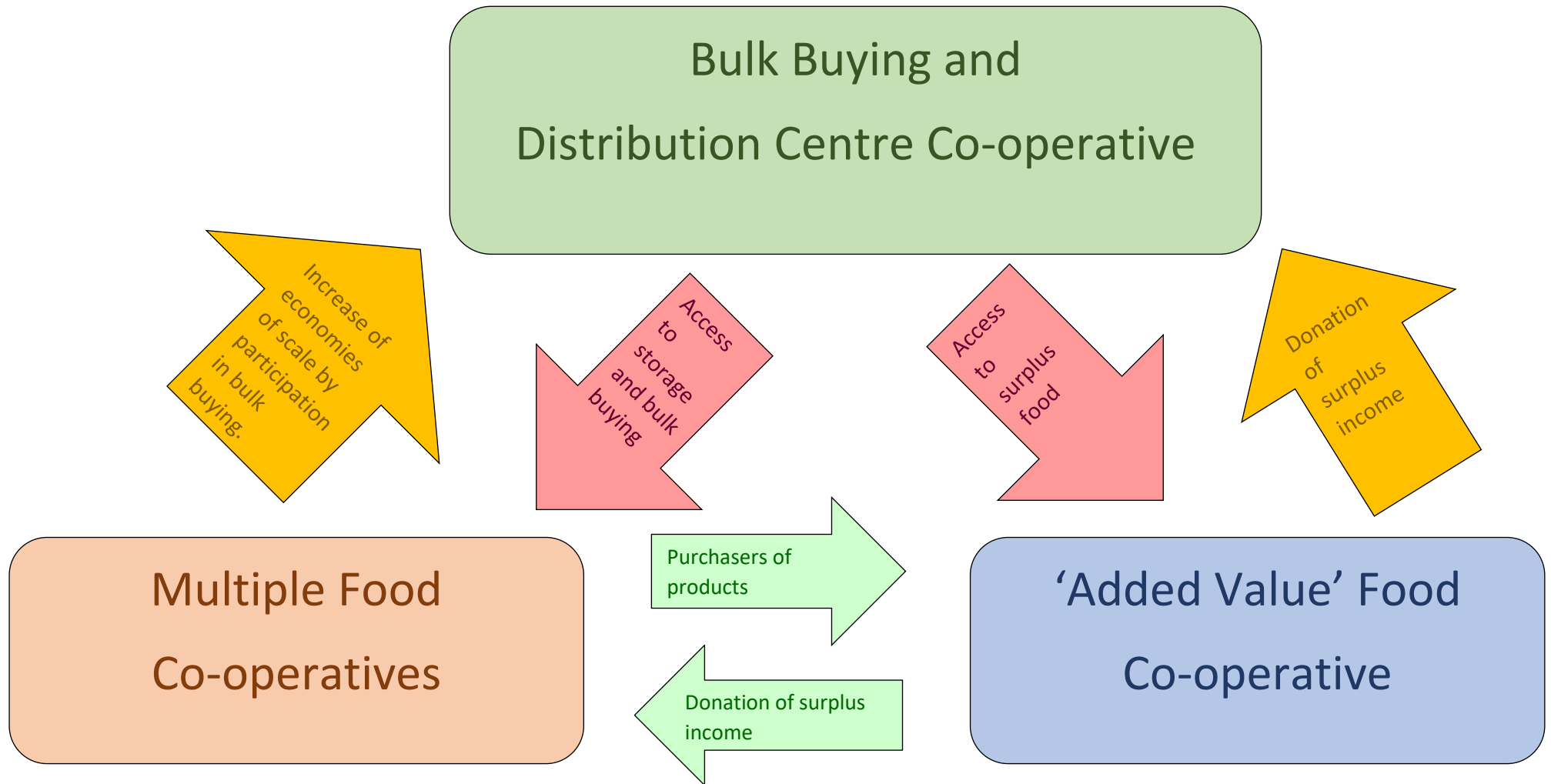
– Paris

[Bouillon Chartier](#) provides affordable food 24/7 to everyone – in a very inclusive way. In 1860 a butcher had the idea of making beef broths from his waste off cuts for the workers at the Halles market in 1856.

Other potential opportunities:

The concept of using surplus to create added value food which can be sold at a premium has the potential for a range of entrepreneurial activities, for example, challenging ‘celebrity chefs’ to host a surplus food evening. A chef receives the surplus food in the morning and is challenged to create a menu for the evening. Customers are asked to contribute on a Pay-As-You -Feel basis. This would require the restaurant and chef to donate their premises and time.

Appendix 4 – A Co-operative Alliance



With thanks

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