

Setting up a Food Co-op

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Project Management and Governance

The *Co-ops UK Governance & Participation software* – best for governance models. This software costs £20 and is extremely helpful. You answer a set of questions and the model recommends the most effective model on that basis. Contact [Greenwich CDA](#) if you would like to go to their offices and use their software.

Greenwich co-ops are 70% self funding. They deliver 16-20000 transactions per year. They use a social enterprise model and prioritise financial sustainability by building in enough gross profit into each sale, while still achieving prices below what supermarkets charge.

Needs Assessment / Feasibility Study

This is a really key stage – you need to know what people in the community actually want, rather than assuming they want the same as you do.

Staff and volunteer management

To start a co-op you will need to learn about good volunteer management practice. Not just the basics of employment law, but also an understanding of good practice. [NCVO](#) (the National Council of Voluntary Organisations) and [LVSC](#) (the London Voluntary Services Council) are good sources of advice.

Location / accommodation

Choosing the right venue for your co-op is really important. This decision should be informed by who in the community you want to benefit from the co-op.

All of Greenwich's co-ops are **outside**. They have taken this decision because they don't want anyone to experience barriers to using the service. For older men, for example, they may be reluctant to go into a community centre. They have tried moving into community centres in the past and lost as many as half their customers!

Also there are no banners or labels, this again reduces **barriers**.

Co-ops outside are excellent for making places feel safer and enabling neighbours to meet each other, hence are good for **community cohesion**. In fact, co-ops can have bigger impacts on cohesion and broader quality of life than health.

Some co-ops are based in **schools**. Schools provide a "captive market" but may exclude other members of the community who aren't involved in schools at all.

Operational Plan

Growth - it's a good strategy to start small and grow organically, as this is likely to be more financially sustainable than buying lots of equipment such as vans that will depreciate in value and eventually have to be replaced.

Buying produce - getting a van can be expensive. You could choose to use a local fruit and veg retailer, get them to sell produce to you on a wholesale basis. This will mean you don't need to go to markets at 4am to buy stock directly!

GCDA are trying to increase the proportion of food sourced locally in the SE of England, buying directly from farmers rather than through agents so that they get a better price.

There is often a conflict between sourcing produce at the cheapest cost and social and environmental issues, such as the CO2 emissions arising.

Nutritional content of fruit and veg – this is an important factor, and it's true that the more recently the stock was picked, the better it is likely to be for health. However the health benefits from getting people to eat fruit and veg whatever the nutritional content are substantial – we need to fix this first before we worry too much about this.

Pricing – it's worth doing regular price checks of local supermarkets and street markets to ensure you're at the right price points. GCDA aim to price slightly cheaper than Lewisham market, and about half the price of supermarkets. It's a myth that supermarkets are cheap for fruit and veg! Pieces of fruit average at about 15p each, which includes a 30% gross profit.

Business Plans, Budgets and Funding

One source of funding to note is the [Local Food programme](#) which is distributing £50 million of Big Lottery money to a variety of food-related projects to help make locally grown food accessible and affordable to local communities. The programme has only had a few bids around culture and social enterprise so the chances of success are higher there.

Another programme is the [Capital Growth initiative](#), run by London Food Link. This aims to develop 2,012 new food growing spaces for London by 2012. This includes funding of £50,000 for 50 spaces, initially.

Monitoring and evaluation

Robust evaluation of the health outcomes of food co-ops is tricky, but not impossible, we would need to study health over 20 /30 years to know the full outcomes. It's worth measuring the wider social and economic outcomes so that you are looking in the round.

Qualitative evaluation

Examples of qualitative evaluations for food co-ops include getting a sample of your customers to complete food diaries, asking them to take part in a discussion group, or asking them for quotes to tell you of their experience of the food co-op and how it has impacted on their life.

Anecdotal evidence in the form of quotations from users can be particularly powerful.

Quantitative evaluation

Examples include collecting till receipts

The IGD have reported an increase in the sales of fruit and vegetables since the onset of the credit crunch. But are people on the lowest incomes part of this movement?

Work with Restaurants and Cafes

As part of Well London, the Healthy Options scheme in Tower Hamlets is helping to support chefs to take up healthier ingredients. Each businesses gets 2 days training with a nutritionist and an award if they complete. Westminster PCT is looking to do a similar thing.

The Co-Operative group - currently not doing very much in this area, although they are the biggest farmer in Britain. They have experienced changes in their infrastructure of late. They have a new SE regional manager in post.

Further advice / information:

<http://www.sustainweb.org/foodcoops/> - a toolkit will be launched in April at this site on how to start a food co-op