

Community Food Enterprises

Their role in food system change, opportunities, challenges, and support needs



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Introduction

Open Food Network is a not-for-profit building the tools and resources needed to create a new food system that is fair, local, and transparent.

We do this by providing:

- An [open source online software platform](#) that enables efficient and transparent short food supply chains
- [Resources](#) to help those building local food supply chains
- [Consultancy and research](#) that helps advance new food systems

We have a strong focus on sharing knowledge and resources that can both help individual enterprises, and which make the sector more visible to government and philanthropy. This report draws on our experiences of working with community food enterprises over the last decade. It shares our findings, but also our way of working in this space, where that information may be useful to others.

We are also committed to open sourcing knowledge -we believe that by opening up development of resources and software people can contribute to helping build a knowledge base and infrastructure that is better than anything kept behind closed doors. This report is a snapshot of our lessons learned at this point in time, rather than a comprehensive research project. Others will undoubtedly have more to add, and we have provided information at the end of this report on how to contribute to future iterations.

Community Food Enterprise (CFE) is an overarching term used to describe locally-owned/-controlled food businesses or ventures that are founded around a desire to create positive outcomes for the communities they serve. This may be in the form of improved social or environmental outcomes, increased access to healthy food and support of local producers by providing fair farm gate prices. CFEs are a key ingredient in expanding markets for regenerative agriculture.¹

We generally use the term CFE to describe enterprises that operate post farm gate, although we don't wish to preclude farmers self-identifying as CFEs. There is a huge diversity of models for community food enterprises as they emerge in Australia and elsewhere in response to local context. Some examples include food hubs, buying groups, community grocers, community kitchens, food cooperatives and farmers' markets.

This briefing provides insights from a project funded by the Victorian Department of Health and Human Services Healthy Food Connect - Thrive program in 2015-2017 to deepen understanding of the needs of Community Food Enterprise sector and how it could be better supported to increase public good outcomes, particularly consumption of healthy fresh food. This project also drew from insights and relationships built through the South East Food Hub pilot, funded by VicHealth and the Morris Family Foundation. The Gippsland Local Food Activation component of the project was also supported by funding from the Lord Mayor's

¹ For more on this see the [Sustainable Food Systems briefing](#) we prepared for the Australian Environmental Grantmakers' Network

Charitable Foundation to explore opportunities for collaborative logistics between food hubs in Gippsland and South East Melbourne. Open Food Network is a CFE itself, and reflections on our own experience of trying to ensure viability in this space are also included.

This briefing is for:

- people who are running or thinking of starting a CFE;
- local governments and regional development organisations looking to support CFEs in their regions; and
- other government and philanthropic organisations seeking to support food system change and public good outcomes through enterprise development.

This briefing covers:

Executive Summary

Background: Project background and our approach to food system change

Findings: Critical success factors for CFEs; support for established enterprises; support for start-up enterprises; and local/regional food activation.

Recommendations: For Community Food Enterprises; For Local Government and Regional Development Organisations; For State/Federal Government & Philanthropy

Where to from here: Research gaps; Resources; How to help build knowledge in this space

Executive Summary

Community Food Enterprises (CFEs) are locally-owned/-controlled food businesses or ventures founded around a desire to create positive outcomes for the communities they serve. This may be in the form of improved social or environmental outcomes, increased access to healthy food and support of local producers by providing fair farm gate prices. CFEs are a key ingredient in expanding markets for regenerative agriculture.

Through its work with CFEs on food systems development projects and CFE incubator programs, Open Food Network has identified challenges facing CFEs in Australia, and five critical success factors. We have found that there are a number of ways to support enterprises, and to support a food system of thriving CFEs.

A CFE is unlikely to work without a core of values-aligned suppliers and customers who believe in what you are trying to do, believe that you are in it for the long haul and the right reasons, and want to help you succeed. CFEs need to focus on building both supply and demand iteratively, and match their scale appropriately through the supply chain - e.g. small regional retail food hubs need to target small-medium farmers. Often the costs of delivering multiple public good outcomes have not been properly appraised or accounted for. There is a very strong case for public funding for the community engagement and development work in a CFE project, particularly if dealing with vulnerable communities and particularly in the start up phase.

We have identified finite strategies currently used by CFEs to achieve viability while also internalising costs that the industrial food system routinely externalises and ignores. These include: avoiding capital costs by exploiting under-utilised assets and/or by using information technology; use of volunteer labour; efficient design of logistics and shared infrastructure / logistics; keen attention to administration / labour efficiencies; cross subsidisation between different customer groups; and payment for public good outcomes by government or philanthropic funders. Collaboration between projects can increase viability by providing informed customers for CFEs, reducing inefficiencies, and lowering costs by sharing them across numerous enterprises.

We identified a range of service/support needs for individual CFEs. These include one-on-one advice, and peer support - through both events and online discussion. Supporting start-up enterprises requires resourcing for 1:1 mentoring and peer collaboration over several months. Incubator programs need to support enterprises in food systems literacy, collaborative skills, and enterprise start-up skills.

All levels of government and other regional actors can support CFEs to achieve public good objectives for their local communities. They can do this using regional events and food system development programs and small grants programs, and by providing funding for a local food activator position - a person who sits outside of government and catalyses collaboration on food system activities in the region. CFEs can also be supported by having a single support point in council (rather than numerous departments), and by having access to shared infrastructure.

Background

The Open Food Network approach to Food System Change

The Open Food Network is a global network of people and organisations working together to build a new food system. Together, we develop open and shared resources, knowledge and software to support a better food system.

In recognition of wide-ranging challenges faced by our community of enterprise users, our initial core focus on software has expanded and since 2015 includes facilitating capacity building and peer support within the CFE sector.

Our approach to food system change is guided by our [values](#). We prioritise: the Global Commons; Relationships; Ecosystems; Transparency; Empowerment; Subsidiarity; People First; Constant Evolution; and Systemic Change.

Key assumptions that we brought to this project were:

- 1) There are deep structural issues resulting in dysfunction across the food system. Ultimately, these problems can only be addressed by looking at the root causes and creating system alternatives, however humble, that are structured differently.
- 2) We all act within complex systems. This means that change is emergent and often unpredictable. Linear strategic or business plans that do not incorporate flexibility to change course in response to feedback are unhelpful. Starting conditions set a path dependency - they are crucial in designing successful projects. Attention to local context, relationships and process over “outcomes” is also essential. At Open Food Network we use and promote “lean” and “agile” methodologies for project management within complex systems.
- 3) One way of locating action is through four generic strategies that can (and need to be) employed by food system activists / change agents (based on model developed by Spirit in Action). These are:
 - a) Reimagining - conceptualising a new system
 - b) Reform - working within the current system
 - c) Resisting - working on the current system
 - d) Recreating - generating new systems

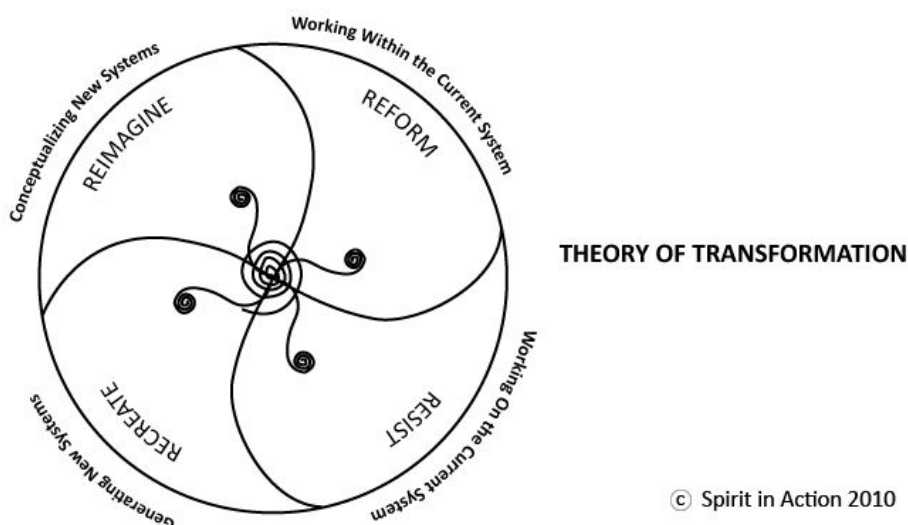


Figure 1: Theory of transformation

It is important that we have groups and individuals working on each and that there is strong awareness and collaboration between them. At Open Food Network our primary focus is on supporting the generation of new systems.

- 4) Within this broad sphere of “generating new systems”, we focus specifically on supporting enterprises creating alternative economies. Food systems can be conceptualised into different tiers of activity.

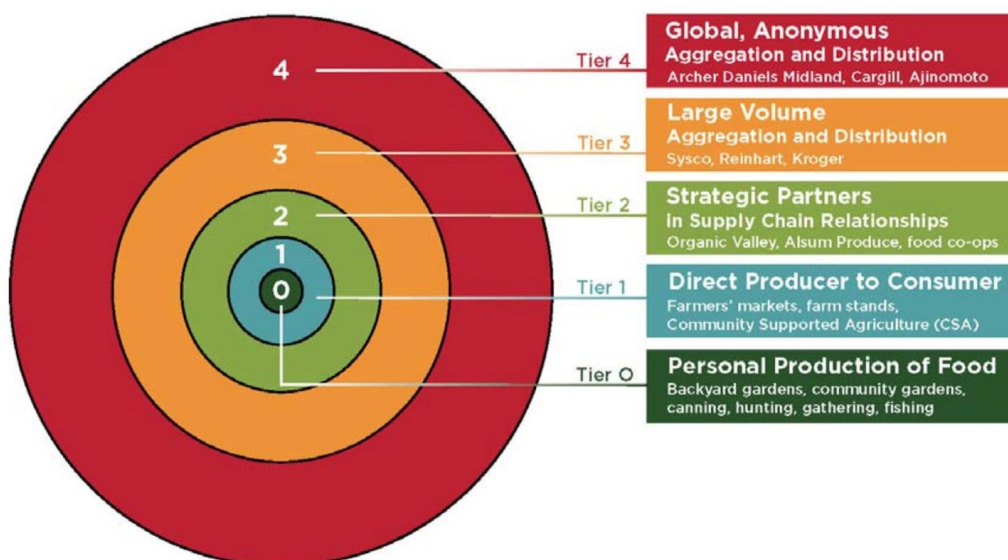


Image courtesy of University of Wisconsin–Madison Center for Integrated Agricultural Systems.

Figure 2: Tiers of food system activity

Tier 0 (Personal Production/Consumption of Food) and Tier 1 (Direct producer to Eater relationships) are foundational. We can't create second tier systems that reach more people without first building strong food literacy and producer/eater relationships. At Open Food Network we strongly integrate and support activity at Tiers 1 and 2 while focusing strategic attention at Tier 3, which is about creating opportunities to reach more producers and eaters

through collaboration in the supply network. This sphere of activity is sometimes called “Values-based supply chains”.

Project Background

The project which much of this report draws on was funded by the Victorian Department of Health and Human Services Healthy Food Connect - Thrive program in 2015-2017 to deepen understand the needs of the CFE sector and how it could be better supported to increase public good outcomes, particularly consumption of healthy fresh food. This project also drew from insights and relationships built through the South East Food Hub pilot, funded by VicHealth and the Morris Family Foundation. The Gippsland Local Food Activation component of the project was also supported by funding from the Lord Mayor’s Charitable Foundation to explore opportunities for collaborative logistics between food hubs in Gippsland.

This project prototyped local/regional level services (in Mildura, Gippsland and Wyndham) and state-wide support services to build the capacity of CFEs to improve fresh food supply and access. The project was designed as an exploration with participants and involved a series of service ‘experiments’.

Prototyping state-wide support

We began by naming and mapping like actors. Community Food Enterprises is a term that we introduced to make the sector visible (to itself and externally). Included in the broader definition is “food hubs” – a term that had earlier served to alienate some enterprises that were doing good work but didn’t identify under this label.

We then talked to enterprises (starting with our existing networks and then snowballing) and surveyed their capacity needs. In parallel we started to build the open resource repository in response to these needs – pooling the most relevant research and guidance in Australia and internationally. In this early stage, we also mapped the local government support for the sector (relevant projects by LGA) and used student researchers to explore potential local government barriers and enablers to the sector.

We publicly launched these resources through the Open Food Network Learn and Connect sections of the Open Food Network website. We helped design a major partnership event to present them to the broader community – the National Food Hubs Conference held in Bendigo in August 2016.

We ran “Shared Learning Day” events for Community Food Enterprises to come together and share models, stories and problems/solutions.

We took the learning from the events & local food activation to design a competitive offer of individual enterprise advice packages (tailored to individual needs, usually but not always involving initial needs assessment; tailored workshop and follow up mentoring).

We participated in the team co-designing and delivering Local Food Launchpad program for early stage projects, led by Doing Something Good. This involved a competitive selection

process and 11 food projects participating in 10 sessions over 3 months. It was funded by the City of Melbourne. We gleaned significant insights into the needs of people with early stage projects and learning from modules developed through this program also assisted the delivery of advice packages.

We launched the “Fair Food Forum” which is an online forum for peer support and discussion among community food enterprises and fair food producers across Australia.

Prototyping Regional support

We ran three local food activation projects: Gippsland; Mildura and Wyndham. Each responded to local context – although different they share common success factors². Our method for these projects was to fund either a local food activator or a defined local food activation project in each region, and a state-wide co-ordinator to ensure links were being made between projects and activators were supported with best practice knowledge as needed. The Local Food Activators’ goal was to work with local communities to determine a project which could effect change, and then to lead the community in piloting a project that would test this assumption and hopefully lay the groundwork for either continuation of the project or re-evaluation and iteration. There was a focus on both building community and building a food system intervention.

In Gippsland, the Local Food Activator built strong relationships with local enterprises over an 18 month period, starting with individual needs assessments. She then brought together local food enterprises to understand shared challenges and opportunities, and to explore collaboration opportunities across the region. This culminated in the co-design of a major event: Gippsland Food Growers and Makers’ (October 2016). In partnership with Baw Baw Food Hub, Westernport Catchment and Landcare Network (matched cash contribution) and Grow Lightly Food Hub this event attracted 150 people and was designed to inspire new and existing growers, expand local marketing opportunities and to facilitate connections and networking opportunities between enterprises and growers. We invested in open sourcing the template for this event – with a detailed playbook including strategic planning guidance and budgets for groups in other regions that want to run similar events.

In Wyndham, we participated in a community engagement and food hub feasibility process run by consultants. We advertised an Expression of Interest for projects among the participants of the community engagement process. One of the successful projects was a feasibility study and pilot pop-up market run by Community Grocer. The other was to support Shoestring Gardening as a backbone organisation to facilitate networking and information sharing among local stakeholders and amplification and promotion of local food projects and events.

In Mildura, the Local Food Activator led establishment of the Sunraysia Local Food Future (a network of local food stakeholders). The network developed a range of potential projects and then prioritised two for pilot. One is the Burundian garden on land owned by the local wholesaler. This project is now a template for further community farm projects for other

² We have detailed project reports prepared by Jodi Clarke (Gippsland Local Food Activator); Deborah Bogenhuber (Mildura Local Food Activator) and for the Community Grocer pilot and Shoestring Gardening projects in Wyndham that can be provided on request if people are interested in drilling down.

new migrant groups in the region. The second project was the Out of the Box pilot (weekly fruit and veg box sourced from local farmers) which subsequently received significant funding to scale up.



Figure 3: Members of Sunraysia Local Food Future at the Burundian garden (image courtesy Rachel Kendrigan)

Summary Findings

Critical success factors for community food enterprises

Through our work on this project and with community food enterprises who use the Open Food Network software platform or our enterprise support services, we have found five common success factors that stand out. You can find a number of resources to support CFEs in achieving these strategies in the [Resources](#) section.

Critical Success Factor 1: Building Community

Trusted relationships with suppliers (producers), customers and partners is essential. There is no shortcut! This takes time, authenticity and demonstrated competence. A CFE is unlikely to work without a core of values-aligned suppliers and customers who believe in what you are trying to do, believe that you are in it for the long haul and the right reasons, and want to help you succeed.

CFEs will always be unique and reflective of the local context and community. Designing and iterating something that will work where you are is also something that requires deep and nuanced understanding of local relationships and cultures. This is not something you can get overnight through a survey.

There is a very strong case for public funding for the community engagement and development work in a CFE project, particularly if dealing with vulnerable communities and particularly in the start up phase.

Where possible it's important to take opportunities to incubate a project/enterprise either within established organisations or in ways that leverage their resources. In particular, this may enable a focus on community building and experimentation without the distraction of raising investment for physical infrastructure.

'For a non-profit food hub, resilience means weathering economic changes through the development of a stable and diverse revenue streams and maintaining relevance due to its deep connections and credibility with diverse community producers and consumers, and the ability to engage them as part of its core mission' (LeBlanc 2014).

Critical Success Factor 2: Appropriate Scale

A perennial problem in starting a CFE is whether to build supply or demand first. The answer is probably “both, iteratively”.

A common challenge is appropriate matching of scale through the supply network, for example, small regional retail food hubs need to target small-medium farmers. For example, both Baw Baw and Grow Lightly Food Hubs both identified the need to attract and support the growth of small and medium growers as a key strategic need when putting together the Growers and Eaters event in Gippsland.

Enterprises often face problems when transitioning to a different scale - for example, business processes that worked for 20 customers will often not work for 150.

By working together, smaller values-aligned players may be able to achieve the scale required to attract new markets. In Australia, we are seeing some examples of supply chain collaboration to invest in shared capital infrastructure and logistics (Food Connect Shed Brisbane; Daylesford Abattoir project); shared marketing (e.g. Melbourne Farmers Markets; Prom Coast Food Collective; Producer Guarantee Schemes). Scaling through collaboration in distribution is something Open Food Network is designed to support.

*Distributors and other wholesale buyers also require a sufficiently large, reliable supply of quality product before agreeing to purchase more local food. Product availability, such as diversity of products offered and available delivery routes and times, can also limit food hubs' sales. With such a range of opportunities, it is recommended that food hubs identify partners that are **well matched in size and scale, and operate with similar goals and values** when expanding operations (Matson and Thayer, 2013).*



Figure 4: The Growers and Eaters event in 2016 in Warragul was organised around key strategic issues identified by participating food hubs, including how to attract and support the growth of small/medium growers in the regional to supply them.

Critical Success Factor 3: Managing for impact

Community Food Enterprises are defined by their explicit objectives around “internalising costs” and achieving public good outcomes - often multiple e.g fair price to farmers;

environmentally sustainability; affordable food/equity; fair treatment of workers etc. In working with CFEs over many years we have observed that some “drift” or have to “park” social and environmental objectives when viability challenges arise. Often the costs of delivering these outcomes have not been properly appraised or accounted for.

Lean Start-up and Holistic Decision Making are two frameworks that can help you get clear on objectives and the assumptions behind your decisions. They also both provide tools to regularly check in on assumptions and alignment. Food Connect Brisbane are a good example of an enterprise that has attempted to [track and report](#) on social and environmental outcomes.

As with all complex endeavors, the starting conditions - your foundational principles and relationships - are very important and will impact where you end up. At Open Food Network, we have pivoted direction significantly several times over the years but our foundational principles and values remain consistent. This has been crucial in building a strong community around the product.

Critical Success Factor 4: Understanding Levers for Viability

Viability is particularly challenging when pursuing multiple and sometimes competing objectives (e.g. fair price to farmers; and environmental sustainability; and accessible food for eaters). Within this project, our experience has mostly been with CFEs that supply/distribute food (both “direct producer/consumer” and “values-based supply chain” categories).

There is still a lack of data in Australia about what scale of CFE is most viable, what model, and what conditions (e.g. geographic distribution of producers, catchment size of potential purchasers) are most likely to aid viability. Rysin and Dunning (2016) estimate that in the US context the minimum annual operating budget for viable food hubs (focussed on aggregation and distribution function) is \$1.125M (AUD). This needs testing in the Australian context.

We have identified finite strategies used by CFEs to achieve viability while also internalising costs that the industrial food system routinely externalises and ignores. These are outlined in Figure 5.

Figure 5: Strategies or “levers” to affect viability

Strategies for viability	Examples and discussion
Avoiding capital / land costs by exploiting under-utilised assets at no or low cost and/or by	An example of this is the Prom Coast Food Collective which uses the Open Food Network to coordinate online orders. Farmers then bring pre-ordered food to a regular but temporary meeting place for customer pick up. This strategy can be used permanently or in early stages of a project as a way to get food moving (and start learning and building community) with limited resources.

using information technology.	<p>Beechworth Food Coop have also launched a weekly eater/grower meet along the lines of the Prom Coast Model. Beechworth are using this strategy to complement existing offerings at their permanent site to minimise risk and cold storage requirements.</p> <p>Community Grocer pop up markets are another example of a CFE that avoids the need to invest in permanent infrastructure.</p>
Use of volunteer labour	<p>An example of a model that often relies heavily on volunteer labour is consumer buying groups / cooperatives. While use of volunteers can be a permanent strategy, our observation is that models that start out with heavy use of volunteers often evolve to paid staff (particularly in key roles). This is because volunteer burnout kicks in but may also be due to operational inefficiencies / costs in use of volunteers. The Beechworth Food Coop has useful experience to share around volunteer management - moving away from an early model that required all members to volunteer to one that relied on a smaller pool of very experienced volunteers and also paid key roles.</p> <p>Efficient process and role design, codification and communication is crucial for effective use of volunteers. Community Grocer is an example of an organisation that deploys these strategies well to make good use of volunteers. However, there are often key roles at the centre of successful enterprises that involve high levels of adaptive management, “thinking on feet”, and nuanced relationship management that are often tricky to break down and allocate to new volunteers. CFEs often cope through utilisation of massive invisible labour by a few key people. There is significant risk of burn-out, often after 3-4 years. For enterprises to be sustainable volunteer labour must be explicit and transparently monitored so as not to result in mounting and unmanaged risks to the operation.</p> <p>There may also be nuances in the design of the incentive structure for volunteers that can make a difference to success - for example, tying contribution too closely to measurable monetary reward (ie 3hrs work = veggie box) may incentivise just “doing the time” and not taking active responsibility as part of a collective. This is an area that has potential for deeper social research within the sector.</p>
Efficient design of logistics and shared	<p>One of the key learnings from the South East Food Hub pilot was that travelling a long way to drop off small quantities to buying groups across the broader region was not going to add</p>

<p>infrastructure/ logistics</p>	<p>up. Logistics need to be designed from the outset with attention to the appropriate and most efficient scale for the context. Michael Rozyne from Red Tomato in North East USA talks about logistics as the “local food blind spot” and we agree. It is something that can make or break the viability of a model, and is often under-estimated in the early planning processes.</p> <p>In their recent report Food Hubs in the UK: Where are we and what next?, Paola Guzman and Christian Reynolds review the evidence from US food hubs. They identify a common problem for UK and US hubs is “how to cover the costs of the infrastructure from the revenue generated from aggregating and distributing food”. Two key solutions identified are: 1) coordinate rather than operate the supply chain 2) subsidize infrastructure costs with other activities. A prominent example of the former is Red Tomato in the US. An example of the second strategy is Food Connect Shed in Brisbane, which uses a leasing strategy to cover the cost of the infrastructure shared by the Food Connect food distribution business.</p> <p>Edithvale Community Grocer is a good example of an enterprise designed with keen attention to appropriate scale and logistics from the outset. This enterprise operates in an established outer suburb and minimises last mile delivery by restricting to 4km radius (one suburb) and also incentivising customers to onboard neighbors resulting in neighborhood delivery clusters. It also buys from farmers close by on the city fringe, with twice weekly pick-up rounds.</p> <p>Baw Baw Food Hub minimises logistics costs with farmers delivering to the hub and most customers picking up from the hub on a Tuesday. Enterprises in regional towns have the distinct advantage of deploying these strategies and also lower cost of renting permanent infrastructure compared to city based enterprises. However, in more remote rural areas logistics become a key challenge. Over the mountain range in Southern Gippsland, food access issues are tightly related to access to transport. Grow Lightly Food Hub delivers to a range of very small towns / locations at significant transport cost to reach people who need fresh food. This is an example of where public support in enabling this service is justified.</p> <p>Open Food Network is an example of minimising digital infrastructure costs for individual enterprises through sharing costs across enterprises and across countries. There are examples of CFEs investing in developing their own software and ending up with running costs spiralling to a point where</p>
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	<p>they can't afford maintenance, let alone new development. In contrast, some CFEs have instead chosen to use the Open Food Network and build common infrastructure that is then maintained and continually built upon, as others around the world continue contributing to the project. The software is an example of CFEs co-investing in the systems they need to operate.</p> <p>Open Food Network is also designed to enable participants in short supply chains to achieve economies of scale through collaboration. One model we are particularly keen to explore is a "regional food loop" with a weekly shared distribution service that picks up and drops off at hubs across a region and into an urban area.</p>
Keen attention to administration / labour efficiencies	<p>Inefficiencies are often locked in at the early stages when they are manageable - when the project is very small and there are lots of keen people to help. These often become more obvious as the enterprise scales up and as start-up energy fades.</p> <p>CERES Fair Food is a good example of an enterprise that pays attention to continuous improvement of processes to improve efficiency / outcomes. Open Food Network has also worked with CERES Fair Food to guide them through development of a roadmap based on their goals, including prioritisation and lean delivery of technology, and operational improvements. We are now also running workshops to help smaller CFEs learn these techniques and apply them themselves, if they aren't able to engage a consultant as CERES Fair Food were.</p>
Cross subsidisation between different customer groups	<p>This is where food is offered at a discount to certain groups, covered by charging a higher price to others. An example of this was the Food Justice Truck (now closed) offering discounted fresh food to refugees. The Beechworth Food Coop cross-subsidize between different product lines, incentivising local, organic produce (lowest service charge) and imported non-certified products (highest service charge).</p> <p>Open Food Network Australia has also piloted cross subsidisation between its own customer groups to minimise costs to CFEs using the platform. Open Food Network Australia encompasses a social enterprise consultancy, which provides research, policy, and sector development services. These services are costed at market rates based on the team's significant expertise, but the team operates on a living wage allocation rather than an hourly rate, freeing up a percentage of the fees to instead be spent on development of tools and</p>

	resources for the commons - e.g. the software platform, or enterprise support resources.
Payment for public good outcomes by government or philanthropic funders	<p>For CFEs to be viable AND increase food access among vulnerable communities (or other public good outcome), they likely need public support, especially for the start-up phase (first 3-5 years). This finding is also reflected in a detailed financial studies of food hubs in North America (Olya and Rysin, 2016; Fischer, Pirog and Hamm, 2015). Most of the promising models for viable CFEs still rely on “hidden costs” which aren’t consciously accounted. This may be a “slip” in objectives or hidden volunteer time.</p> <p>CFEs need to be able to clearly articulate the value proposition for social investment to potential funders. They also need to present an evidence-based and realistic assessment of risks and costs.</p> <p>There is significant potential and need to build a deeper understanding of the challenges and opportunities of this sector within the philanthropic community. For example, in past and current funding of CFEs there is a strong expectation that enterprises should become viable quickly with an underestimation of the extent of community development work required over a long period to build trust and capacity among buyers and producers and other partners. The trust and relationships that make or break the enterprise can only be built by a proponent who is there for the long haul and embedded in the community.</p>

Critical Success Factor 5: Collaboration

Collaboration between projects can increase viability by providing informed customers for CFEs, reducing inefficiencies, and lowering costs by sharing them across numerous enterprises.

With food literacy projects

Food literacy projects help to build demand for food distribution projects through ongoing local engagement and culture change. Our Local Food Activation project in Wyndham supported two very different but complementary projects: Shoestring Gardening and Community Grocer. Shoestring Gardening’s ongoing work to build food literacy and to make visible and promote other opportunities in the area to learn about food and food growing forms a very strong foundation for projects to increase access to fresh food locally, such as the Community Grocer model.

In Gippsland, our local food activation project was able to build on the food literacy foundations established through the Baw Baw Food Movement and the work of Grow Lightly in South Gippsland. Similarly, the Local Food Activation projects in Mildura including the formation of “Sunraysia Local Food Future” came off the back of years of food literacy and other foundational work by Slow Food Mildura, Healthy Together Mildura, and others.



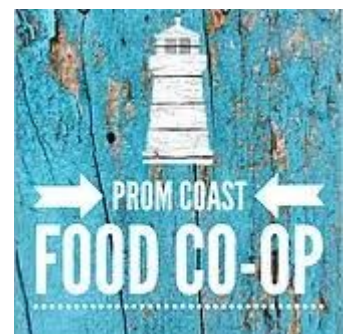
Figure 6: Shoestring gardening provided advice and ongoing support to the Community Grocer pilot in Wyndham in 2017, including a weekly stall with seeds and plants for sale and information and advice about food growing.

Between wholesale and retail functions

Food Connect is an example in Australia of large values aligned food hubs/aggregators working with community buying groups. This means that the wholesale food hub can focus on building efficiencies in logistics and the “retail” buying group can evolve / adapt to a model that uniquely meets the needs and capacities in their local community. The South East Food Hub pilot report provides more detail on the challenges of making this type of model work.

Shared infrastructure and logistics

At one end of the spectrum, farmers markets are a straightforward model of shared space and “pop-up” assets. As an alternative or complement to traditional farmer’s markets, there is also the “[Prom Coast Food Collective](#)” model where customers pick up pre-ordered food from a group of farmers at a shared location/time. Beechworth food coop is also trialling this model and call it an “Eater Grower Meet”.



There is significant opportunity to add shared services “on top” of existing farmers markets / “Eater/grower meets” to help producers reach expanded and/or different markets. Producers are already driving to one location at the same time. With coordinated pre-ordering:

- producers could “backload” with produce from others to a pick-up point(s) at town(s) on route home;
- another enterprise run by farmer’s market committee/management or one of the producers or a third party could aggregate pre-orders and deliver to wholesale buyers (restaurants etc). This would work best coordinated with a mid-week weekly market. It could also work with a weekly weekend market, particularly if combined with storage capacity; and
- producers at a monthly market could supplement their offer with a coordinated opportunity for customers to pick up pre-orders at a set time on the “off” fortnight.

At the other end of the spectrum is the [Food Connect Shed](#) project in Brisbane, with coordinated infrastructure and logistics services for many CFEs under one permanent roof. This project provides a model for shared investment in infrastructure for CFEs that could be replicated/learned from in other major cities.

Open Food Network can be configured to support diverse models for collaboration across short supply chains and we are keen to work with people to design/implement models that respond to each unique context. Globally, we are working to understand and document the diversity of models for collaboration in short supply chains, to facilitate learning between models and to continue to improve software and other systems to support these models. And, as mentioned previously, Open Food Network is also itself a collaborative piece of infrastructure developed by over ten Open Food Network instances around the world. See openfoodnetwork.org for more on either of those points.

Other models for collaboration and where to start

If the energy for local food activation or starting a CFE is coming from eaters, a good starting place is a consumer driven buying group or coop like the Beechworth Food Coop. This can then “build out” to further collaboration / services developed with producers once a solid demand has been established. If the energy for local food activation is with a group of producers, starting a “grower/eater meet” like the Prom Coast Food Coop model or forming a Participatory Guarantee System³ may be the place to start, depending on the problem you are collectively seeking to solve.

Barriers to collaboration

Collaboration takes time and investment. In Gippsland, our Local Food Activation project involved supporting individual enterprises and also bringing them together to explore opportunities for collaboration, particularly regarding logistics (See Figure 5). In these meetings/workshops there was a lot of enthusiasm for the potential for doing things together to share costs and learning. There was a huge range of ideas for potential collaborative projects which are outlined in Figure 7. However, the CFEs involved (like all CFEs!) were very focussed on the daily/weekly grind in their own enterprises/projects. It was difficult/impossible to get time and headspace outside of their own enterprise to design and implement collaborative projects with other enterprises - even if these projects had potential

³ <https://fairfoodforum.org.au/t/pgs-accreditation/278>

to make things easier in the long run. There is a clear argument for funders to consciously support collaborative project development and other open-ended opportunities for CFEs in the same region to come together and build trust and capacity for collaboration.

Figure 7: Opportunities for collaboration identified through Gippsland Local Food Activation project.

Theme / Barrier	Opportunity	Example Idea / Solution
SUPPLY (increasing access to supply)	<i>Group Buying Power</i>	<ul style="list-style-type: none"> - Increase buying power where individually we're too small to access
	<i>Collaboratively Sourcing / Delivering produce</i>	<ul style="list-style-type: none"> - Source produce from further away (e.g. East Gippsland produce) and rotate turns to collect - Accessing 'top up' produce from Interstate (e.g. capitalise on trucks returning empty to Vic) - Accessing 'top up' produce from markets (via a third party)
	<i>Collaboratively Receiving / Storing produce</i>	<ul style="list-style-type: none"> - 'Mini distribution points' – enables other hubs to access produce from wider region (e.g. Baw Baw could be a drop off point for produce (e.g. East Gipps, Thorpdale) – need Cool Room! - Dry goods - buying in bulk, repackage at premises with food safety regulations, or perhaps get someone to run a parallel enterprise?
	<i>Strengthen Communication (Hub to Hub; Producer to Hub)</i>	<ul style="list-style-type: none"> - Regular meetings (e.g. link Hub discussions in with organic growers forum?) - Online forum: enable day-to-day contact (who is doing what when, connect hubs with growers and vice versa, sharing access to suppliers, - Could Open Food Network help for suppliers to list surplus and sellers to see what's available from producers?
DEMAND (building demand & increasing customer access)	<i>Centralised Branding & Marketing</i>	<ul style="list-style-type: none"> - Regional Food Hubs branding to increase profile - Centralised Website, Facebook, Fliers, Newsletter etc. under one umbrella (e.g. VFMA is one website and has info on local farmers markets). Needs to retain unique characteristics of Hubs. - Shared marketing to Hospitality industry
	<i>Share learning</i>	<ul style="list-style-type: none"> - Avoid 'reinventing the wheel' (e.g. lessons learnt, effective marketing techniques) - Incentives (Design and roll out similar campaigns e.g. competitions, events etc.)
	<i>Events (collaborate)</i>	<ul style="list-style-type: none"> - Collaborate on organising individual events (e.g. sharing presenters/films etc.) - Run joint events (rotating locations)
	<i>Working together to increase access / reach new customers</i>	<ul style="list-style-type: none"> - City customers - rotate turns in driving produce to city to sell to offices once fortnight/month - Large Institutions / Wholesalers - Supplying large institutions where we are too small individually by collectively pooling produce? (Have a central 'Hospitality' store)

		<ul style="list-style-type: none"> - Vulnerable communities - Design & test strategies (e.g. Pay it Forward' models), Set up temporary food hub points with subsidised produce (need Van!) - Food 'Deserts' - Campaign to encourage General Stores (small communities, >20km from supermarkets) to stock shelves with local produce; Travelling green grocer, travel to small communities once/month. Sales could pay for drivers.
TIME (reducing back of office work)	<i>Share lobbying efforts</i>	<ul style="list-style-type: none"> - Pool research to assist with funding applications (e.g. justifying why need local food, etc.) - Share experience (What does it take to prepare a proposal to a funding body) - Key messages / 1 pager for funding proposals - Presentations on the benefits of hubs - Defining success markers: <ul style="list-style-type: none"> • # boxes? • # people going into farming? • # people who didn't think they could afford organic? • Amount money spent on local food?
	<i>Information pooling</i>	<ul style="list-style-type: none"> - Share experiences (e.g. Food safety regulations, enablers / markers for success) - Create shared Infographics and data about local food hub movement - Shared newsletter content/articles, e.g. <ul style="list-style-type: none"> • Vegetable profiles, food storage tips, recipes • Farmer / producer profiles (for each season) • How Hubs work / Why local food important • Seasonal food information
	<i>Training</i>	<ul style="list-style-type: none"> - Run joint training sessions, e.g. <ul style="list-style-type: none"> • XERO Accounting System for hubs • Open Food Network • Facebook / Social media • Marketing
RESOURCES (saving costs)	<i>Share operating costs</i>	<ul style="list-style-type: none"> - Shared ordering of materials and equipment (e.g. purchasing boxes, ice blocks etc) - Text message reminders – share costs?
	<i>Share capital costs</i>	<ul style="list-style-type: none"> - Shared Van / Van Hire? - Coolroom at Baw Baw? Etc. - Fridge temperature regulators (Baw Baw has access)
	<i>Sharing admin</i>	<ul style="list-style-type: none"> - E.g. Shared IT support, accountant, bookkeeper, marketing, admin support, volunteers etc?
	<i>Share inspiration</i>	<ul style="list-style-type: none"> - Hubs can be isolating, regularly meeting and communicating can provide support & inspiration!

Enterprise Support Needs

Providing support to CFEs increases their likelihood of succeeding and contributing to building a better food system. The types of support that are most effective differ between

established and new enterprises. This section explains the range of supports we have trialled or seen trialled elsewhere, along with evaluation of what has worked and what more is needed to support this sector, including what Open Food Network is now working to provide for the sector.

Established Enterprises

1:1 Advice

Each CFE is different and advice services need to be tailored around their specific needs – there is no one size fits all. An advice service needs to include initial needs assessment from people who have deep knowledge and experience in the CFE sector.

At any one time, a CFE will be facing a complex of tangled problems with very limited time to focus. So the advice sometimes needs to be in bite sized pieces relevant to that specific moment e.g. “focus on this and this bit first, and visit this CFE and talk to them about how to do this”. An advisor needs to be available to discuss things as they arise and also be there over a period of months/years, not a few days business planning support here and there. CFEs will often not really go into deeper insecurities and source problems unless this trust is built up over time with someone they really believe is on their side and there for the long haul.

Advice services should draw on and properly recompense people with actual experience in running CFEs, then draw on professional services that have specific experience working with the sector. Knowledge gaps can then be filled strategically with additional outside support.

Open Food Network Australia offers and facilitates 1:1 coaching for Local Food Activators and CFEs. We are keen to hear from anyone who would like to collaborate on this, particularly experienced CFE managers who would like to offer support to others and also local governments/other funders who are interested in funding advice packages for enterprises in their region.

Peer support

There is depth of knowledge and experience within existing CFEs that can provide valuable support to others. Many CFEs struggle to find time and energy to capture this learning and to take the time to extend to others. They are also often struggling and need to feel like business information, failures and personal context can be shared in a confidential, safe and empathetic environment. Peer support can be incentivised by designing opportunities for sharing that are sensitive to these needs.

There is also a huge potential for structured mentoring and among the CFE community. We know that mentoring happens informally in Australia and are keen to explore how this might be further encouraged and resourced. Key considerations in designing a structured program would be how intake and matching are managed and the value proposition for mentors, including how they are recompensed for their time.

Events

As part of this project we experimented with different ways to support peer learning through events. On a national level, we partnered with Sustain on a conference for food hubs in Bendigo in 2017. This was a great opportunity for CFEs to hear about what was happening across the country and to meet and talk with peers. The national Deep Winter Agrarian gathering held annually in different states for farmers potentially provides a model for future food hub/community food enterprise gatherings. Deep Winter is largely designed as an open space event, and can therefore provide maximum opportunity for peer learning. An annual or biannual national event would potentially provide a great complement to more regular regionally focussed events.

On a regional level we supported the Gippsland Growers and Eaters event in 2016 and developed a [playbook](#) for people wanting to design and hold peer support events that respond specifically to their regional context. A key learning here is the need to invest the time and resources for a representative planning group to design an event that specifically responds to identified strategic needs.

We have also hosted several “Shared Learning Days” for Victorian CFEs. These have generally been well attended and very well received. The most common feedback has been the value in simply hearing that other people are going through similar challenges. One of the challenges in designing these days is allowing enough time for informal connection alongside opportunity for structured discussion. We aim for 8-12 enterprises and a central consideration in the design is how to create a safe and confidential place for discussion and sharing ideas about challenges. As the CFE sector grows there may be more opportunity to support regional shared learning days - a major barrier to participation was the travel and time required for many to attend a Melbourne CBD event for a whole day.



Figure 8: Participants at a Shared Learning Day in 2017. Discussions on the day focused on governance, growth challenges, logistics, and people management.

Online support and resources

We developed and hosted the [Learn library](#) with resources and models for different CFEs, and the [Australian Fair Food Forum](#) to provide a space for farmers and CFEs to discuss problems and solutions and provide peer support. The forum was originally developed in response to feedback that peer discussion groups on Facebook and other social media platforms were great but that it would be much better if people could categorise, search and easily add to/continue discussion on past topics. We have learnt a lot from this experiment:

- So much of the success of a forum is tied to properly resourced and intensive moderation and active facilitation from multiple leaders;
- Management of discussion / peer support forums need to be embedded in a broader, resourced engagement strategy;
- Deeper engagement with target audiences through their normal channels is much more useful than trying to activate new channels (the convenience of Facebook trumps people's expressed desire to have a different option!)

Open Food Network UK is experimenting with a very promising structured learning model involving "[action learning sets](#)", which is similar to group coaching. Managers of four food hubs come together for an online session with a facilitator every 4-6 weeks. We are keen to work with partners to follow the learning from this experiment and properly resource a pilot in the Australian context. The global Open Food Network community is currently creating online resources for CFEs, drawing on our collective experience and resources. [Get in touch](#) if you would like to help out or otherwise fund or follow this project.

Helping start-up enterprises

Open Food Network provided input and mentoring for 10-week Local Food Launchpad pilots in 2015, 2016 and 2018. These targeted participants with local food ideas they wanted to progress, and were in collaboration with Doing Something Good and the City of Melbourne. The launchpad program was particularly strong in: carefully crafting a quality peer learning experience; pulling together a huge variety of quality resources for start-up enterprises and tailoring them to social enterprise sector; and supporting the practice of lean start-up methodology, not just the theory.

We made several observations relevant to strengthening enterprise incubation programs in the future. There seemed to be a lack of deep food systems literacy among many participants in terms of knowledge about structural causes and vulnerabilities and also lack of knowledge about what's already happening. There was also often a lack of deep understanding of the characteristics and needs of customers and beneficiaries. Engagement of customers using a lean start-up framework was a central part of the curriculum, although this was applied more successfully by some participants than others. The most viable and valuable ideas tended to arise following a "pivot" or significant evolution of the idea following deeper engagement with the problem and with actual customers/stakeholders. Participants in the 2018 Local Food Launchpad program were overwhelmingly white, middle class and educated - there was a distinct lack of diversity. Our main advice for people providing support for start-up enterprises is:

- A properly resourced launchpad (or similar) program involves significant time for 1:1 mentoring and the careful curation of opportunities for peer learning and collaboration over several months.
- Participants need to be strongly supported in food systems literacy (this [Sustainable Food Systems](#) report is a good place to start) and *required* to find and interview people with similar ideas and projects in other parts of the country or world (it is very unusual to find a project without antecedent to learn from somewhere in the world!).
- It's worth carefully designing the promotion (including a "taster" event) and interview based selection process to ensure only participants who have done solid groundwork and thinking are selected.
- If resources and demand permit, consider running separate launchpad programs or streams for distinct food enterprise models (like the [Detroit Food Lab](#) does) e.g. food literacy projects; food product development or manufacturing; market gardens; aggregation and distribution projects etc. This allows a very targeted discussion of types of models and success factors and targeting of guest speakers and case studies to enable building on detailed collective experience.
- Design for your audience. Business incubator program responding to specific needs - e.g. to those of new migrants, First Nations businesses, university students, a depressed rural town, a thriving rural town, or a public housing estate - are all going to look different. Co-design the program with participants. Make last year's graduates the teachers/mentors for the next year. The [Detroit Food Lab](#) is a great starting place in thinking through enterprise incubation that responds to structural inequality and diversity.

Building on lessons learned from the Local Food Launchpad, we are working with the Open Food Network global community to develop updated learning modules for start-up enterprises. You can join or follow this project [on our website](#).

Supporting local/regional food activation

This section focuses explicitly on how local government and other regional actors **can support CFEs** to achieve public good objectives for their local communities. While local government has a broader role in establishing appropriate policy settings and encouraging food system change, those actions are beyond the scope of this report.

Every local/regional context is different and so the starting point will be different. Our main advice, following Margaret Wheatley, is to "*work with strengths already present and create new connections*". Based on our experience through this project, there are a number of options that could be considered in supporting CFEs at a regional level.

Regional events

As discussed above, regional events are a great way to sense and create opportunities for collaboration and collective problem solving. The design of these events needs to respond to the level of maturity of the sector in the region. Is it the first step, designed to enable people to form initial connections and get a sense of where the energy is? Or does it build on a more mature movement with strong relationships and very specific strategic needs? Together with the [playbook](#) for the Gippsland Growers and Eaters event in 2016, Open Food Network Australia is supporting the design and implementation of two regional growers and eaters events in 2020 in [Wangaratta](#) and [Seymour](#).

Local / regional food network

There needs to be a governance mechanism through which values-aligned local food actors can make decisions and plan projects together. Examples are Sunraysia Local Food Future, the Baw Baw Food Movement and the Cardinia Food Movement. The make-up of these will reflect individual regions and objectives and there can be no specific template, although diversity of participation is crucial. Government actors can *participate* but it's important that they aren't seen as controlling these networks, which need to be independent. There are ways for government and philanthropic organisations to provide resourcing / space for collaboration and decision-making without this impeding democratic control.

Governance can and should evolve and a low barrier place to start may be a steering committee that comes together to implement an initial focus project that is used to build trust and relationships. In Mildura, Local Food Activation funds from this project were used to help establish a network called Sunraysia Local Food Future. This diverse group engaged in a process of strategic planning and scoping potential initial pilot projects/experiments (see "Project Background" for more information).

Local food activator position / training

Project development and engagement and collaboration between enterprises and with local government (and other funders and supporters) takes energy. A Local Food Activator (LFA) position can provide an important role in harnessing disparate activity and resources to focussed outcomes. It could be a similar role that Landcare facilitators have played across the country to stimulate and help coordinate funding for local projects.

It is important that a local food activator role is independent of government and filled by a person (or people) who commands deep and wide respect locally and has practical experience running a CFE or similar. In Gippsland, although the role was filled by someone from the neighboring region, they had worked on a CFE pilot in the region, had relationships already in the region and were well respected. However, being seen as an outsider to the community she was serving remained a challenge and we would recommend that people in these roles are already embedded in the local community and have good existing relationships with diverse stakeholders. If there is not an obvious person with these credentials available to fill this role, it's advisable to build towards having this type of role and instead develop CFEs and the regional food system through other means.

The role should ideally report to a local/regional food network (see above) and a member organisation of this network could provide auspicing arrangements (in Mildura, the activator position was auspiced by Slow Food Mildura but was effectively guided by the local network, Sunraysia Local Food Future). This type of arrangement allows collaborative pooling of resources from different actors to fund the role (e.g. local governments from across a region; philanthropy; state government; other participating organisations or enterprises; crowdfunding etc). It has the added benefit of protecting the LFA role from vagaries of funding from single sources. The funding for experimental LFA roles in this project was not enough to really test and learn from the potential. Our advice is for a position to be funded for a minimum of 2 years (and preferably longer) in order to build relationships and deeper understanding of needs and take advantage of momentum and learning from initial activity/projects.

There are also fantastic examples in Australia and overseas of dedicated funding for key individuals to dedicate time over one or several years to fully develop their potential as changemakers (eg [Ashoka Fellowship](#)). Crucially, this includes funding to enable individuals to set aside other work to fully devote effort into a social change project. Dedicated support for individual leadership development for food system change in Australia would be transformational.

Internal local government support for CFE sector

In addition to the *external* LFA role, one of the most useful *internal* things that local councils can do to support the growth and impact of the CFE sector is to dedicate a council role to provide a one stop entry point for CFEs. Ideally this is part of a dedicated full-time position for food systems change, but it could also be a tweak to an existing role. It does need to be filled by someone who understands the CFE sector and how its needs can be better met by a joined up approach across the organisation.

As part of this project we were assisted by student researchers to interview representatives from 8 diverse local governments. The interviews were based around scenarios of different hypothetical CFE clients approaching councils for advice or services. They made five key findings:

1. Local governments are diverse and have different levels of capacity and understanding around the CFE sector (and social enterprise sector more broadly). Every local council is different and local food activation and support for CFEs needs to be designed in a way that takes this into account.
2. Small business resources and support provided by councils don't often meet specific needs of social enterprises. There was a lack of recognition of the challenges unique to undertaking enterprise with a social and ecological purpose, and instead CFEs were given inappropriate advice.
3. The main practical problem faced by individual CFEs in dealing with councils is that their diverse needs are dealt with by different areas/people in the organisation (eg planning; food safety; community health; economic development and business support etc). Across the 8 councils interviewed, the average number of departments

that CFEs were referred to based on hypothetical scenarios was 3. Our experience through the LFA pilots was that another issue is turnover of staff and shifting priorities over time which means it is very difficult to establish ongoing dialogue and relationships.

4. Sometimes individual council officers are responsive and engaged but do not have the funding, policy and political support from councillors. Often supporting food systems and CFEs was at the bottom of the priority list, with little recognition of how supporting the sector could help council reach its environmental or social goals.
5. In some council areas there has been a breakdown of relationships with relevant stakeholders (e.g farmers) and the trust required for constructive relationships is severely eroded. In some cases this meant that if a council came up with an idea the public would not support it, whereas if council supported an external project/idea there was more likely to be public support.

Small grants program

Examples of local small grants programs for food systems show promise in stimulating significant learning and outcomes with a relatively small investment. They are also a good place to start in mapping where the local energy is. In Wyndham as part of this project, we used this strategy as a first step for Local Food Activation. This was designed to complement other activity (a feasibility study and community engagement funded by the council) and was suited to a region that had little existing CFE presence or experience. Two examples of small grants programs for local food in Victoria are Food for All in Wangaratta (21 x 3,000 grants) and a place-based funding experiment in Mornington Peninsula, Casey and Cardinia called [Ripe for Change](#).

Shared infrastructure for CFEs

The dominant food system externalises/ignores serious human and ecological costs to extract profit and keep its balance sheets healthy. To build an impactful CFE sector that internalises these costs to support healthy humans and ecosystems, public and philanthropic funding is required to “level the playing field”, particularly in terms of infrastructure. The project on which this briefing is based didn’t directly fund or develop infrastructure projects but infrastructure was a ubiquitous theme among CFEs we worked with.

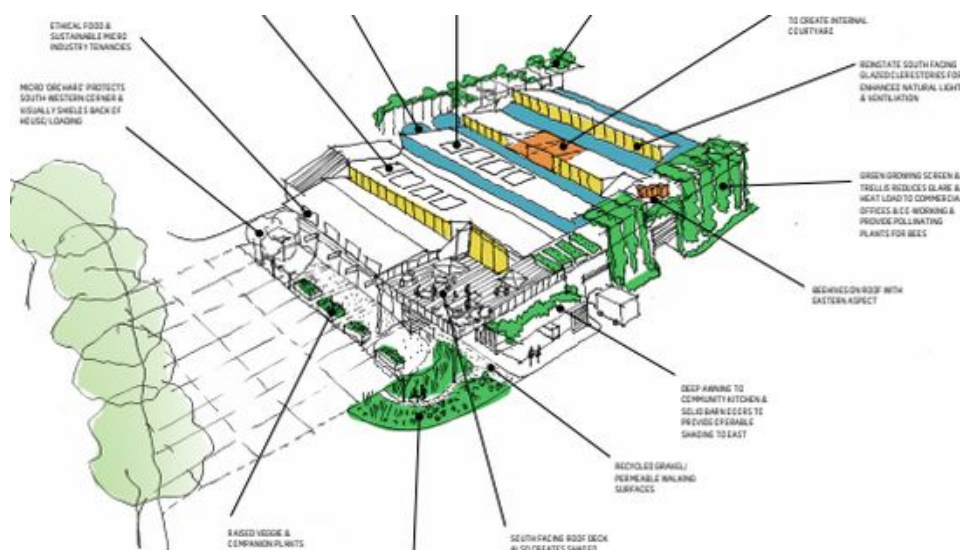


Figure 9: The Food Connect Shed (Brisbane)

The Food Connect Shed in Brisbane provides an interesting new model for viability of food hubs and values based supply chains. Key elements of the model are leasing to diverse tenants to spread cost and risk. It is also underpinned by solid experience and learning in the sector, a very strong community and innovations in collaborative governance. Our South East Food hub pilot report also provides useful insights in infrastructure challenges faced by the CFE sector.

Digital infrastructure should not be underestimated - this is now a key form of infrastructure for some CFEs as they manage sales, accounting, marketing and more through digital infrastructure. Because CFEs are often highly adapted to local contexts, many have chosen to create their own digital infrastructure to meet those needs but underestimated the costs of creating software, and the costs and challenges of software maintenance, and have ended up with effectively 'stranded' infrastructure. Open Food Network creates digital infrastructure where the costs are shared by multiple funders rather than single enterprises, and where costs are spread across countries to create a piece of commonly-owned infrastructure. Creating shared digital infrastructure has had its own challenges, but as a means to maintain tech sovereignty alongside food sovereignty it is a model we remain deeply committed to.

Infrastructure proposals should demonstrate:

- Solid experience in the sector and learning through past experimentation;
- Broad-based collaboration and strong community;
- Design that responds to local context and priorities;
- Opportunities taken to maximise use of existing/underutilised resources/infrastructure (before building the shiny new thing);
- Modular/lean design that enables adaptation to learning and future investment; and
- Opportunities for participation from diverse enterprises/communities/investors (mainstream; impact; public; philanthropic etc).

Recommendations

"Work with strengths already present and create new connections"

Margaret Wheatley

For Community Food Enterprises

1. Spend time building relationships. Trust around your business/project is the most important thing to focus on, and it takes time.
2. Pay special attention to logistics and operational inefficiencies from the outset. These are a major "local food blind-spot".
3. Think carefully about appropriate scale for your objectives/context. There will be a "sweet spot". A common challenge is appropriate matching of scale through the supply network, for example, small regional retail food hubs need to target small-medium farmers. Further, enterprises often face problems when transitioning to a different scale - for example, business processes that worked for 20 customers will often not work for 150.
4. Be clear on objectives and values. Lean Start-up and Holistic Management are two frameworks that can help you get clear on objectives and the assumptions behind your decisions. Starting conditions - your foundational principles and relationships - are very important and will impact where you end up. It is very common for CFEs to "drift" off or feel forced to "park" social and environmental objectives when viability challenges arise.
5. Be explicit about the public value you are creating - and know how to explain that impact to funders.
6. Make sure real costs of program delivery are accounted for and transparent. This is important for your decision-making but also for cross sector learning (i.e. not creating false expectations for others seeking to learn from you).
7. Lean Start-up – start where you are (and make cheap mistakes, not expensive ones) and evolve your enterprise over time, including governance. Many enterprises/projects get bamboozled by complex organisational forms/legalities at the outset when the most important thing is building community and setting up experiments to test your assumptions.
8. Go where the energy is; where strengths already lie. This will be different in each different community. Learning and taking inspiration from models elsewhere is great but

your enterprise/project needs to find fertile ground locally. First look to where others are doing well in your area, and seek to complement and collaborate. Be humble and build out from success.

9. If you are starting from scratch with an idea, take time to build your food systems literacy and learn from those who have gone before. The problems we are facing are massive. Ironically though, often the most effective interventions are very small ideas, done well...and joined up. Numerous values-aligned players who work together across a supply network are much more effective and powerful than someone trying to save the world on their own. Seek to understand what others are trying to do, what they have learnt and how you can strengthen and support them with what you do what they need.
10. Be happy with incremental growth, keep within the limits of your resources, including human resources - there are many small goals to achieve along the way.

For Local Government and Regional Development Organisations

1. Find the individuals and enterprises who are already acting to improve the food system, and ask them what they need. A good way of doing this is to fund a small grants program to “surface” energy and ideas. This can also be designed to catalyse / incentivise the building of relationships across projects (eg include collaboration in the criteria and process).
2. Contribute funding for a Local Food Activator position. This role could be funded at a regional level with costs shared between councils and potentially others. It should be independent and administered at arms length from council(s).
3. There needs to be a governance mechanism through which values- aligned local food actors can make decisions and plan activities together. The make-up of these will reflect individual regions and objectives and there can be no specific template, although diversity of participation is crucial. Government actors can *participate* but it's important that they aren't seen as sponsoring or controlling these networks, which need to be independent. A Local Food Activator position (co-funded by councils) could provide facilitation services for a “local/regional food network” and also report to it.
4. Appoint a dedicated food systems position⁴ whose role is to be a single point of engagement for food enterprises and organisations in your council. The role would assist enterprises in accessing council services, funding and advice from across community health; planning; environmental and economic teams (as relevant) and also feed in suggestions from the community about council policies and processes.
5. Fund business incubation program specifically for new community food enterprise ideas and projects. This should be run by people who have deep experience in or with the CFE

⁴ or at least a dedicated function within an existing role

sector and preferably from within the region or have partners embedded and trusted within the region.

6. Fund services for established CFEs in your region including opportunities for peer support and networking (e.g “shared learning days”); community food sector specific mentoring and leadership training.
7. Make all food systems research and evaluation specific to your municipality easily accessible for the CFEs and other organisations to use in designing projects and services.
8. Link any funding to the demonstration of collaboration and learning between diverse food system players.
9. Measure and amplify the considerable employment potential of CFEs, for rural and regional communities.
10. Invest in infrastructure. Cornerstone public funding can be used to “underwrite” infrastructure projects, creating opportunities for impact and mainstream investment to further stimulate the CFE sector and its values based supply chains.

For State/Federal Government & Philanthropy

1. Recognise that for the CFE sector to be viable AND to deliver significant public good outcomes, public and philanthropic funding is required. In vulnerable communities, there is a strong case for *ongoing* (or at least long-term) funding for the community development and engagement component that underpins successful CFEs.
2. Invest in an integrated place-based approach to food systems change by contributing funding to Local Food Activator positions and Local Food Activation small grants programs.
3. Provide funding for the further development, collaboration and replication of the most promising CFE business models.
4. Invest in infrastructure. Cornerstone public funding can be used to “underwrite” infrastructure projects, creating opportunities for impact and mainstream investment to further stimulate the CFE sector and its values based supply chains.
5. Link any funding to demonstration of collaboration and learning between diverse food system players. Provide dedicated funding to catalyse collaboration - both within the CFE sector and with other food systems change projects and organisations.
6. Learn from the broader social enterprise and impact investment sectors in terms of how to service and support innovative and evolving models that do not neatly fit in the categories of “business” or “community organisation” or “non-profit”.

Where to from here

Research gaps

There is still a lack of data in Australia about what scale of CFE is most viable, what model, and what conditions (e.g. geographic distribution of producers, catchment size of potential purchasers) are most likely to aid viability. Rysin and Dunning (2016) estimate that in the US context the minimum annual operating budget for viable food hubs (focussed on aggregation and distribution function) is \$1.125M (AUD). This needs testing in the Australian context. More broadly, there is a need for better understanding of the operations of CFEs in Australia, and the conditions conducive for viability.

Many community food enterprises rely on volunteers to cut costs but also to build co-operative community around the enterprise. There are challenges finding the right structure for volunteers - for example, tying contribution too closely to measurable monetary reward (e.g. 3hrs work = vegie box) may incentivise just “doing the time” and not taking active responsibility as part of a collective. This is an area that has potential for deeper social research within the sector.

Help build knowledge in this area

For many years we have created open source software, which allows contributions to be volunteered by anyone and incorporated into the code.

We would like to experiment with you on creating open source knowledge, where documents such as this report become living documents that the community adds to with their own knowledge and experience. In early 2020 we will be opening up this report - alongside a number of our other reports - for open source contributions.

We hope that this creates a richer document, and continues with our mission of facilitating shared learning across CFEs.

Please [visit our website](#) to make additions to this document and [sign up to our newsletter](#) to be notified when these reports are opened up for contributions.

Resources and references

Visit our [Learn](#) library for an extensive list of resources, including case studies, research, and more.

The [Fair Food Forum](#) contains a number of discussions between CFEs on many of the topics covered in this report.

For those beginning or looking to improve their CFE, Open Food Network offers [a number of workshops and services](#) that can help.

Below are a brief selection of resources from the *Learn* library that can help enterprises achieve the critical success factors identified in this report.

Building community & Collaboration

A number of case studies highlight the ways in which CFEs are building communities with shared values to support their enterprise.

- [Edithvale Community Grocer](#)
- [Beechworth Food Co-op](#)
- [Tarrawalla Farm](#)
- [Wandiful Produce](#)
- [Prom Coast Food Collective](#)
- [Pepo Farm's Community Oil Mill](#)
- [Baw Baw Food Hub](#)
- [Food Connect](#)

Notes from previous [CFE Shared Learning Days](#) are on our website.

Viability, appropriate scale, and impact

Open Food Network [runs workshops to help CFEs develop lean experiments](#), and [offers training and mentoring](#) to help CFEs structure their experiments and metrics, and measure their impact.

Developed from our experience with launchpad programs around the world, Open Food Network is launching [an online course for CFEs](#).

[Lean Start-up](#) and [Holistic Decision Making](#) are two frameworks that can help you get clear on objectives and the assumptions behind your decisions.

[A guide to scaling up food hubs](#) is an excellent guide to strategies that food hubs have used internationally to achieve optimal scale and to manage growing pains.

There is a [report](#) from Open Food Network's South East Food Hub pilot that is rich with details of lessons learned from that project.

For those trying to show the need for philanthropic support of public good, we prepared a report for the Australian Environmental Grantmakers' Network entitled [Philanthropy Briefing: Sustainable Food Systems](#) that may be helpful for CFEs in supporting their arguments for funding.

Activating local food systems

There are also a number of resources on activating a regional food system, and some of the methods used to do so.

Open Food Network runs a number of [programs and services](#) to help regional development bodies activate food systems in their area.

One of the activities commonly undertaken is an event bringing farmers and eaters together. There is a [handbook with lessons learned](#) from past event co-ordinators. There is also a resource for those running [farm tours](#).

There are also case studies of past and current food system activation projects:

- [Mildura](#)
- [Gippsland](#)
- [Seymour](#)
- [North-East Victoria](#)

Monash University students [undertook an assessment](#) of how local governments were supporting CFEs.

Get in touch via hello@openfoodnetwork.org.au if you'd like to discuss how we can help food systems in your area.

References

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