Bioregional food systems: finding the shortest route between producers and consumers

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LOCAL FOOD NETWORK

4 questions….

- What does a food network do?
- Do we have a bioregional food system?
- What are the routes to food security?
- Will consumers get the opportunity to decide?

In a nutshell….

- We are creating a network that links producers and consumers

- But it's a long way from being a bioregional food system

- The road is forking and there are three possible routes ahead

- We are going to have to shout very loudly and work closely with consumers, if we want to take to the local food security route

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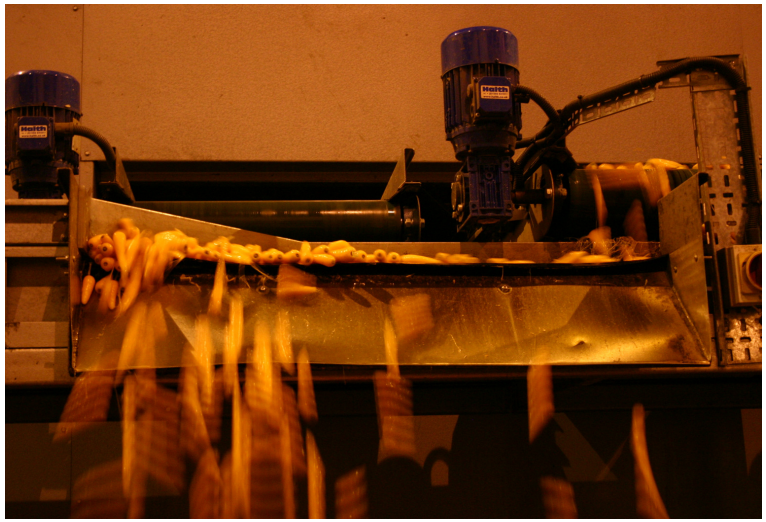
a tale of two carrots....



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Q1 What does a food network do?

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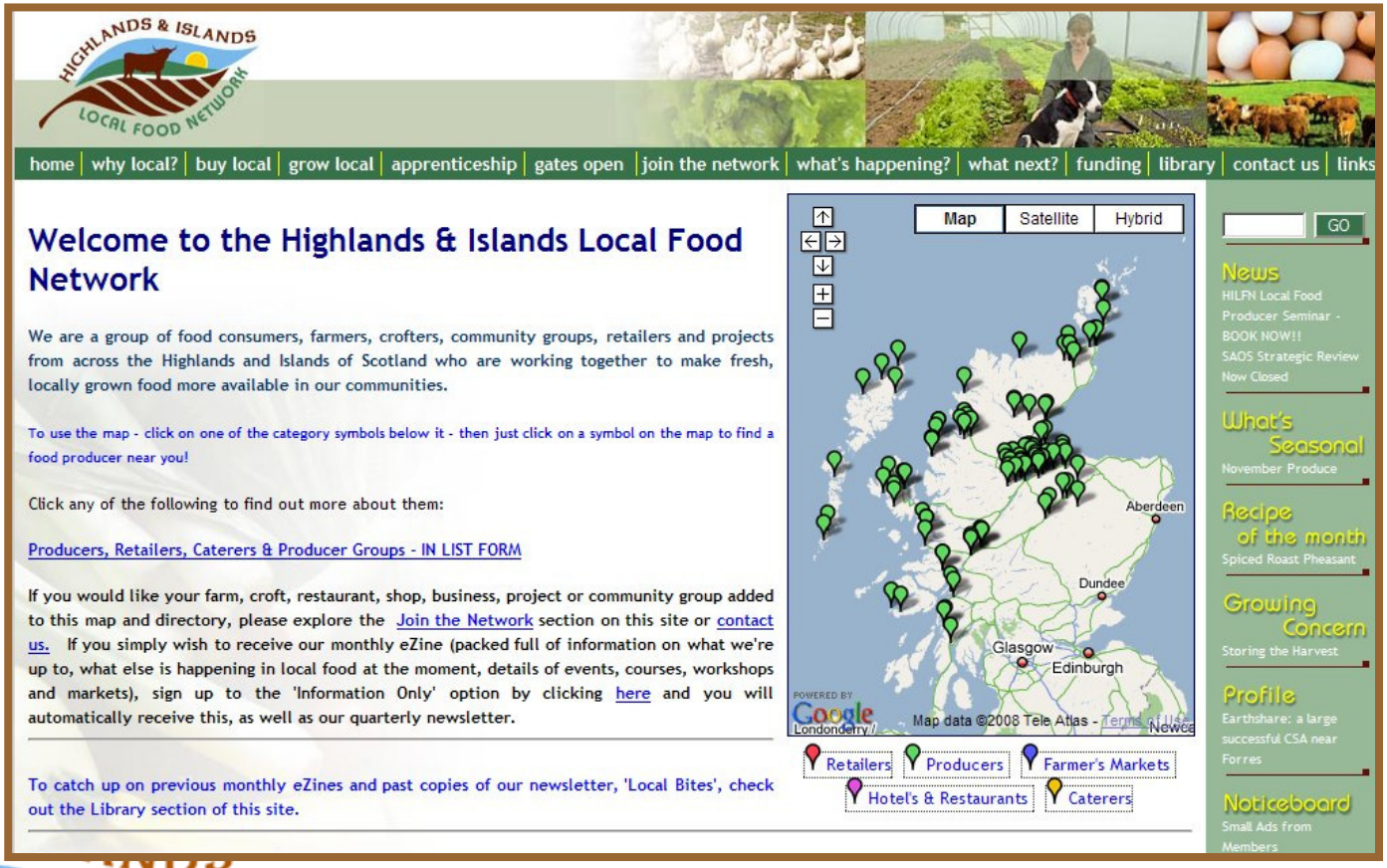
Lots of members....



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Spread over a wide area….

- Inner Moray Firth – medium scale businesses operating independently
- Crofting areas – micro-businesses often working in groups
- ‘000’s of food consumers looking to eat local

- 35% of the land area of Scotland
- 8% of the population of Scotland

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Using lots of local marketing routes….

- Box scheme
- Community Supported Agriculture
- Mail order
- Internet
- Restaurants
- School contract

- Farmers markets
- Farm shops
- Gate sales
- Local retailer
- National small retailer network
- Supermarket
- Local processor
- Co-op contract

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So, what does HILFN add to this….

- Connect
- Co-ordinate
- Share information
- Advise businesses
- Transfer skills
- Provide missing infrastructure

- Push
- **PUSH**

Q2 Do we have a bioregional food system?

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What do we eat at home? - household consumers

- Over 70% regularly eat some local foods
- ‘local’ is within 50 miles
- ‘supporting the local economy’ is top reason
- 40% are willing to pay upto 10% more for local produce
- High growth in spend expected

Total local food purchasing of £200M pa

c.18-20% of all food purchases

HILFN members trade c2% of local trade

Ref: ‘Review of current supply and demand for ‘local ‘ food in the Highlands and Islands’
SAC and f3 for HIE, March 2008

And when we eat out? – trade customers

- Wide variation from 6% to 70% of supplies
- Strong in red meat and fish/ shellfish
- Weak in fruit, veg and prepared products
- Low growth in spend expected

Total local purchasing cannot be accurately estimated

Ref: 'Review of current supply and demand for 'local ' food in the Highlands and Islands'
SAC and f3 for HIE, March 2008

But is it available?

Eat already….

- **'Popular' products:**
  - –Beef
  - –Root veg
  - –Soft fruit
  - –Eggs
  - –Cheese
  - –Farmed fish
- **Purchasing from:**
  - –Farmers market
  - –Farm shops

Want to in future….

- **'Missing' products:**
  - Chicken
  - Salads
  - Top fruit
  - Locally baked bread
  - Milk and butter
  - Sea fish
- **Purchasing from:**
  - Small general store
  - Specialist local food shop

Ref: 'Eat Local Campaign' consumer survey
HILFN, October 2008

And what about producers?

- Over 90% process or sell their own products
- 40% sell direct to consumers: 2% to public sector: 3% to multiples
- Direct sales and direct to food service are main growth areas

Most local food producers do not plan to expand dramatically – increased supply depends on more producers entering market

Ref: 'Review of current supply and demand for 'local ' food in the Highlands and Islands'
SAC and f3 for HIE, March 2008

Barriers to connecting consumers and producers….

Household consumers	Trade customers	Food producers
Lack of availability	Lack of availability	Limited expansion
High prices (relative to supermarkets)	High prices (relative to non local wholesale)	Low prices (relative to cost base)
‘it’s invisible’	‘hassle to order’	‘missing infrastructure’

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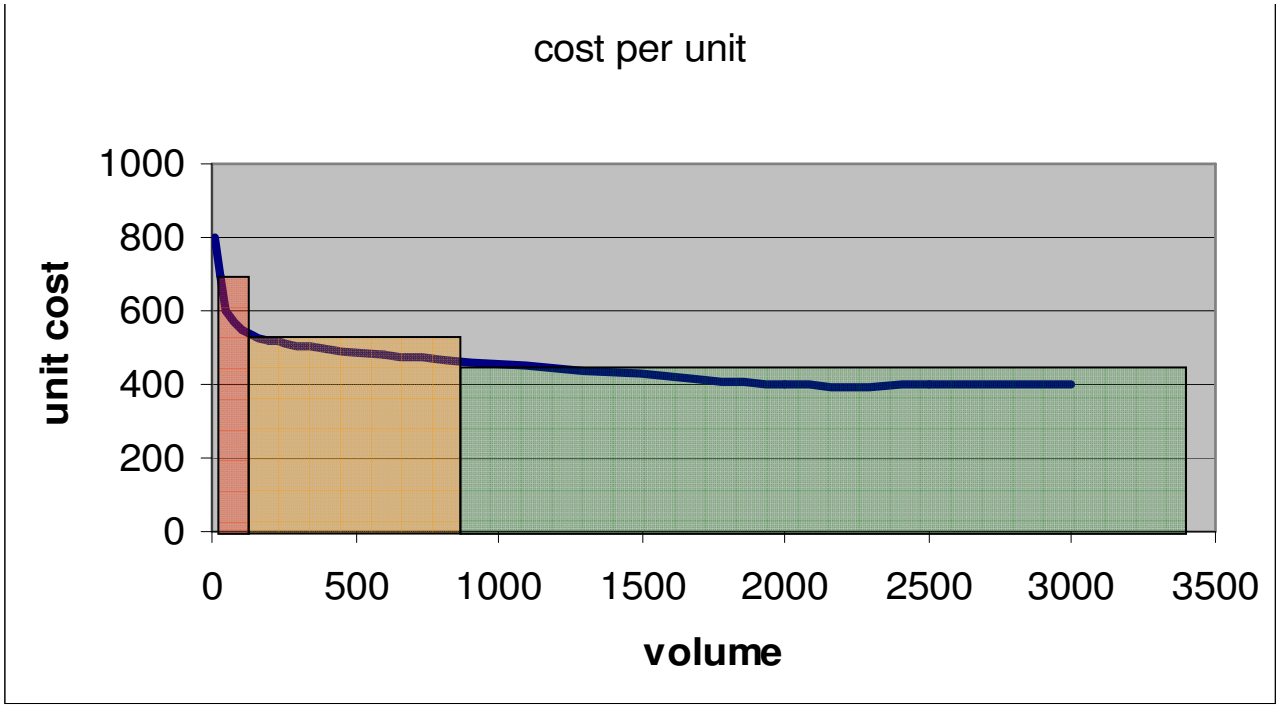
Big shops vs. small farms reduces diversity



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Q3 What are the routes to food security?

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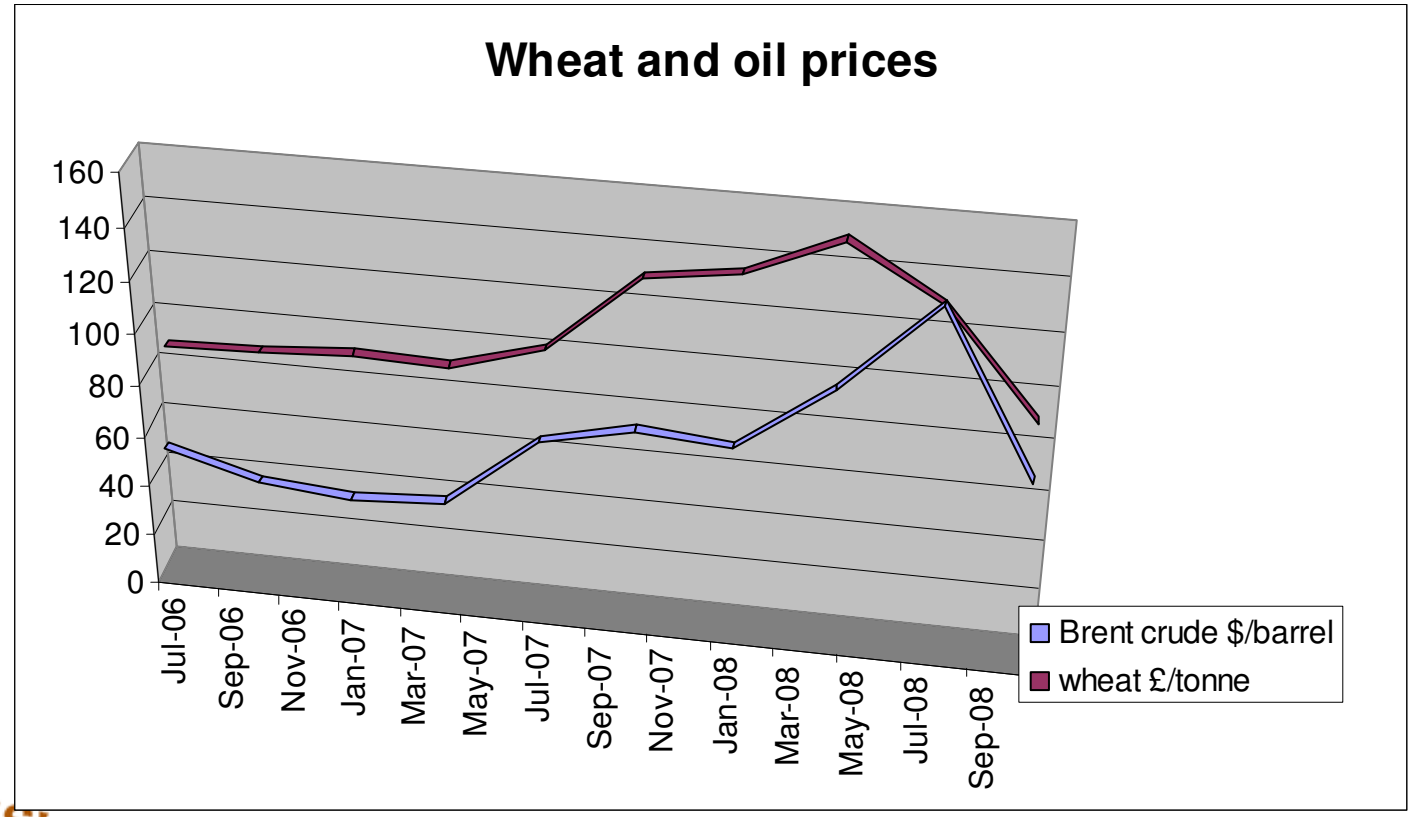
What is everyone else up to?



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And where are they going?

Most Scottish farms do not cover fixed costs and rely on SFP and ‘schemes’

- Average age of a Scottish farmer is 58 years
- Average age of a crofter is 67 years
- Only 1 in 12 crofters make their primary income from agriculture
- 70% of Highland farms have less than one person working them

At the current rate of decline Scottish farmers will be extinct in 2045

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Starting from quite a low base….

Run low on:

- Labour
- Skills
- Younger farmers
- Regional and local infrastructure
- Independent retail points

Challenged by:

- Volatile markets
- Complex regulation
- Heavy borrowing
- Large retailer dominance
- Distance and density

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hearing some very mixed short term signals....

Food prices are rising

- Organic premium is squeezed
- local sales are still growing

Increasing price volatility

- High prices: producers leave local supply
- Low prices: their businesses fail

Credit crunch

- 1 in 10 farms refused overdraft extension

Decoupling of CAP:

- 25% reduction is stock, threatening habitat grazing and infrastructure viability

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making slow progress in the medium term….

2003 to 13

- Half way thru' CAP decoupling and 'freedom to farm'
- Half way thru' period for food production realignment with the market

- Are we half way toward viable farming systems that meet consumer demands, without subsidy?

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…with clear long term goals.

Doubling world food production by 2050

80% cut in carbon emissions by 2050

Strong rural communities

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3 routes out of here….

Global ‘business as usual’

Scottish ‘self-sufficiency’

Local ‘food systems’

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Q4 Will consumers get the opportunity to decide?

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Filling the local food gap…

From 2008:

- 20% of market
- Direct sales
- Lonely micro businesses
- Monopoly
- Consumer polarity

To 2018:

- 40% of market
- Networked retail access
- Joint medium scale business
- Diversity
- Consumer inclusion

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What are the components of a secure local food system?

- Local businesses and consumers
- working collaboratively
- to trade locally
- in a ‘level’ local market
- aware of the impact they make

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Component 1
Local businesses and consumers

- Mixed farming with high animal welfare
- Grown with minimal carbon inputs and using renewable energy sourced on site
- Involving local consumers who support ‘their’ farm

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Component 2
working collaboratively

- Sharing information
- Transferring skills
- Co-owning infrastructure

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Component 3
to trade locally

- Using local food hubs to service
- Local points of sale
- For products with a ‘clearly different’ identity

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Component 4
in a level local market

- Land is zoned for new entrants, allotments and diverse retail activity
- competition controls are applied at a local level - and not allowed to reach 60%
- And communities own and can lease-out the right to operate a retail store that commands more than a 10% market share

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Component 5

aware of the impact they make

- Food access and diversity
- Local economic impact
- Carbon load.

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Even the NFUS recognise the opportunities….

- Local food
- Differentiated products
- Local processing
- Organic sector

and the alternative….

"On the other hand world demand for wheat is increasing and stocks remain low. All it needs is a poor harvest somewhere in the world to create a shortage and prices will climb again"

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4 more questions….

1. How do we involve both producers and consumers in the same ‘solution’?

2. How do we create a local market environment that allows diversity?

3. How do we build scale into local food production and infrastructure, whilst retaining local control?

4. How do we know and measure when we feel locally food ‘secure’?

And before the end of the day, please…..