FLAIR Report 2003

The development of the local food sector 2000 to 2003 and its contribution to sustainable development

March 2003

Report prepared by Emma Delow and Charles Couzens
of f3 - the Foundation for Local Food Initiatives.

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Foundation for
Local Food Initiatives

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Food and Local Agriculture Information Resource

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www.localfood.org.uk

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1. Introduction

As part of the FLAIR[1] project, f3 has conducted research over the last 3 years (2000-2002) to assess the impact of the local food sector on sustainable development and to track changes within the sector. The following analysis of three years research highlights some important changes, which need to be considered in the context of developments that that have occurred more widely during this period in the food and farming sector.

A major event, that had widespread effects on the whole farming industry as well as associated businesses and the leisure and tourism sector, was the Foot and Mouth epidemic in 2001. One positive outcome of the devastating effects of the epidemic was the setting up of the Policy Commission on the Future of Farming and Food in August 2001, known as 'The Curry Commission'. The Commission published its report in January 2002. Many of the findings will generate support to the local food sector. They include the following recommendations:

- to shorten the food chain
- to support collaboration
- to enable the development of local food markets, including the supply of local and organic food to schools and hospitals

The Government's response has been to develop a strategy for farming and food in England, in consultation with stakeholders, which was launched in December 2002 – "Strategy for Sustainable Farming and Food" (Defra 2002). The strategy, which builds on the work of the Curry Commission, accepts the "need for farming to reconnect with its markets, better co-operation with the food chain, investment in people and technology and the adoption of environmental best practice"[2].

The Organic Action Plan was also launched by Defra in 2002. This contains specific support for the local food sector to work with organic sector to develop growing sales of local and regional food.

The other main developments within the local food sector during this period include:

- the integration of local food sector considerations in policy development for farming and food policies
- the setting up of a national network of organisations committed to the development of the sustainable local food systems – Food Links UK
- continued growth in the numbers of farmers' markets nationwide
- growing interest and involvement in local food procurement in the public sector
- most major supermarkets highlighting their stocking of local and regional produce
- an increase in the amount and scope of research being undertaken into the impacts and development of the sector
- the establishment of a government Working Group on Local Food which is reporting to the Defra Cross-Cutting Group on Regional and Local Food.

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[1] Food and Local Agriculture Information Resource – a three year research project to define the scope and scale of the local food sector, and enable learning and networking
[2] Defra, News Release 12 December 2002. www.defra.gov.uk/news/2002

2. Research

The research is based on surveys conducted over the last 3 years (2000-2002), as part of the FLAIR project, to assess the impact of the local food sector on sustainable development and to track changes within the sector. All parts of the food chain, with the exception of the consumer, have been included in the surveys. This includes commercial businesses - producers (farmer or grower), processors, wholesalers, retailers and caterers, as well as community enterprises. The first survey in 2000 was a pilot of local food sector businesses, conducted in the South West (Devon, Somerset and Dorset) for the South West Local Food Economic Partnership[3]. The surveys in the following two years had a wider geographical spread: two urban areas (Southampton and Nottingham) and two rural areas (East Anglia and Northumberland). They also included businesses that were not involved in the local food sector, which enabled the impact of the sector to be better understood. As these surveys used the same database and methodology a direct comparison can be made to monitor any significant trends within the sector. The results of both the new and earlier surveys are provided in the appendices.

The research utilised the five capital assets evaluation methodology to analyse the impact of the local food sector on sustainable development. The five capital assets framework helps to define the contribution made to community assets in five specific areas:

- Natural Capital: goods and services provided by nature
- Financial Capital: the stocks and flows of finance
- Physical Capital: infrastructure utilised
- Human Capital: individual skills and knowledge
- Social Capital: interactions and cohesiveness of communities

[3] f3 (2000) Local Food Links in the South West of England – Report of survey and evaluation

3. Impact of the Local Food Sector on sustainable development

The impact of any project, business or sector upon the five capital assets show how it affects sustainable development; activities which increase the capital asset are positive, those which reduce the asset are negative. The impacts of the local food sector are based on an analysis of the 2002 survey of food enterprises, as summarised in Table 1, together with the changes observed since the 2001 survey.

Table 1. Impact of the sector on the five capital assets

Benefit	Impact of local food enterprises	Trend
Human Capital		
Generating greater employment opportunities at a local level	24% of LFS enterprises created jobs during the last year compared to 1% of non-LFS enterprises. The average number of FTE employees is greater in LFS enterprises compared to non-LFS enterprises	Little change
Encouragement of skills transfer and training	Those involved in the LFS are nearly twice as likely to have received training compared to non-LFS enterprises	Little change
Financial Capital		
Support for local services and suppliers	24% of LFS enterprises increased the value of their local purchases over the last year, compared with 4% of non-LFS enterprises	Little change
Increased retention of money within the local economy	43% of local food enterprises increased the value of their local sales over the last year, compared with 4% of non-LFS enterprises.	More LFS enterprises have seen the value of their local sales increase; 28% in 2001 to 43% in 2002. No change outside the sector
Physical Capital		
Supporting local shops and markets	Over half of local food sales are through existing local shops and markets (2001)	(Not measured in 2002)
Social Capital		
Improved diet and health through increased access to nutritious food	Over 50% of local food enterprises believe that their involvement in the sector has improved their local community's access to fresh produce	Little change
Increasing social contact between people	Over three-quarters of LFS enterprises have direct contact with consumers compared to about 30% of those outside the sector	Little change
Increased understanding of the links between food, environment and health	About a third of LFS enterprises provide information on the health benefits of eating fresh food compared to only a few (4%) non-LFS enterprises.	Little change

Benefit	Impact of local food enterprises	Trend
Increased opportunity for community involvement	Twice as many LFS enterprises involve volunteers compared to non-LFS enterprises (11% compared to 5%).	Involvement of volunteers has declined by more than 50% over the last year.
Making greater use of co-operation and collaboration between businesses	Nearly twice as many LFS enterprises are involved in collaborative ventures for food production and purchasing compared to those enterprises outside the sector	There are about twice as many involved in collaboration for food production and purchasing in the LFS sector compared to the previous year, with little change in the non-LFS sector.
Natural Capital		
Encouraging farmers to adopt more environmentally-friendly production systems	Local food producers are significantly more likely to be certified organic than non-local producers. About half of local food producers are involved in a land management scheme, slightly more than those outside the sector.	A decrease by about 50% in the number of local producers involved in organic production or the ESA scheme over the last year. Overall no significant change in proportion of producers involved in some form of land management scheme.
Generating fewer 'food miles'	Nearly 75% of local food enterprises use local suppliers, compared with about half of non-LFS enterprises.	(not calculated)
Enhancing the viability of traditional farming systems that benefit the environment	Traditional breeds and varieties have been introduced by nearly twice as many LFS farmers/growers compared to those outside the sector (18% compared to 10%)	Slight decrease in proportion of producers who have introduced traditional breeds and varieties over the last year.
Conservation of air, soil and water, including reduced levels of pollution and waste	Over a quarter (29%) of LFS enterprises are involved in waste reduction practices, over twice as many compared to enterprises outside the sector.	Overall increase in the number of enterprises involved in waste reduction practices over the last year; a slight increase within the LFS sector (from 25% in 2001)

The research shows that the local food sector makes a positive contribution across all aspects of sustainable development in both urban and rural areas and can help restore the environmental, social and economic assets of a region. There have been few significant changes in the indicators over the last two years, which suggest that there is growing stability within the sector, at a time when overall the farming community is in decline.

The main positive trends observed are very encouraging, namely a continued increase in the value of local sales, the number of enterprises involved in collaboration or co-operation and the use of waste reduction practices. The decline in the reliance on volunteers, although decreasing the direct involvement of the local community, is potentially a positive trend as reliance on volunteers may not be sustainable. The reduction in the proportion of producers that are certified organic shows that the local food sector is involving a wide range of producers and has a momentum that is independent of the growth in the organic sector.

4. The Potential for Growth

The research indicates continued growth in the local food sector and continued interest by many local food enterprises (65%) to become more involved in the sector. However, the level of interest has declined over the year both within the sector (from 85% in 2001) and from enterprises not currently involved (45% in 2001 down to 12%). This suggests that the increase in the number of producers becoming involved in the sector is leveling out after a rapid growth; a major factor is that many of the enterprises, particularly large scale producers of bulk commodities (arable, potatoes etc), do not believe that developing a local market is a practical option.

Some of the main barriers identified by the food sector businesses that limit expansion of the market for local produce include:

- Lack or insufficient infrastructure, particularly local abattoirs
- Lack of time and/or money to diversify
- Too much bureaucracy

A significant growth area for the local food sector in the near future could be to the public sector. The barriers identified above apply particularly to producers interested in this opportunity and continued support and education is required in order for local suppliers to be competitive. Co- operation between suppliers can be a major factor in the ability to supply the public sector, so it is encouraging that the research shows this to be increasing.

Appendix A: FLAIR Survey of the Local Food Sector – 2002

Methodology

A postal survey of the local food sector was conducted in November – December 2002 using the same database used for the 2001 FLAIR survey. The survey covered four areas; 2 rural (Norfolk and Northumberland), 2 urban (Southampton and Nottingham); one of the rural areas (Norfolk) and one of the urban areas (Nottingham) had existing support schemes for the local food sector. The database is compiled of producers and food processors in these areas, obtained from Business Link. This was in addition to the 209 organisations, community groups and businesses that were known to be involved in the local food sector (compiled from local food directories).

1949 questionnaires were posted.

The questionnaire was based on that used for the 2001 survey so that a comparison can be made and trends observed over the last 12 months. Simplifications were made to encourage a higher response rate. A summary of the results from the 2001 survey are in Appendix D.

Summary of the results

A total of 235 questionnaires were returned, approximately 12% return rate overall, twice that achieved in 2001 (Table 1). The response from Nottingham was the only area to have decreased compared to 2001. The increase in response is predominantly from producers. There is a bias towards those already involved in the local food sector. The response rate is particularly low in the two urban areas, probably reflecting the lower involvement and interest in the local food sector shown by processors compared to primary producers (farmers and growers).

Table 1. Response rate

Location	Database	Response	% response
Hampshire	115	11	9.6%
Norfolk	1005	117	11.6%
Northumberland	638	93	14.6%
Nottingham	191	10	5.2%
Don’t know		4	
TOTAL	1949	235	12.1%

Approximately half the responses came from enterprises currently involved, to a greater or lesser extent, in the local food sector (LFS) (Table 2). The results are shown split into two groups; whether or not the enterprise is currently involved in the local food sector. The highest proportion of enterprises involved in the local food sector is in Norfolk (Table 3).

Table 2. Involvement in the local food sector

Is your enterprise currently involved in the local food sector?		
	Number	%
Yes, significant part of my business	62	26%
Yes, small part of my business	58	25%
No	113	48%
No reply	2	1%
TOTAL	235	100%

Table 3. Location vs involvement in the local food sector

	Involved in LFS		Not involved in LFS	
Base (total for percentages)	**120**		**113**	
	Number	**%**	**Number**	**%**
Location				
Hampshire	3	3%	8	7%
Norfolk	71	59%	46	41%
Northumberland	38	32%	54	48%
Nottingham	6	5%	4	4%
No reply	2	2%	1	1%
TOTAL	120	100%	113	100%

2.1 Description of enterprises

There is a strong bias in the response to the survey towards those commercial enterprises already involved in the local food sector. The vast majority of those not involved in the sector who responded to the survey are food producers (Table 4).

Table 4. Type of enterprises

How would you categorise your enterprise(s)?				
	Involved in LFS		**Not involved in LFS**	
Base (total for percentages)	**120**		**113**	
Food producer	91	76%	104	92%
Food processor/packer	33	28%	4	4%
Wholesaler/distributor	18	15%	7	6%
Food retailer	31	26%	2	2%
Caterer	11	9%	2	2%
Community food project	7	6%	4	4%
Community health project	0	0%	1	1%
Food co-operative	2	2%	1	1%
Training/advice/education	6	5%	1	1%
Other	3	3%	2	2%
No reply	0	0%	0	0%

The size of businesses, based on annual turnover, is similar in the 2 groups; over 70% have a turnover of less than £250,000 pa (Table 5).

Table 5. Annual turnover

Please estimate your total annual turnover in 2001-2002.				
	Involved in LFS		Not involved in LFS	
Base (total for percentages)	**120**		**113**	
<£50,000	20	17%	22	19%
£50,000-£99,000	15	13%	15	13%
£100,000-£249,000	37	31%	36	32%
£250,000-£499,000	16	13%	15	13%
£500,000-£749,000	8	7%	5	4%
£750,000-£999,000	6	5%	4	4%
£1M-£2M	7	6%	1	1%
>£2M	6	5%	1	1%
No reply	5	4%	14	12%
TOTAL	120	100%	113	100%

2.2 Local food outlets

Less than a third (approx. 30%) of the non-local food enterprises sell direct to the consumer, mainly via 'other markets', whereas nearly 80% of the local food sector enterprises have direct outlets. This is similar to the results of the 2001survey. The most popular outlets for local food are farm gate, farmers' markets and home delivery (Table 6); all are more prevalent compared to the 2001 survey (18%, 20%, 11% respectively in 2001). Fewer enterprises are using box schemes (decrease from 13% to 4%).

Table 6. Direct sales to consumers

How, if at all, do you sell direct to the consumer?				
	Involved in LFS		Not involved in LFS	
Base (total for percentages)	**120**		**113**	
Farm gate	38	32%	5	4%
Farmers' market	31	26%	2	2%
Other market	18	15%	20	18%
Farm shop	16	13%	3	3%
Home delivery	25	21%	1	1%
Box scheme	5	4%	0	0%
Mail order	7	6%	0	0%
Internet sales	9	8%	0	0%
Retail shop	11	9%	1	1%
Other	8	7%	2	2%
None/No reply	25	21%	79	70%

Approximately 68% of enterprises involved in the local food sector use other, non-direct local routes to sell their produce, compared to about 58% of those not currently involved. The main difference between the two groups is the significantly higher numbers of the local food businesses that use local wholesalers, retailers and caterers as outlets for their products (Table 7). This difference between the 2 groups is much less marked for regional and national outlets.

Table 7. Non-direct routes to sell products

What other routes do you use to sell your products?				
	Involved in LFS		Not involved in LFS	
Base (total for percentages)	**120**		**113**	
LOCAL				
Abattoir	29	24%	23	20%
Livestock market	23	19%	40	35%
Wholesaler/distributor	32	27%	10	9%
Retailer	42	35%	4	4%
Caterer	29	24%	2	2%
Other	5	4%	6	5%
No reply	38	32%	47	42%
REGIONAL				
Abattoir	13	11%	22	19%
Livestock market	5	4%	10	9%
Wholesaler/distributor	23	19%	15	13%
Retailer	12	10%	2	2%
Caterer	5	4%	1	1%
Other	5	4%	9	8%
No reply	75	63%	67	59%
NATIONAL				
Abattoir	6	5%	19	17%
Livestock market	1	1%	3	3%
Wholesaler/distributor	16	13%	9	8%
Retailer	9	8%	1	1%
Caterer	3	3%	0	0%
Other	6	5%	5	4%
No reply	89	74%	81	72%

Local sales are significant, to a greater or lesser extent, for the majority (84%) of local food businesses, compared to less than a quarter of non-local food businesses. An encouraging trend is the increase in value of local sales in 43% of local food businesses over the last year, an increase from 28% in 2001 (Table 8). The proportion of businesses that experienced a decrease in local sales is similar in 2001 and 2002. There is no significant difference between the 2 surveys for those enterprises not involved in the local food sector.

Table 8. Significance and change in value of local sales.

How significant are your local sales?				
	Involved in LFS		Not involved in LFS	
Base (total for percentages)	**120**		**113**	
Very significant	51	43%	15	13%
Quite significant	21	18%	5	4%
Slightly significant	27	23%	8	7%
Not at all significant	14	12%	13	12%
No local sales	5	4%	67	59%
No reply	2	2%	5	4%
TOTAL	120	100%	113	100%
How has the value of local sales changed over the last 12 months?				
Increased	52	43%	4	4%
No change	49	41%	57	50%
Decreased	14	12%	14	12%
No reply	5	4%	38	34%
TOTAL	120	100%	113	100%

2.3 Local purchases

Nearly three-quarters of local food businesses use local suppliers compared with about a half of non-local food businesses (Table 10), nearly half buying produce direct from a local farmer/grower (Table 9). There is little significant difference between the 2 groups for the use of regional and national suppliers.

Table 9. Suppliers

Who supplies you with food products and ingredients? LOCAL				
Farmer/grower	54	45%	13	12%
Processor/manufacturer	17	14%	8	7%
Wholesaler/distributor	24	20%	13	12%
Retailer	13	11%	13	12%
Other	7	6%	0	0%
No reply	42	35%	75	66%
REGIONAL				
Farmer/grower	9	8%	0	0%
Processor/manufacturer	19	16%	12	11%
Wholesaler/distributor	14	12%	10	9%
Retailer	5	4%	3	3%
Other	1	1%	1	1%
No reply	83	69%	90	80%
NATIONAL				
Farmer/grower	7	6%	2	2%
Processor/manufacturer	12	10%	10	9%
Wholesaler/distributor	13	11%	9	8%
Retailer	4	3%	2	2%
Other	1	1%	0	0%
No reply	96	80%	95	84%

The change in value of local purchases over the last year shows a similar pattern compared to the previous survey with nearly a quarter of local food businesses still experiencing an increase and only 3% a decrease. Very few (4%) non-local food businesses increased their local purchasing (Table 10).

Table 10. Significance and change in value of local purchases

How significant is the value of your local purchases?				
Very significant	32	27%	14	12%
Quite significant	30	25%	13	12%
Slightly significant	17	14%	10	9%
Not all significant	10	8%	17	15%
No local purchases	26	22%	46	41%
No reply	5	4%	13	12%
TOTAL	120	100%	113	100%
How has the value of local purchases changed over the last 12 months?				
Increased	29	24%	5	4%
No change	60	50%	63	56%
Decreased	4	3%	4	4%
No reply	27	23%	41	36%
TOTAL	120	100%	113	100%

2.4 Environmental issues

A similar proportion of producers are involved in land management schemes compared to the previous year, with the most popular being the Countryside Stewardship Scheme (Table 11). The main change is a slight decrease in the proportion of producers who are certified organic or in conversion, and a less marked difference between the 2 groups (in 2001 only one producer not involved in the local food sector was organic).

Table 11. Involvement in land management schemes

Are you involved in any land management scheme?				
	Involved in LFS		**Not involved in LFS**	
Base	Producers (90)		Producers (100)	
Certified organic	11	12%	3	3%
In-conversion organic	2	2%	2	2%
Environmentally Sensitive Area Scheme	14	16%	11	11%
Countryside Stewardship Scheme	23	26%	29	29%
Agreement with National Park/Local Authority	1	1%	4	4%
Other	8	9%	7	7%
NONE	42	47%	52	51%
No reply	3	3%	3	3%

As in 2001, more producers involved in the local food sector have introduced traditional breeds or old varieties (Table 12).

Table 12. Introduction of traditional breeds/varieties

Have you introduced any traditional breeds/old varieties on your holding?				
	Involved in LFS		Not involved in LFS	
Base	Producers (90)		Producers (100)	
Yes	17	19%	9	9%
No	73	82%	91	90%
No reply	0	0%	0	0%
TOTAL	90	100%	100	100%

The involvement in waste reduction practices is similar in the 2 groups compared to the previous survey (Table 13), with about two and a half times the number of enterprises involved in the local food sector involved in waste management practices compared to those outside the sector.

Table 13. Involvement in waste reduction practices

Are you involved in any waste reduction practices?				
	Involved in LFS		Not involved in LFS	
Base	**120**		**113**	
Yes	35	29%	12	11%
No	79	66%	96	85%
No reply	6	5%	5	4%
TOTAL	120	100%	113	100%

These results imply a continuing strong link between the local food sector and organic production, traditional breeds/varieties and waste reduction practices.

2.5 Work opportunities

The majority of the enterprises in this survey are commercial businesses with paid workers (Table 14). There is a significant difference between the 2 groups in the numbers of employees, with the average number of full time equivalents (FTE) for enterprises involved in the local food sector about 3 times compared to those outside the sector (12.8 compared to 4.2) (Table 14). The main reason for this is the employment of over 50 workers by 5 enterprises (2 of which have over 200 employees), whereas only one enterprise outside the sector has over 50 employees. The 2001 survey showed little difference in the average number of paid workers between the 2 groups.

Table 14. Numbers of workers

	LFS	Non-LFS
No. of businesses with paid workers	110	98
Total no. of paid workers	2287	552
Total no. FTE (excl. casuals & contractors)	1374	411
Average no. of FTE per business	12.8	4.2

Involvement in the local food sector has resulted in the creation of jobs in 11% of the local food businesses (Table 15,c), a decrease from 20% in 2001. About a quarter of these businesses have increased the number of paid workers over the last 12 months, similar to the preceding 12 months, significantly better than the 1% of those outside the sector. However this increase is nearly balanced by about 20% experiencing a decrease in the numbers of paid workers (15% in 2001).

In 2001 nearly a quarter of local food businesses used volunteers, compared to only 10% of non-local food businesses. However the results of this 2002 survey suggest a decline in the number of businesses that involve volunteers in both groups to 11% and 5% respectively (Table 15,b). The community enterprises are more likely to involve volunteers than the commercial businesses, though not exclusively.

Of those businesses that do involve volunteers a few (4%) have increased the number of volunteers working over the last 12 months, with a decrease in only 1% (Table 15,e).

Table 15. Work opportunities

a) Any paid workers?				
	Involved in LFS		Not involved in LFS	
Base	**120**		**113**	
Yes	110	92%	98	87%
NONE	6	5%	10	9%
No reply	4	3%	5	4%
b) Any volunteers?				
Yes	13	11%	6	5%
NONE	105	88%	101	89%
No reply	2	2%	6	5%
c) Any jobs created?				
Yes	13	11%	2	2%
NONE	105	88%	106	94%
No reply	2	2%	5	4%
d) Has the overall number of people working (paid) in your enterprise changed over the last 12 months?				
Increased	29	24%	1	1%
No change	66	55%	88	78%
Decreased	24	20%	18	16%
No reply	1	1%	6	5%
e) Has the overall number of volunteers changed over the last 12 months?				
Increased	5	4%	3	3%
No change	110	92%	101	89%
Decreased	1	1%	1	1%
No reply	4	3%	8	7%

Over 50% of the local food sector enterprises have received some staff training, compared to about a quarter of those outside the sector (Table 16), (45% and 24% respectively in 2001). In both groups training in food production was the most popular, as it was in 2001, although the proportion receiving training has increased in all areas.

Table 16. Staff training

Have you or any of your staff received training in:				
Food production	55	46%	28	25%
Processing	24	20%	0	0%
Distribution	10	8%	1	1%
Purchasing	12	10%	1	1%
Sales	24	20%	1	1%
NONE	49	41%	79	70%
No reply	4	3%	5	4%

2.6 Support for the local food sector

There is little change compared to 2001 in the proportion of local food enterprises that have received support relating to the food sector (about half) (Table 17a). However more businesses outside the sector have received support (22% compared to 6%), particularly advice and information, compared with a year ago. Support has come mainly from Business Link, Regional Food Groups or the Farm Business

Advisory Service (Table 17b). About 55% of local food businesses found the support helpful (60% in 2001) and 38% of those outside the sector (Table 17c).

Table 17. Support for local food sector

a) Have you/do you receive any of the following types of support, relating to the local food sector?				
	Involved in LFS		**Not involved in LFS**	
Base	**120**		**113**	
Financial (grants, loans)	17	14%	6	5%
Training	19	16%	6	5%
Advice	20	17%	18	16%
Information	32	27%	9	8%
Promotion	8	7%	3	3%
Other	6	5%	2	2%
NONE	58	48%	82	73%
No reply	4	3%	4	4%
b) From which types of organisation did/do you receive support?				
Base (receive support)	**58**		**31**	
Farm Business Advisory Service	14	23%	12	39%
Regional Food Group	20	33%	0	0%
Business adviser or consultants	11	18%	9	29%
Community development	6	10%	1	3%
Food link group	10	17%	3	10%
Health Promotion	4	7%	1	3%
Business Link	23	38%	6	19%
Other	12	21%	5	16%
No reply	14	23%	3	10%
c) Overall how helpful have they been in establishing or developing your involvement in the local food sector?				
Very helpful	12	21%	6	19%
Quite helpful	20	34%	6	19%
Neither helpful nor unhelpful	19	33%	11	35%
Not very helpful	0	0%	2	6%
Not at all helpful	4	7%	0	0%
No reply	3	5%	6	19%
TOTAL	58	100%	31	100%

About a quarter of enterprises in both groups have entered into a collaborative venture/co-operation (Table 18), those involved in the local food sector are involved in more areas, particularly food production and purchasing. In both groups some form of co-operation with regard to sales is the most popular.

Table 18. Collaborative ventures

Has your organisation entered into any collaborative venture/co-operation for any of the following?				
	Involved in LFS		**Not involved in LFS**	
Base	**120**		**113**	
Food production	15	13%	5	4%
Processing	4	3%	3	3%
Distribution	4	3%	1	1%
Purchasing	17	14%	9	8%
Sales	18	15%	14	12%
NONE	82	68%	79	70%
No reply	5	4%	7	6%

2.7 Health issues

The majority of local food businesses (nearly 80%) have some direct contact with consumers, which creates opportunities for providing information about the benefits of local food. About a third provide some information to customers about the health benefits of eating fresh food (Table 19), similar to 2001. Also unchanged over the last year is the proportion of businesses (over 50%) that believe access to fresh produce has improved in the local community, which is very encouraging.

Table 19. Health issues

a) Do you provide any information to your customers/members about the health benefits of eating fresh food?				
	Involved in LFS		**Not involved in LFS**	
Base	**120**		**113**	
Yes	41	34%	5	4%
No, but plan to do so in the near future	13	11%	5	4%
No	60	50%	92	81%
No reply	6	5%	11	10%
TOTAL	120	100%	113	100%
b) Do you believe that your involvement in the supply of local produce has improved access for the local community to fresh produce?				
Significantly improved	23	19%	0	0%
Slightly improved	42	35%	6	5%
No change	21	18%	23	20%
Don't know	12	10%	7	6%
Not involved	13	11%	64	57%
No reply	9	8%	13	12%
TOTAL	120	100%	113	100%

2.8 Interest in the local food sector – and barriers

Although the results of the survey show encouraging trends in the continued benefits from involvement in the local food sector, the interest in becoming (more) involved in the sector (Table 20) has decreased compared to a year ago. The main barriers are shown in Table 21. By far the most common reason given by producers is their belief that their produce and scale of production is not suitable for the local food sector.

Table 20. Level of interest in involvement in the local food sector

How interested are you in becoming (more) involved in this local food sector?				
	Involved in LFS		**Not involved in LFS**	
Base	**120**		**113**	
Very interested	27	23%	6	5%
Quite interested	50	42%	9	8%
Neither interested nor uninterested	16	13%	29	26%
Not very interested	10	8%	25	22%
Not at all interested	9	8%	33	29%
No reply	8	7%	11	10%
TOTAL	120	100%	113	100%

Table 21. Main barriers to becoming (more) involved in the local food sector

Barrier	**Number of responses**
Bulk commodities e.g. arable, potatoes. Have to be processed; not possible to sell direct	28
Lack of time	14
Paper work / red tape	10
Money (e.g. capital for investment)	10
No local abattoir	9
No money in it	6
Availability of local suppliers	5
Limited market (e.g. turkeys for Christmas)	5
Disillusion / quitting farming	4

Main barriers to becoming (more) involved - a selection of quotes

- *No local slaughter facilities. Impossible to sell enough lamb or beef at farmers' markets*
- *No local markets for produce from our enterprise. No organic abattoir within local radius*
- *Need regional (Norfolk/East Anglia) initiative to encourage group storage/marketing*
- *Money and time - it can take as long to sell one item to the public as to sell a pallet full to the shop*
- *Mainly arable farm. Some pigs & beef cattle, but local meat sales could only be very limited. No local abattoirs left to handle small orders. We need to educate people to insist on British produce*
- *Local people too stingy to buy organic produce*
- *Limited time to process produce for local suppliers - labour force cut due to poor price in general. We are competing with world market and different rules in other EC countries*
- *Put pressure on supermarket buyers who keep importing Danish bacon to unprecedented levels*
- *It's time consuming to source local stock for retail and the cost involved tends to be higher*

- *I think the market is already meeting the demand. To increase local sales the benefits of locally produced food & the extra price would have to be proved to people, e.g., by their parents & in schools*
- *I produce beef and lamb and market this through the local livestock markets and abattoirs. To sell direct to the public would mean opening a butcher's shop - at what expense?*
- *I believe the local food sector is a relatively small niche market better suited to smaller producers and those with more marketing experience*
- *I am a farmer and today we are not wanted by this government! 15,000 of us have finished this year! Thanking you.*
- *We cannot compete against imported meat. The bureaucracy is crippling our competitiveness*
- *We are now involved mainly in grain production. Ceased milk production since May. We now sell our beef cattle to a national abattoir through a cattle dealer as local ones have closed down*

Appendix B FLAIR Survey of the Local Food Sector – 2001

Methodology

Four areas were selected for a postal survey of the local food sector; 2 rural (Norfolk and Northumberland), 2 urban (Southampton and Nottingham); one of the rural areas (Norfolk) and one of the urban areas (Nottingham) had existing support schemes for the local food sector. Databases were compiled of producers and food processors in these areas from Business Link. This was in addition to the organisations, community groups and businesses that were known to be involved in the local food sector (compiled from local food directories).

1966 questionnaires were posted, of which 209 were known to be involved in the local food sector. (Unfortunately due to scrambling of part of the database it was realised afterwards that the contact and company names of about 500 of the East Anglia producers were matched with the wrong addresses – which may partially explain the low return rate)

Summary of the results

Total of 128 questionnaires returned (6.5% return rate overall). However of the questionnaires sent to those that were known to be involved in the local food sector, about 31% were returned. The bias in the return rate reflects the increased level of interest and involvement in the subject of the survey. Due to the low numbers the results have not been separated into the four localities.

Table 1. Response to survey by area

County	Number	%
Norfolk	43	34%
Northumberland	60	47%
Nottingham	18	14%
Hants/Southampton	7	5%
TOTAL	128	100%

1b) How would you categorise your business?

Food producer/grower	91	71%
Food processor/packer	23	18%
Wholesaler/distributor	20	16%
Food retailer	32	25%
Caterer	21	16%
Community food project	5	4%
Community health project	4	3%
Food co-operative	2	2%
Training/advice/education	6	5%
Other	10	8%

About a third were involved in more than one of the above categories

1c) Is your business/enterprise involved in the local food sector?

Supply local produce direct to local consumers	53	41%
Supply local produce to local outlets	39	30%
Processed food to local outlets	19	15%
Processed food to local consumers	17	13%
Other	17	13%
Not involved in local food sector	40	31%

1e) How interested are you in becoming (more) involved in this local food sector?

	Involved in LFS		**Not involved in LFS**	
	Base: 89		Base: 40	
Very interested	40	45%	4	10%
Quite interested	36	40%	14	35%
Neither/Nor	8	9%	7	18%
Not very interested	2	2%	4	10%
Not at all interested	0	0%	7	18%
Don't know	3	3%	4	10%
TOTAL	89	100%	40	100%

Nearly half of those not involved in the local food sector would be interested in becoming involved.

1f) Have you/do you receive any support relating to the local food sector?

	Involved in LFS		**Not involved in LFS**	
	Base: 89		Base: 40	
Financial (grants, loans)	17	19%	0	0%
Training	14	16%	0	0%
Advice	16	18%	1	3%
Information	15	17%	1	3%
Promotion	13	15%	1	3%
Other	5	6%	0	0%
NONE	41	46%	29	73%
Don't know	6	7%	7	18%
No reply	0	0%	1	3%

About half of those involved in the local food sector have received some kind of support. This has mainly come from Food Link groups, Regional Food Groups and/or Business Links. About 60% found the support helpful.

2c) How has the value of local purchases changed over the last 12 months?

	Involved in LFS		**Not involved in LFS**	
	Base: 89		Base: 40	
Increased	22	25%	3	8%
No change	35	39%	20	50%
Decreased	5	6%	3	8%
Don't know	24	27%	12	30%
[No reply]	3	3%	2	5%
TOTAL	89	100%	40	100%

2f) How has the value of local sales changed over the last 12 months?

	Involved in LFS		Not involved in LFS	
	Base: 89		Base: 40	
Increased	25	28%	3	8%
No change	31	35%	16	40%
Decreased	12	13%	10	25%
Don't know	19	21%	9	23%
[No reply]	2	2%	2	5%
TOTAL	89	100%	40	100%

Only about half the questionnaires had complete data relating to value of sales and purchases together with the percentage obtained or sold locally. The results, summarised below, indicate that the businesses and organisations involved in the local food sector tend to be at the smaller end of the range. The proportion of purchases made locally is similar between businesses involved in the local food sector and those that are not, although there is a greater contribution to the local economy from purchases made from businesses not within the local food sector due to their overall greater turnover. Significantly higher percentage of sales are made locally from those involved in the local food sector, as is expected, though this is balanced by the smaller turnover.

	Average value/business £	Ave. % made locally	Local sales/purchasesAve. £/business
Purchases			
Local food Sector	£148,809	45%	£66,272
Non LFS	£246,643	50%	£123,369
Sales			
Local food Sector	£200,332	62%	£124,346
Non LFS	£494,082	26%	£129,124

3a) Through which of the following local outlets do you sell local produce?

	Involved in LFS	
	Base: 89	
Wholesaler/distributor	17	19%
Abattoir	16	18%
Farm shop	14	16%
Farm gate	16	18%
Farmers' Market	18	20%
Other market	10	11%
Retail shops	39	44%
Caterers	29	33%
Home delivery	10	11%
Box scheme	12	13%
Community cafe	6	7%
Food co-op	3	3%
Other	12	13%

3b) How many local outlets that are used to sell local produce are existing outlets?

	Involved in LFS Base: 89	
All	29	33%
Some	16	18%
None	6	7%
Don't know	31	35%
[No reply]	7	8%
TOTAL	89	100%

3c) How many are new outlets?

	Involved in LFS Base: 89	
All	4	4%
Some	12	13%
None	38	43%
Don't know	25	28%
[No reply]	10	11%
TOTAL	89	100%

Although the majority of outlets used to sell local produce are existing outlets, some new outlets have been created.

4c) Are you involved in any land management schemes? (Base: 88 = Producers)

Certified organic	12	14%
In-conversion organic	8	9%
Environmentally Sensitive Area Scheme	18	20%
Countryside Stewardship scheme	24	27%
Agreement with National Park/Local Authority	4	5%
Other	3	3%
None	37	42%
Don't know	6	7%

Practically all of the producers who are certified or in-conversion organic (the exception is one of the in-conversion organic producers) are involved in the local food sector. Involvement in the other land management schemes is similar between the 2 groups.

19 (22%) of the producers have introduced traditional breeds or old varieties, the majority (15) being involved in the local food sector.

The few producers (5) who have bought derelict land into production are all involved in the local food sector.

25% of organisations and businesses involved in the local food sector are involved in waste reduction practices compared with only a few (5) who are outside the local food sector.

These results imply a strong link between the local food sector and organic production, traditional breeds/varieties and waste reduction practices.

5a) Any paid workers?

	Involved in LFS Base: 89		Not involved in LFS Base: 40	
Yes	85	96%	36	90%
No	3	3%	1	3%
Don't know	1	1%	3	8%
TOTAL	89	100%	40	100%

There is little apparent difference in the average number of paid workers per business between the 2 groups.

5b) Any volunteers?

Yes	21	24%	4	10%
No	64	72%	33	83%
Don't know	4	4%	3	8%
TOTAL	89	100%	40	100%

The local food sector provides significantly greater opportunity for involvement by local people in local food production.

5c) Any jobs created due to involvement in local food sector?

Yes	18	20%	0	0%
No	63	71%	37	93%
Don't know	8	9%	3	8%
TOTAL	89	100%	40	100%

The following jobs were created by the 18 businesses due to involvement in the local food sector:

	Total number of jobs created	Average number of jobs created/business
Full-time	37	2.1
Part-time	35	1.9
Casual/seasonal	28	1.6

5d) Has the overall number of people working (paid) changed over last 12 months?

Increased	23	26%	3	8%
No change	51	57%	25	63%
Decreased	13	15%	9	23%
No reply	2	2%	3	8%
TOTAL	89	100%	40	100%

Of those businesses involved in the local food sector, a fifth have created jobs due to their involvement. About a quarter have increased the number of jobs over the last 12 months compared to only a few of the businesses not involved in the local food sector, of which a greater proportion experienced a loss of jobs (5d).

5f) Have you or your staff received training in:

Food production	28	31%	7	18%
Processing	12	13%	3	8%
Distribution	1	1%	1	3%

Purchasing	3	3%	1	3%
Sales	11	12%	2	5%
None	43	48%	29	73%
No reply	6	7%	1	3%

The most popular type of training is in food production. Significantly more businesses involved in the local food sector have received some form of training.

6b) Has your organisation entered into any collaborative venture/co-operation for any of the following?

	Involved in LFS		**Not involved in LFS**	
	Base: 89		Base: 40	
Food production	6	7%	2	5%
Processing	5	6%	3	8%
Distribution	8	9%	2	5%
Purchasing	6	7%	4	10%
Sales	9	10%	8	20%
None	59	66%	22	55%
No reply	7	8%	5	13%

6c) What % of your total sales is through direct contact with your customers?

% of total sales	**Involved in LFS**		**Not involved in LFS**	
	Base: 89		Base: 40	
NONE	15	17%	18	45%
1-9%	7	8%	2	5%
10-19%	4	4%	0	0%
20-29%	2	2%	1	3%
30-39%	1	1%	0	0%
40-49%	1	1%	1	3%
50-59%	3	3%	1	3%
60-69%	3	3%	0	0%
70-79%	3	3%	1	3%
80-89%	6	7%	0	0%
90-99%	11	12%	0	0%
100%	25	28%	8	20%
No reply	8	9%	8	20%
TOTAL	89	100%	40	100%

6d) Do you provide any information to customers/members about the health benefits of eating fresh food?

Yes	31	35%	5	13%
No, but plan to do so in the near future	6	7%	0	0%
No	44	49%	26	65%
No reply	8	9%	9	23%
TOTAL	89	100%	40	100%

Those involved in the local food sector have a greater degree of contact with their customers; over three-quarters sell at least some of their produce direct, with over a quarter selling 100% of their produce direct. There is also more likelihood of information being provided to customers/members about the health benefits of eating fresh food.

6e) Do you believe your involvement in the supply of local food has improved access for the local community to fresh produce?

	Involved in LFS Base: 89	
Significantly improved	19	21%
Slightly improved	31	35%
No change	14	16%
Don't know	14	16%
Not involved	7	8%
[No reply]	4	4%
TOTAL	89	100%

Encouraging to find that over 50% of businesses believe that their involvement in the local food sector has improved access to fresh produce for the local community.