



A Guide for

Community Food Enterprises in the West



Acknowledgements

The guide was written and developed by Tara Kelly from Cultivating Community. It was developed by Cultivating Community with the input and support from several people and organisations, in particular:

Annette Brown from Braybrook Community Centre
Annie Grant from Hobsons Bay City Council
Neesh Wray
Pam Morgan from Maribyrnong City Council
Ruta Kanepe from Melton Shire Council
Russell Shields from SecondBite
Sharee Grinter from Grasslands

This guide was completed with funding from the Victorian Government's Department of Planning and Community Development.

March 2011

©2011

All right reserved: No part of this publication may be reproduced in any form without permission of the copyright owners. Enquiries requiring permissions should be directed to info@cultivatingcommunity.org.au



PO Box 8 Abbotsford VIC 3067

Office: 03 9429 3084

Fax: 03 9427 9762

info@cultivatingcommunity.org.au

www.cultivatingcommunity.org.au

Contents

Background	1
Purpose of Guide	2
Role of Community Food Enterprises	3
What is a Community Food Enterprise?	4
Types of Community Food Enterprise	5
Box schemes/buying groups	5
Community food stalls	6
Mobile food outlets	7
Community shops	8
Community markets.....	9
Planning for your Community Food Enterprise	10
Researching your Market.....	11
Market analysis	11
Market environment.....	12
Marketing Plan	14
Health eating initiatives	15
Operational Planning	16
Staff and volunteers.....	16
Training	16
Management.....	18
Legal structure	18
Permits	19
Insurance.....	20
Premises.....	20
Equipment.....	21
Produce	22
Growers/farmers.....	23
Wholesale produce markets	24
Wholesale suppliers	25
Retailers	25
Food re-distribution organisations	25
Other community food enterprises	26
Local food growing projects and backyard growers	27
Quality control	28
Waste	28
Financial Planning	30
Start-up costs	30
Ongoing costs.....	30
Income	30
Financial position	31
Financial management.....	32
Funding opportunities.....	32
Risk Analysis	34
Other Useful Websites and Resources	35

Background

While there are many different definitions of community food enterprises, for the purpose of this guide they are understood to be small scale, largely volunteer-run, not for profit initiatives that aim to provide access to 'good food' (healthy and sustainable) to communities and groups of people at risk of food insecurity. These initiatives come in many forms including box schemes/buying groups, community market stalls, mobile food outlets, community shops and community markets.

In 2009 Cultivating Community auspiced the completion of a feasibility study titled 'Western Region Production and Distribution Enterprise Feasibility Study' with funding from the Department of Planning and Community Development. The study explored the viability of a establishing a community food enterprise in the western metropolitan region of Melbourne that would produce food and distribute it to low-income communities through a number of community food outlets. The feasibility study found that while the production of food in the short-term was not viable that it was viable for Cultivating Community to auspice a number of community food outlets which would require financial subsidisation. Subsequently Cultivating Community undertook a pilot project in the Shire of Melton to trial a range of community enterprise models in the Shire of Melton's small townships to help improve community access to fresh fruit and vegetables. The outcomes of this pilot project identified that in order to be successful community food enterprises needed to be *run* by the local community *for* the local community and in addition identified the limited capacity of Cultivating Community to auspice these outlets. As result the next phase of the 'Western Region Production and Distribution Enterprise' project was reconfigured to focus on supporting communities and organisations in the western metropolitan region of Melbourne interested in establishing a community food enterprise, including the development of this guide.

Community food enterprises have developed as an important tool in addressing the lack of accessibility of healthy food choices in certain communities and for certain groups within our communities. A range of different models of community food enterprises have developed across Melbourne, Australia and the globe. As community food enterprises generally operate in communities where there has been a market failure in providing fresh fruit and vegetables they generally cannot operate viably in the same manner as a mainstream business. Therefore they rely on volunteer commitment and skills and access to local resources for their operation. However, these micro-enterprises can make a significant impact on the local communities in which they operate and produce a range of social, environmental and economic benefits.

The need for improved access to healthy foods, in particular fresh fruit and vegetables, in the western metropolitan region of Melbourne was recognised by VicHealth through its Food for All Program. The local councils of Maribyrnong, Melton and Brimbank all hosted Food for All Projects which aimed to improve access to healthy foods and reduce the high levels of food insecurity in these areas. More recently Hobsons Bay City Council has run a short-term project to address food security in this municipality.

Purpose of Guide

This guide is aimed at people, groups or organisations who are interested in establishing a community food enterprise or supporting the establishment of a community food enterprise in the western metropolitan region of Melbourne (with a particular focus on the local government areas of Hobsons Bay, Maribyrnong and Melton). However, much of the information is relevant to anyone looking to establish a community food enterprise.

The purpose of this guide is to provide an understanding of community food enterprises, an overview of the main types that exist (illustrated with local, Australian and international examples), the planning and resources required to establish a community food enterprise, and the supports and resources available to support the development of community food enterprises in the West.

It was recognised that there is already a broad range of information, tools, resources and knowledge available locally and internationally. So rather than developing similar resources, this guide points towards existing resources and tools which can be readily utilised.



Role of Community Food Enterprises

Vision:

The vision of community food enterprises is for a fair, secure and resilient food future for all.

Mission:

The mission of community food enterprise is to increase access to affordable, culturally appropriate and sustainable food (in particular fresh fruit and vegetables) amongst communities and groups at risk of food insecurity. At the same time creating opportunities for training and employment and building greater community participation, inclusion and engagement.

Values:

The values that inform community food enterprises include:

- Community empowerment.
- Equity.
- Inclusiveness.
- Localised decision-making.
- Care for the environment.

Reasons for establishing a community food enterprise

There are a range of reasons that a community may be in need of increased access to affordable, good food. Some common reasons are:

- There are no shops selling food in the area, these are sometimes called 'food deserts'.
- Local shops have a limited range, expensive or poor quality food.
- Local shops do not offer the types of food desired by the community i.e. organic, local or cultural foods.
- There are poor public transport links to places where affordable 'good food' can be purchased.
- To service people with limited mobility, such as older people or people with a disability, that have difficulty getting out to do food shopping.

Benefits of community food enterprises

While in general the main reason for establishing a community food enterprise is to increase access to affordable healthy food choices, there are a whole range of other benefits which may be generated including:

- Opportunities for people to learn about healthy eating.
- Opportunities for volunteers to develop new skills and work experience and possibly help them get paid employment.
- Opportunities to engage the local community in other activities, particularly hard to reach groups.
- Opportunities for local people to meet up and make new friends.
- Making it easier for people to do their food shopping by foot or bike.
- Keeps money circulating in the local economy by ensuring residents can do their shopping locally.
- Supporting local producers/growers or smaller more ethical suppliers.
- Revitalising neighbourhoods.
- Access to affordable food for community food education and cooking classes.

What is a Community Food Enterprise?

There many different types and variations of community food enterprises. However, the common elements of community food enterprises are they:

- Are run by the community for the community.
- Aim to provide produce at affordable prices.
- Are run on a not-for-profit basis.
- Generally rely on the support of volunteers, both in the day-to-day operations and the management committee.

Community food enterprises vary in what, when, how and where they sell food, depending on the needs of the community they serve.

What

Many community food enterprises focus on selling fresh fruit and vegetables. However, others sell bulk dry goods, pre-packaged foods, eggs, meat and dairy products. Some community food enterprises are committed to providing local, organic or fair-trade produce where possible while others just offer conventional produce. Community food enterprises will also vary in the varieties of the food they sell in order to meet the needs and tastes of their target group/community. For example young families many have different needs/preferences to older people and people from different ethnic backgrounds may have different food preferences.

When

As most community food enterprises are small scale and rely on volunteers they do not operate every day of the week. Many operate on a weekly basis, as this ensures that they can be relied upon as a regular source of food. However, others operate across a number of days and different hours per week to meet the needs of a range of different groups within the community i.e. workers, parents, older people. Some also operate on a monthly basis but it must be considered how this affects the ability of the community food enterprise to become a regular source of food for the community.

How

Some community food enterprises allow customers to select the exact quantities and types of food they want, while others offer pre-packaged boxes/bags of food. Some require pre-ordering and pre-payment, while others take payment on the day. Some community food enterprises deliver their food to customers, while others require customers to come and pick up their food.

Where

Community food enterprises generally operate out of premises that are convenient and accessible to the community and available to be used for little or no cost. This includes neighbourhood houses, community centres, schools and churches. They may operate out of temporary, permanent or mobile premises depending on the type of community food enterprise.

Types of Community Food Enterprise

Box schemes/buying groups

Box schemes or buying groups (sometimes known as food co-ops) are a simple and common form of community food enterprise. They commonly offer fresh fruit and vegetables but may also offer bulk food goods that can be bought in bulk. Generally customers/members will receive a box/bag of selection of fruit and vegetables and possibly other goods. Customers usually do not have a say on exactly what they want in their box/bag but will receive a selection of seasonal and best value produce. They generally offer boxes/bags on a weekly basis that must be pre-ordered and pre-paid. They operate out of spaces that can be used temporarily to pack boxes/bags such as churches, community halls but may also operate out of members' homes. Some box schemes/buying groups require customers to pick up their produce from a fixed location while others will deliver to people's homes.

One of the key advantages of box schemes/buying groups is that as orders are pre-ordered and paid for only the food required is purchased which means there is little to no waste. The operation and financial management of this type of enterprise is generally fairly simple as there is no requirement for individual weighing and pricing of food items, and prices to the customer are fixed. A disadvantage is that customers don't get to choose the exact quantities and types of food they want. The variety offered in the boxes/bags may be limited as the items must cater for the majority of the customers' tastes.

Case Study: Toolern Vale Food Co-op

The Toolern Vale Food Co-op operates out of Toolern Vale and District Primary School in Melbourne's semi-rural outer west. A need for better access to affordable fresh fruit and vegetables was identified in this small township as it is 8 kilometres from the nearest fresh fruit and vegetable outlet in Melton and lacks any public transport options. The food co-op has about 25 members and is mainly made up of parents from the school. The food co-op offers members a \$25 box of fresh/seasonal fresh fruit and vegetables every Thursday to pick up from the primary school. The produce is bought through a local grower who sources the produce from his own farm, other local growers and the wholesale market in West Melbourne.

For more information about the Toolern Vale Food Co-op contact Anne Beaty via anne.beaty@bigpond.com

Other box schemes/buying groups:

Seddon Organic Collective: Contact Neesh Wray on 03 9314 7713.

Newport Organic Collective: Contact Madeleine Ellis on 0409 712 003.

Braybrook Maidstone Neighbourhood House Food Co-op: Contact Vivienne Conn on 03 9317 5610.

Guides:

How to set up vegetable bag scheme: www.foodvision.gov.uk/document/view/96

Start your own Food Co-op: www.organicfoodcoop.org.au/start_your_own.html

Community food stalls

Community food stalls offer a significant range of seasonal and well-priced fruit and vegetables that meet a variety of customer tastes. They generally operate for a few hours each week out of temporary premises located in a convenient community location such as community centre, hall, community health centre or school. They offer customers the opportunity to select and purchase their fruit and vegetables by weight or by item. The produce is often sourced through a wholesale supplier or through the wholesale markets and generally requires a small mark-up to cover wastage costs.

One of the key advantages of a stall is that customers can choose exactly the types and quantities of produce they want, which will appeal to a larger range of people such as single people or people with unpredictable incomes. A big disadvantage of a stall is that as it is hard to predict exactly how much produce will be sold, therefore there is likely to be unsold produce leftover. The operation and financial management of this type of community food enterprise is more complex as there are additional requirements in terms of equipment, staffing, financial record-keeping and food storage/disposal.

Case Study: Greenwich Community Food Co-op (UK)

Greenwich Community Food Co-op operates six community fruit and vegetable stalls across Greenwich (a borough of London). The areas in which they operate have been identified as being disadvantaged and having poor access to fresh fruit and vegetables. The stalls operate on street-sides in convenient community locations which provide minimum barriers to access. They are generally open for 3-4 hours once or twice a week. The Food Co-op purchases directly from the wholesale market and the produce is then delivered to a shop occupied by the Food Co-op. Here the produce is sorted out and priced to be delivered to each of the stalls. In addition, the Food Co-op makes wholesale sales to community centres, schools and offices throughout Greenwich.

For more information about the Greenwich Community Food Co-op's stalls visit:
www.greenwich-cda.org.uk/gcda/greenwich-community-food-co-op/

Other community food stalls:

Myuna Market: www.casey.vic.gov.au/myunamarket/

Community Food Enterprise (UK) Social Food Outlets:
www.c-f-e.org.uk/pages/content/index.asp?PageID=47

The Community Fruit and Veg Project (UK): www.fruitandveg.org

Good Food Markets (Canada): www.foodshare.net/animators02.htm

Guides:

How to...set up and run a volunteer led community fruit and vegetable stall:

www.foodvision.gov.uk/document/view/98

Mobile food outlets

Mobile food outlets generally operate in a similar way to community food stalls in that they offer a range of fresh fruit and vegetables from which customers can choose the types and quantities they want to purchase. The difference is that they usually operate out of a specially fitted out vehicle which customers walk on to do their shopping. This allows the vehicle to stop and serve customers for an hour or so at a number of different community locations in a day.

A key advantage of mobile food outlets is that it can service a number of different locations and communities fairly easily as there is limited setting up and packing up required in each location. The main disadvantage is obtaining the funding to buy and fit out a vehicle. There are also significant ongoing running costs such as to cover fuel, registration and insurance. To ensure the reliability and consistency of this type of service paid drivers may be required.

Case Study: Community Food Enterprise (UK) Mobile Social Food Outlet

Community Food Enterprise's Mobile Social Food Outlet is a truck which has been custom-built to include a serving counter, refrigerator unit and facilities for hand washing. It stops at strategic locations across East London to allow customers to board the vehicle and select from a broad range of affordable fresh fruit and vegetables. It visits about 17 locations once a week, stopping for about an hour at each location.

The Mobile Social Food Outlet visits disadvantaged areas in East London where there is poor access to fresh, good quality and affordable fruit and vegetables. It particularly tries to target older people, people who are isolated or homebound and families with young children.

For more information about the Community Food Enterprise's Mobile Social Food Outlet visit: www.c-f-e.org.uk

Other mobile food outlets:

Herbie- Your Local Greengrocer (UK): www.merci.org.uk/herbie

The Veg Van (UK): www.vegvan.org.uk

The Veggie Mobile (US): theveggiemobile.blogspot.com

Guides:

Mobile Fruit and Vegetable Vans:

www.sustainweb.org/pdf2/Mobile_Fruit_and_Vegetable_Vans_-_NW_Food_Health_Task_Force.pdf

Community shops

Community shops usually operate out of permanent premises, that attract low or no rent costs. These permanent premises provide the space and convenience to sell and store a broader range of food products in addition to fresh fruit and vegetables, as well as other basic household cleaning and personal hygiene products. It also means they can operate more regularly than other community food enterprises, usually a number of days a week. However, community shops that rely largely on a volunteer workforce may only be able to open for a few hours on selected days.

The main advantage of a shop is that it allows for a larger range of food to be offered as all the food does not have to be sold in one day. It can also be open for more extended hours that will better meet the needs of a broader range of customers. The disadvantage of this type of operation is it has higher operation costs including rent, utilities and possibly paid staff. It can be also be difficult to secure permanent premises at low or no cost. As a result of these higher costs and staffing requirements many community shops are more commercially focussed and not just about providing low cost food.

Case study: Food 4 Life Market

The Food 4 Life Market is operated by the Salvation Army in the south-west Sydney suburb of Warwick Farm. It operates out of permanent premises at community hub and is open three days a week between 10am-1pm. It offers a range of healthy food items including fresh fruit and vegetables as well as cleaning and personal products. Once Warwick Farm residents are signed up as members of the Food 4 Life Market they are able to shop once a week for a bag of groceries of their choice for \$10. The food and other products sold at the Food 4 Life Market are sourced through Foodbank NSW, through donations from local food business as well as some food purchased at wholesale prices. The Food 4 Life Market employs a paid market manager for 16 hours per week but is mainly staffed by local volunteers who receive accredited training through Liverpool TAFE.

For more information about the Food 4 Life Market contact:

Simon Gregory

The Salvation Army- Greater Liverpool

02 8798 5928

simon.gregory@aue.salvationarmy.org

Other community shops:

Vinnies Budget Groceries: vinnies.org.au/vinnies-budget-groceries-vic

Playford Community Food Co-ops: www.playford.sa.gov.au/site/page.cfm?u=551

Twin Rivers Food Co-op: www.twinrivers.org.au/food-co-operative/

Guides:

Unicorn Grocery: Grow a Grocery Guide: www.unicorn-grocery.co.uk/grow-a-grocery.php

Community markets

Community markets operate with a variety of stalls which offer many different types of food for customers to select from including fruit and vegetables, processed foods and potentially other non-food products. As community markets are usually larger and require more organisation than other types of community food enterprise they generally operate on a less regular basis, often once a month. Because of their size they also usually operate out of larger community venues or outdoor spaces such as sports fields.

A key advantage of markets is that can offer a broad range of goods that customers might want to buy and cater for a broad range of tastes. Markets can also offer more of a 'day-out' experience by offering entertainment such as music, coffee and takeaway food. Some of the disadvantages are they require a lot of organisation as well as a large venue which may be hard to secure at low or no cost. As they are generally run on a less frequent basis they are less likely to provide a regular source of food as most people shop for food on a weekly basis.

Case study: Greenmarket Farmers Markets (New York City)

Greenmarket Farmers Markets were established in 1976 by Grow NYC, a not-for-profit environmental organisation to support small, local growers and to ensure all New Yorkers had access to healthy locally grown food. It now operates over 50 weekly farmers markets across New York City including in low income areas such as the Bronx. The markets offer a range fresh fruit and vegetables, meat, dairy, seafood and baked goods provided by a range of local producers. Greenmarket works to ensure low income New Yorkers can also access this food by accepting and encouraging the use a range of food vouchers as well other government nutrition support programs.

For more information on Greenmarket visit: www.grownyc.org/greenmarket

Other community markets:

Melbourne Community Farmers' Markets: www.mfm.com.au

True Food Community Co-op Markets: www.truefood.coop/markets

Guides:

Farmers' Market Toolkit:

www.asfm.org.au/fileadmin/user_upload/docs/farmersmarkettoolkit.pdf

Planning for your Community Food Enterprise

Even if you are setting up a very basic and small community food enterprise it is important to undertake some level of planning prior to establishing your enterprise. Some the key areas of planning are:

- Vision, mission, values: What are trying to do and what values will your community food enterprise be guided by?
- Market analysis: Who is your target group? What are their needs, tastes, needs and preferences? Who are your competitors?
- Marketing plan: How will your community food enterprise meet the needs of your target group? How will let your target group know about the community food enterprise?
- Staffing: What roles are required to operate your community food enterprise? Will these roles be paid or voluntary? What training will they require?
- Management: How will you make decisions about the enterprise? Who will make decisions about the enterprise?
- Legal structure: Who will be legally responsible for the enterprise? What is an appropriate legal structure for the enterprise?
- Permits/insurance: What permits do you require for the operation of your enterprise? Do you require insurance, and if so what type is required?
- Equipment/premises: What type of premises and equipment do you need for the operation of your community food enterprise?
- Produce: Where and how are you going to source the produce required for your community food enterprise? How will ensure the quality of produce and deal with waste?
- Financial projections: What are your estimated start-up costs? What are estimated ongoing costs? What is your estimated income from sales? What is your other income? Will you break even or make a profit or loss?
- Financial management: How will you manage the finances of your community food enterprise to manage risk and ensure it is financial sustainable?
- Risk analysis: What are the potential risks associated with your community food enterprise? How will you mitigate these risks?

If you are planning to establish a larger or more complicated community food enterprise or are seeking significant amounts of funding or investment it would be worthwhile to develop a more formal business plan. The plan will describe your community food enterprise, how it will operate and how you will appropriately manage the finances. The process of developing a business plan will help you to develop your ideas as well provide basis for monitoring the performance of your enterprise. For more information on developing a business plan you can check out the Community Enterprise Workbook:

www.socialtraders.com.au/sites/www.socialtraders.com.au/files/CEDI_WORKBOOK.pdf

Researching your Market

Market analysis

An important part of planning for a community food enterprise is to identify your target group/s and to identify their needs, tastes and preferences when it comes to buying food. This will help you identify if there will be a demand for your community food enterprise and will save you from investing time and resources into a community food enterprise that no-one will use.

The general target group for many community food enterprises are communities or people at higher risk of food insecurity. Communities that generally face a higher risk of food insecurity often have a large number of people on low incomes, lack local outlets for fresh food (sometimes called 'food deserts') and have poor local public transport connections. In general the types of people most likely to face food insecurity are:

- People on low incomes
- People who are unemployed or have limited education
- People with a disability
- People from non-English speaking backgrounds
- Frail elderly people
- People from indigenous backgrounds
- People experiencing homelessness
- People with chronic health issues such as mental illness

Once you have decided on the specific target group/s for your community food enterprise it is important to develop a good understanding of the factors that influence their food buying habits. You may have a general idea about these factors. You will also find that price and quality are generally the two most important factors that affect where people choose to buy their food, regardless of their socio-economic status. However, it is a good idea to gather more specific information and this can be done through a needs analysis/market research. This may include:

- Looking at local statistics for the area you are targeting.
- Surveying all, or a sample, of your target group/s.
- Mapping the local food outlets.

Looking at local statistics will give you general information on the types of people who live in the area you are targeting (i.e. age, household size, household income, work status) and factors affecting their buying habits such as car ownership and average weekly spending on groceries. Useful sources of statistics include:

Community Indicators Victoria: www.communityindicators.net.au

Australian Bureau of Statistics: www.abs.gov.au

Surveying of your target group/s will help you to gather more specific information but can be quite time-consuming. You will need to think about how many people you have to survey and the most appropriate way to survey them i.e. questionnaires, informal conversations or focus groups. While the questions you will ask will depend on the type of community food enterprise you are likely to want to ask questions about:

- What types and quantities of food would they like to buy?
- How much are they willing/able to pay for food?
- Where do they currently buy their food?
- What days and times are convenient for them to buy food?

- What mode of transport do they use to buy food?

When analysing the information collected through surveying it is important to keep in mind that there is a tendency for people being surveyed to want to show their support for your initiative. However, when it comes to the crunch if the community food enterprise does not meet their needs they are unlikely to use it. A useful tool for developing questionnaires is SurveyMonkey: www.surveymonkey.com

Mapping where people can currently buy their food helps to understand the gaps in food access in the community and to identify any potential competitors of your community food enterprise. This research can be simply done by:

- Asking your potential customers where they currently buy their food?
- Walking around the neighbourhood to identify any existing food outlets in the area.
- Doing a web search of local food outlets.

For more information on Food Mapping visit: www.foodvision.gov.uk

Market environment

Before launching into the operation of a community food enterprise, which is in essence a food retail business, it is important to have an understanding of the industry and the factors affecting its viability.

The fruit and vegetable retail industry consists of businesses that retail fruit and vegetables to the general public as well as businesses who sell to other businesses such as cafes and restaurants. In Victoria, products are generally sourced through the Melbourne Wholesale Markets currently based in West Melbourne but moving to Epping in 2012.

The retail fruit and vegetable industry is dominated by the two biggest retailers in Australia, Coles and Woolworths. Small retail shops and green grocers continue to lose market share to these two large retailers. While there has been a growth in farmers' markets in Victoria in the last few years their success has mainly been limited to inner-city areas where people have relatively high income and are motivated by ethical purchasing. There are many reasons why the majority of Australians buy their groceries from supermarkets including convenience, competitive pricing, effective marketing campaigns, and loyalty/rewards programs.

The pricing of fruit and vegetables is highly volatile and prices for produce available from the wholesale market can vary from day to day depending on availability and demand for different produce types. Events such as fires, floods and droughts can also have a dramatic effect on fresh produce prices. This means that generally produce prices cannot be guaranteed prior to the day they are purchased.

It is important to research your particular market environment by identifying your competitors and their strengths and weaknesses. This can build on basic food mapping of food outlets by identifying:

- the types of food offered.
- quality of food offered.
- price of food offered.
- opening hours.

This can be completed fairly easily by visiting each of the identified food outlets and recording this key information. You may also want to do a more detailed price comparison

in which you record the price for some key food items in each food outlet. Below is an example of the type of price comparison table you might use:

Price Comparison Table

Name of food outlet:				
Address of food outlet:				
Date:				
Item	Size to look for	Size found	Cost	Quality (high, medium, low)
FRUIT				
Apples	Per kg			
Oranges	Per kg			
Bananas	Per kg			
VEGETABLES				
Onion	1 kg			
Potato	1kg			
Pumpkin	1kg			
Cabbage	Per half cabbage			
Tomato	1 kg			
Lettuce	Per lettuce			
Carrot	1kg			
Total Cost=				

Marketing Plan

It is important that when planning your community food enterprise that you take into account your target market, their needs/preferences, your competitors, and the industry environment/trends. In business planning terms this is known as a marketing plan and it aims to map out how your enterprise will offer the right product, to the right person, at the right price, in the right place and at the right time. In other words you need to ensure your community food enterprise:

- *Provides the right product/service for your target market.*

Are you offering the types and varieties of food they want? Do they want local or organic produce or just conventional? Are they happy to receive a set box of food or do they want to select the types and quantities? Do different target groups want different products/services? While you want to try and deliver a product/or service that meets the needs of most of your target market, you also need to consider the effect on the operations of your enterprise and whether it is viable or sustainable.

- *Offers your product/service through means that is accessible to your target market.*

Is the location of your enterprise accessible to your target market? Have you taken into account people with a disability, older people, people who rely on public transport and parents with prams? Will the days and hours of operation meet their needs? Do you need to offer home delivery? Do they prefer to order on-line or over the phone?

- *Offers your product/service at a price your target market is willing or able to pay.*

Can you offer your product/service at a price your target market can afford? Are you price-competitive with other food outlets? Are there any ways you can reduce costs to make your prices more affordable to your target market?

- *Promotes your product/service through means that will reach your target market.*

How will you reach your target customers and let them know about what you have to offer them? When people think about promotion they often think about fliers, newspaper ads and signs. While these are types of promotion there are many more and you will need to choose the ones that are most appropriate for your target group. For example using newspaper ads won't be effective if your target group has low levels of literacy. Some examples of other ways you might want to reach your target group/s include:

- Referrals from local GPs, community dieticians, community health services, emergency food relief providers and HACC services (people or organisations that may come in contact with people at risk of food insecurity).
- Word of mouth via existing customers.
- Vouchers provided by emergency food relief providers.
- Promotional materials such as fliers, newspaper ads, local newsletters.

Health eating initiatives

Community food enterprises provide a key benefit of bringing community members together around food. Therefore they provide important opportunities to link community members to other healthy eating initiatives. In this manner it is possible to address other barriers to healthy eating such as lack of familiarity and knowledge of fresh foods, skills and knowledge of food preparation and cooking, and access to equipment for cooking fresh food. In return these initiatives may help to promote your community food enterprise. Initiatives that could be linked to your community food enterprise include:

- Running food tasting sessions for people to try unfamiliar foods and encourage people to eat a broader variety of foods. Your local community health service may be able to assist with running these sessions (see contact details below).
- Providing recipe cards of simple, healthy and low cost meals that customers can prepare using the food they receive through your community food enterprise. You can access a range of healthy recipes from your local community health service or from the following websites:
www.betterhealth.vic.gov.au
www.goforyourlife.vic.gov.au
www.marketfresh.com.au
- Running cooking demonstrations that allow people to engage in the preparation and tasting of healthy meals. Again your local community health service may be able to help in running these demonstrations.
- Linking to or establishing a community kitchen where people can come together to socialise and cook affordable and nutritious meals. This can be a good way of providing an opportunity for those involved in your community food enterprise to use their produce to make fresh and healthy meals. To find out more about community kitchens or to find a community kitchen in your local area visit:
www.communitykitchens.org.au
- Running home-growing demonstrations to encourage and support people to grow their own food which can reduce their food costs. To find out more about the existing food growing projects in the West visit Permaculture Out West:
www.pow.org.au
- Running workshops on food storage and preserving which will assist people to make the most of their fresh produce and to reduce waste. Again this something Permaculture Out West may be able to assist with.

Community Health Services:

Djerriwarrh Health Services (Bacchus Marsh & Melton)

djhs.com.au/contact-us.html

Western Region Health Centre (mainly City of Maribyrnong)

www.wrhc.com.au

Isis Primary Care (Cities of Hobsons Bay, Brimbank and Wyndham)

www.isispc.com.au

Operational Planning

Staff and volunteers

Most community food enterprises largely rely on volunteer labour to operate. However, depending on the type and size of enterprise as well as the skills and capacity of local volunteers you may need to consider whether the enterprise requires the support of paid staff. Some roles such as a delivery driver may need the skills and reliability of a paid worker rather than a volunteer. This paid staff support could either be through the existing staff in an auspicing agency or a paid staff member/members specifically employed to operate the community food enterprise. This obviously has cost implications and consideration needs to be made of how to fund paid staff. External funding from government or philanthropic organisations is often not available for existing or ongoing projects and often is not for employment of staff. As a result of this unreliability of external funding some community food enterprises seek to generate their own income by having an arm of their enterprise that generates a profit to support their ongoing operations (see Financial Planning section).

Whether you decide to use volunteers or paid staff to operate your community enterprise it is important to have clear roles and responsibilities, appropriate OH&S policies and procedures and appropriate support in place in order to ensure that staff/volunteers can perform the role appropriately. This means identifying the key positions within the community food enterprise; the tasks to be performed by these positions; hours of work; the skills, knowledge, experience required; and any training required to perform the role. Once this has been clearly identified and outlined in a position description it is important to ensure the right person is recruited to the position. Even if it is a volunteer position it is important to have a good recruitment process. This means advertising the roles as widely as possible and having some kind of interview process. This interview process does not have to be formal but should make clear to the potential candidates what is involved in the role and what is expected of them. It also provides an opportunity for you to work out whether the person will be suitable and whether they are interested in the position. Once someone has been recruited to a position it is important to have a clear induction process that ensures that the new volunteer or staff member has a clear understanding of policies and procedures, health and safety and food safety, as well as being given appropriate training and support (see Training section).

For more information and resources on developing recruiting, managing and supporting volunteers visit Volunteering Australia's website. This website contains a range of useful information, tools and templates related to volunteers including templates for volunteer position descriptions and incident forms: www.volunteeringaustralia.org

Training

While the operation of a community food enterprise does not require a high level of skill it is important to identify what training (informal or formal) that staff or volunteers may require to perform their roles within the community food enterprise. The types of training you may want to provide volunteers and staff with include:

- food safety training
- occupational health and safety
- money handling
- customer service

- fresh produce knowledge (seasonality, quality control, appropriate storage)

Many community food enterprises offer volunteers informal, on the job training. However it may be identified that off-the-job, formal or accredited training is required. This might be particularly the case if it is identified that a key objective of the community food enterprise is to provide opportunities for skills development and pathways to employment. If you are trying to provide pathways to employment it may be worth exploring opportunities for providing accredited training to staff/volunteers which may help them in gaining mainstream employment.

A range of community organisations and neighbourhood houses can offer accredited training. Some of the possible training organisations include:

Hobsons Bay City Council Community Training Program offers free training to local volunteers and community groups. The kinds topics of training offered includes writing submissions, funding, recruiting volunteers, getting good publicity, risk management, event management, incorporation, food safety, project evaluation and business planning. For more information contact Council's Neighbourhood Development Officer on 03 9932 1002.

Westgate Community Initiatives Group Inc. (WCIG) in Footscray offers accredited training in retail operations and transport and logistics (warehousing). For more information call 03 9689 3437 or visit www.wcig.org.au

Djerriwarrh Employment and Education Services offers accredited training in retail operations. For more information call 03 8746 1000 or visit www.djerriwarrh.org.au

Community West in Deer Park offers language, literacy and numeracy training with some elements of food safety. For more information call 03 9363 1811 or visit www.communitywest.org.au

Victoria University offers food safety, business administration, occupational health and safety, transport and logistics, and retail training. For more information call 03 9919 6100 or visit www.vu.edu.au

Volunteer West offers a range of training to volunteers and community groups in western metropolitan region of Melbourne. For more information call 03 9398 1233 or visit volunteerwest.wordpress.com

Community Centres and Neighbourhood Houses offer a range of training which may be relevant to your community food enterprise.

To find community centre in Maribyrnong visit:

www.maribyrnong.vic.gov.au/Page/Page.asp?Page_Id=533&h=-1&p=1

To find a community centre in Hobsons Bay visit:

www.hobsonsbay.vic.gov.au/Page/page.asp?Page_Id=257&h=1

To find a community centre in Melton visit:

www.melton.vic.gov.au/Page/Page.asp?Page_Id=288&h=0

Management

Whatever the size of your community food enterprise, it is important to be clear who will be responsible for making decisions about the community food enterprise and how these decisions will be made. This includes both day-to-day decision-making to ensure the smooth running of the enterprise as well as longer term, strategic decision-making. Making sure that everyone involved in the community food enterprise is clear about the management and decision-making process will help to avoid any potential conflicts or misunderstandings.

Some smaller community food enterprises such as buying groups may decide that they would prefer to share the management and decision-making roles amongst all the members of the group. However, this will only work if the group is small enough for everyone to have input and that everyone is willing to take responsibility. For larger community food enterprises it may be more appropriate for a manager of the day-to-day operations to be appointed, or for particular management roles to be appointed to different people i.e. financial management, volunteer management.

For the broader, strategic management of the community food enterprise it is common to have a committee of management. This committee will meet regularly to assess the performance of the enterprise and to make decisions on the future of the enterprise. For a small community food enterprise this might include all of those involved in the enterprise. For a larger enterprise it might be a smaller group of appointed or elected committee members. These committee members may come from the membership, the staff/volunteers, partner organisations or key stakeholders of the community food enterprise. It is important to all ensure everyone in the community food enterprise has input into the decision-making of the committee of management. This is either through direct representation on the committee, or through opportunities for feedback/ input into committee decision-making. It is also important that everyone on the committee of management is clear about their roles and responsibilities to avoid confusion or mismanagement.

For more information and resources on committees and boards visit:

www.ourcommunity.com.au/boards/boards_article.jsp?articleId=1297

Legal structure

As community food enterprises are often quite small and utilise largely volunteer labour it is important to carefully think through what type of legal structure will meet your needs without becoming overly burdensome. Some very small community food enterprises such as buying groups decide not to have a legal structure as they do not want the responsibility of and additional cost of incorporating. These very small community food enterprises usually have very little financial risk and do not employ staff.

The main advantage of your community food enterprise having a formal legal structure is that it limits the personal liability of individual members of the community food enterprise. This means if the community food enterprise ever faces any financial difficulties individual members have some level of legal protection. You will also generally require a formal legal structure for the community food enterprise to trade, set-up a bank account or to apply for grant funding.

If you decide you do need a formal legal structure you may decide to set up your community food enterprise under the 'auspice' of existing organisation. This saves the time and cost of setting up a new legal structure it also may mean that you are covered by the existing organisations insurance and policies and procedures. On the down-side it may limit your community food enterprises ability forge its own direction and for the community food enterprises members/volunteers/staff to have direct decision-making power over the enterprise.

If a decision is made for the community food enterprise to set-up its own legal structure, the most simple and common structure is an incorporated association. Incorporated associations are relatively cheap and simple to set-up and may not require you to have audited accounts. For this reason it will generally suit organisations that are relatively small with limited funds and resources. For more information on setting up an incorporated association visit: www.consumer.vic.gov.au

Another less common legal structure you may consider is a co-operative. A co-operative is an organisation that is established to serve its members and is based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. For more information on setting up a co-operative visit: www.consumer.vic.gov.au

For larger community food enterprises you may consider setting up a company limited by guarantee. This legal structure is more costly to set-up and has more ongoing compliance requirements and costs. For more information on setting up a company limited by guarantee visit: www.asic.gov.au

It is recommended that you seek appropriate advice on the most appropriate legal structure to adopt. For general advice on legal structures and to find out how to access more specific advice for your community food enterprise visit: www.pilch.org.au/legalstructure/

Permits

The permit requirements for community food enterprises will depend on the type of community food enterprise (i.e. what type of produce you are selling and where you are selling it) and in what local government area it is operating. The permit requirements may vary slightly from council to council. More local councils are looking at how they apply permit requirements to not-for-profit initiatives such as community food enterprises to ensure that they are supporting, not hindering these valuable enterprises.

Some of the permits you may require include:

- *Food act registration*

You may be required to register under the food act which may require an inspection of the food premises, a food safety plan and food safety supervisor certificate. If you are only selling unprocessed fresh fruit and vegetable you are unlikely to require food act registration. This is because generally they are considered foods that have a low risk of contamination. However, this does not mean you don't have to consider food safety and it is important to put in procedures to reduce the risk of food contamination and ensure all staff/volunteers are aware of these procedures.

- *Road-side trading/event registration*

If your community food enterprise will be operating in a public space in which you may come in contact with the public or affect public amenity you are likely to require a permit. Part of the permit process will be to show that you have put in place actions to ensure the impact on public amenity is limited and you may also be required to have public liability insurance.

To find out exactly what permits you will need it is best to contact your local council and speak to them about what you are doing and what permits apply.

Insurance

When considering whether your community food enterprise requires insurance it is important to firstly identify the potential risks associated with the operation of community food enterprise. Once these risks have been identified you can develop actions to eliminate or reduce these risks. If these risks cannot be totally avoided this is when you may consider insurance for your community food enterprise. You may also be required to have insurance in certain circumstances under law or as part of some funding agreements. Some of the types of insurance you may consider are:

- *Personal injury/volunteer insurance*- covers members and volunteers of your organisation for expenses incurred in the event of accidental injury, disability or death which occurs while working for your organisation.
- *Public liability insurance*- covers against legal liability to pay compensation to third parties or legal costs associated with bodily damage or property damage resulting from your organisation's activities.
- *Workers compensation insurance*- covers costs associated with an employee being injured at work.
- *Motor vehicle insurance*- covers costs associated with theft and damage of vehicles and third-party vehicles.
- *Building/contents insurance*- covers theft or damage to building or equipment owned by your organisation.

For more information and advice on insurance visit: www.pilch.org.au/insurance/

Premises

Another important factor in the success of a community food enterprise is selecting appropriate premises from which to operate an enterprise. As has been mentioned it is important to select a location which meets the needs of potential customers, particularly if you are expecting the customers to come to you. However, it is also important that the premises have the space and facilities to operate your community food enterprise effectively. When assessing potential premises it can be useful to develop a check list of your requirements. Some of the requirements you may need to consider when assessing the appropriateness of a potential premises are:

- Enough space to lay out all your produce on a stall, or to pack bags/boxes.
- Access to sufficient tables and chairs.
- Easy access for suppliers to deliver
- Access to toilets and hand-washing facilities.
- Access to kitchen facilities for cutting up produce.
- Secure storage area for equipment.

- Refrigerator or cool room space for storage of produce.
- Access to recycling, composting or other waste disposal facilities.
- Access to electrical points to plug in scales or cash register.
- Access to a computer, printer and a photocopier.

Equipment

Most community food enterprises have limited equipment requirements. The equipment you will require will also depend on the type of community food enterprise you choose to establish. In general you will require more equipment for a community food enterprise where customers can select and pay for their produce on the day (i.e. market stall, market or shop) compared to an enterprise where customers pre-pay and pick up produce (i.e. box scheme). For example if you are selling produce to customer by weight as with a market stall you will require trade approved scales and equipment to calculate prices and take money (either a cash register or calculator and cash box).

Some the substantial types of equipment you may require and approximate costs are listed below:

Equipment	Approximate cost
Trade approved scales	\$200-\$1,000 each
Cash register	\$200-\$500 each
Cash box	\$10-\$30 each
Plastic crates/boxes	\$20-\$30 each
Shopping baskets	\$10-\$12 each
Trestle tables	\$40-\$60 each
Portable shade cover	\$100-\$1000 each
Fridge or cool room	\$500-\$1000 New fridge \$100-\$200 Second-hand fridge \$5,000- \$10,000 Cool room
Hand truck	\$50-\$100 each
Banners	\$200-\$400 each
Delivery or mobile food outlet vehicle	\$30,000- \$80,000

Other general equipment/materials you may require include:

- Paper bags/plastic shopping bags
- Display baskets
- Knives/chopping boards
- Cleaning materials
- Calculator
- Price signs or blackboard
- Leaflets and posters

Once you have identified your equipment requirements you will need to work out where you can obtain the equipment and at what price. It is always worthwhile finding out what equipment might be available to use in your local community. You never know what people might have in their cupboards, so ask around through your networks. You may also like to approach local businesses that may be willing to donate equipment or provide it to you at a reduced cost. You may also be able to obtain equipment for free through websites like Freecycle: www.freecycle.org/group/AU

The following equipment may also be available for use by community food enterprises:

Mambourin cool room and trolleys: Mambourin is an Australian Disability Enterprise that recently took over the WestNet site in Braybrook. This site includes equipment and facilities used by the former Braystone Fruit and Vegetable Shop including a large walk-in cool room, hand trolleys and fruit and vegetable shop fit-out. The facilities are not currently being used and may be available for use by a community food enterprise. To find out more contact Rohan Braddy at Mambourin on 03 9731 9203.

WestNet Fruit and Veg Van: The former WestNet Fruit and Vegetable Van is set up as a mobile fruit and vegetable outlet with facilities for display and cool storage of produce. The vehicle has recently been donated to VicRelief Foodbank and may be available for use by community food enterprises operating in the City of Maribyrnong. To find out more contact Dave McNamara at VicRelief Foodbank on 03 9362 8300.

Melton Veg Out Trailer: Melton Shire Council owns an enclosed, refrigerated trailer that may be able to be used by community food enterprises operating in the municipality. To find out more contact Lynette Green at Melton Shire Council on 03 9747 7364.



Produce

The key to a successful community food enterprise is providing good quality food at an affordable price. This means that it is very important to secure a reliable, good quality and well-priced food supply arrangement. This can often be a struggle for small community food enterprises and requires a lot of research and negotiation. As many community food enterprises focus on offering fresh fruit and vegetables this section focuses on fresh produce. The following are some of fresh produce supply options.

Growers/farmers

There is an increasing interest in sourcing produce directly from local growers and farmers as a way of reducing food miles and supporting these farmers. It also has the advantage of guaranteed freshness of produce as it has not had to travel long distances. However, the downside of sourcing produce directly from farmers is that you are unlikely to get a large range of produce from one farmer as generally they only grow a small range of fruit and vegetables. Some community food enterprises have dealt with the issue by buying from a farmer who not only supplies produce from their own farm but from other local growers and from the wholesale markets. In addition many farmers, particularly large producers, will not find supplying a community food enterprise a commercially attractive proposition. This is because small amounts that a community food enterprise is likely to purchase is not worth the associated administrative and delivery costs.

It may be difficult to get in contact with a farmer but there are few ways you can try:

- Visit farmers' markets and speak to the stall holders.
- Visit farms or their road-side trading outlets in your local growing region.
- Conduct a web search of local growers or visit a website that lists growers.

Farmers' markets:

There are a number of farmers in the western metropolitan region of Melbourne which you could visit including:

Sunbury Farmers Market

2nd Saturday of the month

The Gatehouse Café, 1 Macedon Street, Sunbury

www.inseasonmarkets.com.au/Sunbury-Farmers-Market.html

Spotswood Farmers Market

1st Saturday of the month

Spotswood Primary School, Melbourne Road, Spotswood

www.inseasonmarkets.com.au/Spotswood-Farmers-Market.html

Yarraville Farmers Market

4th Saturday of the month

Yarraville Gardens, Corner Hyde Street and Somerville Road, Yarraville

www.farmersmarket.net.au

Williamstown Farmers Market

2nd Sunday of the month

Robertson Reserve, Corner Cole and Hanmer Streets, Williamstown

www.rfm.net.au/market_detail.php?market_id=46

Growing regions:

If you want to visit farms directly the two closest major growing regions in the western metropolitan region of Melbourne are Bacchus Marsh and Werribee South. In Bacchus Marsh, the Avenue of Honour (just off the Western Freeway) in particular offers a number of fruit and vegetable stalls offering fresh fruit and vegetables from local farms. In Werribee South it may be a little harder to visit farmers directly as most of the growers in this region are focussed on supplying the supermarkets and wholesale markets.

Websites:

There are a few websites that may list farmers who will potentially supply to your community food enterprise:

Growing Moorabool is a website set up to promote the local produce and food offered in the Shire of Moorabool (including Bacchus March) and lists a range of local growers:

www.growingmoorabool.com.au

Farm Gateway is a website where you can discover the world of eating locally and ethically while hearing about the people who grow and raise your food. They plan to list farmers who are interested in supplying produce directly to consumers in future: www.farmgateway.org

Wholesale produce markets

Another way of purchasing fresh produce directly from farmers as well as a range of other wholesale produce is via a wholesale market. There is only one wholesale market in Victoria for fresh produce, the Melbourne Markets which are located at 542 Footscray Road, West Melbourne. The main advantage with wholesale markets is that they sell a very wide range of produce, so you should be able to get everything you need in one place. As there is wide range of producers and wholesalers the wholesale markets you will also be able to compare all the different produce to get the best quality and price. It is important to remember that prices change daily so you will not know the exact price of produce beforehand. The wholesale markets are a big, busy and intense place. It is useful to initially go with someone who is familiar with how the market operates and can introduce you to stallholders (relationships are key to getting good quality produce at a good price!). In order to access the wholesale markets you will also require an ABN and be registered as a business or incorporation that is related to fresh produce (see details below). It also means you need access to a vehicle in which you can transport the produce and be willing to get up very early in the morning to get to the wholesale markets before they close at 8am.

Accessing the Melbourne Markets:

An access card is needed in order to access the Melbourne Markets. This can be obtained by applying in person at the Melbourne Markets Customer and the following is required:

- A completed application form for Market Users Access Card.

- Certificate of business registration and ABN Register Page. The Business Registration Certificate or Certificate of Incorporation must be for a business relating to the fresh produce or flower industry.
- A current drivers licence, passport or birth certificate.

For more information visit: www.melbournemarkets.com.au

Wholesale suppliers

Another supply option is wholesale produce suppliers that supply largely to the catering and retail trade. The main advantage of a wholesaler, as with wholesale markets, is that they offer a wide range of produce which means you can get most things in one place. Another advantage is they will generally offer free delivery if the drop off point is on their usual delivery route. On the downside, wholesalers will charge a mark-up on produce (that is how they make their money) which will make it harder for the community food enterprise to offer produce at very affordable prices. In addition, you do not have the control over selecting the right quality produce at the right price. You will also find they will generally sell produce as whole boxes (10-20kgs) same as the wholesale markets. You can find wholesale produce suppliers by searching the Yellow Pages.

Retailers

Obtaining produce from a fruit and vegetable retailer is not a common option as community food enterprises are generally looking for the lowest price possible. However some retailers do offer wholesale produce sales on the side or may be willing to negotiate some arrangement. This may offer the advantage of being able to purchase smaller amounts of produce rather than whole boxes. On the downside, even if you are able to negotiate a deal to supply at below retail price the retailer is likely to retain some mark-up.

Food re-distribution organisations

If your community food enterprise is looking to target people disadvantaged people on a very low income price is a major consideration. Therefore you may consider obtaining produce from a food re-distribution organisation that supplies a range of food products to community food programs at no cost or for a small fee. The advantage of this is that it will substantially lower the costs of food for your community food enterprise as well as get access to foods other than fresh produce. However, the disadvantage is that the range, quality and quantities of produce you can obtain may not be guaranteed and can vary from week to week. Therefore you may want to supplement with food purchased through other supply arrangements. The two key organisations in Victoria are:

SecondBite:

SecondBite collects fresh food that would otherwise go to waste and redistributes it to community groups. SecondBite currently redistributes into over 70 tonnes of fresh fruit, vegetables, meat, fish and deli items every month. SecondBite is based in Kensington provides a delivery model of service and may be able to deliver produce to your community food enterprise in the West. It already provides food to many recipient agencies in the West who may also act as a drop off point for your food requirements.

To find out more about SecondBite or to register to receive their fresh produce visit:

www.secondbite.org.au

VicRelief Foodbank:

VicRelief Foodbank is the largest provider of food and material aid within Victoria. It sources, stores and redistributes hundreds of thousands of kilos of food and material aid each year directly to Victorians in crisis. Through partnerships with food business donors they are able to source a mixture of A grade, end-of-line, mislabelled and overrun stock still suitable for consumption.

To access food from VicRelief Foodbank you will need to register with them and be able to pick up food from their warehouse in Yarraville using your own vehicle.

For more information about VicRelief Foodbank and to find out how to register with them, visit: www.vrfb.com.au

Other community food enterprises

Another way of securing a food supply arrangement is to partner with an existing community food enterprise that already has a supply arrangement. This has the advantage of providing support to a like-minded organisation and increasing the buying power of both of the community food enterprises. However, on the downside as these existing food enterprises are fairly limited in their resources they are unlikely to be able to deliver the produce to you. In addition you will find that most of the existing community food enterprises in the West are focussed on supplying organic produce which may not suit your needs. Some of the existing community food enterprises in the West are:

Grasslands:

Grasslands was established in March 1997 as a means of supporting innovative community projects and an *end* in itself by supplying products that are good for the producer, consumer and the environment. It is collectively run by a small group of people and the majority of the work is on an unpaid/volunteer basis. Grasslands provides a grocery delivery service to the inner, western and northern suburbs of Melbourne of seasonal boxes of organic fruit and vegetables as well as a retail shop in Footscray every Thursday. For more information visit:

www.grasslandsorganic.org.au

Western Organic Collective (WOC):

WOC was established in 2001 as a way of people in Melbourne's inner west to get access to affordable, organic fresh fruit and vegetables. For more information contact:

Nick Ray

Ph: 0417 114 492

Seddon Organic Collective (SOC):

SOC was established in 2008 as a spin off to WOC and provides members with a weekly box of fresh organic fruit and vegetables. For more information contact:

Neesh Wray

Ph: 03 9314 7713

Email: neesh@westnet.com.au

Newport Organic Collective (NOC):

NOC offers members the opportunity to purchase a weekly box of fresh, affordable, certified organic fruit, vegetables and bread. As well as regular bulk purchases of dry goods such as organic flours, rices, legumes, pulses, oils and rices. For more information contact:

Madeleine Ellis

Ph: 0409 712 003

Email: noc_3015@hotmail.com

Local food growing projects and backyard growers

An ultra-local way of accessing food for your community food enterprise is to access it through local food growing projects, such as a community garden, or backyard growers. There are an increasing number of community food projects which aim to educate and encourage people to grow their own food. The advantage of this is you know you will be getting ultra-local food and supporting your local community. You are also likely to get the produce at a very good price, for free, or in trade for something else. However, generally the quantities and variety of produce you may be able to access is fairly limited and unlikely to be visually perfect. It is likely that you would use this type of produce supply to supplement your other major supply source.

There are a number of ways to find local backyard growers who may be willing to supply you with their excess produce from their vegetable gardens or fruit trees. This includes advertising locally for expressions of interest from backyard growers, doing a walk around of your local neighbourhood to identify those with fruit trees or vegetable gardens or visiting your local food swap.

Community gardens are becoming more common and there are a number in the Western suburbs including:

- Braybrook Community Garden (141 Churchill Avenue, Braybrook)- Contact Braybrook Community Centre on 03 9334 6600 or braycomm@maribyrnong.vic.gov.au
- Maidstone Community Garden(21 Yardley Street, Maidstone)- Contact Wendy Vine at Maidstone Community Centre on 9317 0747 or wendy.vine@maribyrnong.vic.gov.au
- Melton Men's Shed Community Garden (76 Reserve Road, Melton)- Contact Melton Men's Shed on 03 9971 5106.
- Laverton Community Garden (91 Bladin Street, Laverton)- Contact Val Davis on 03 9369 2105 or ValWes@bigpond.com

There are also a growing number of food swaps where backyard growers come to share and trade their excess produce:

- Western Urban Harvest- first Saturday of every month 10.00-11.30am at Pilgrim Street Park, Seddon. For more information contact Neesh Wray via neesh@westnet.com.au
- Newport Fruit and Vegie Swap- third Sunday of every month 10.00-11.30am at Newport Lakes, Newport. For more information contact Transition Hobsons Bay via transitionhb@gmail.com

- Spotswood Food and Garden Swap- first Saturday of every month 9.30-10.30am at Spotswood Community House, cnr Melbourne Rd & McLister St, Spotswood. For more information contact Newport Organic Collective via noc_3015@hotmail.com

Quality control

Ensuring you offer consistently good quality produce to your customers is key to the success of a community food enterprise, as with any other food business. If a customer receives damaged or rotten food they may never buy from you again and they are likely to tell others about their bad experience. This means that it is very important to ensure that you have good quality control procedures in place and that all your volunteers are aware of these procedures and why they are important. This does not mean that all produce has to be visually perfect like in supermarkets. Many fruit and vegetables with marks and blemishes are perfectly good to eat and you may get them for a cheaper price because of their appearance.

Using the following procedures will help you ensure good quality control:

- Always check the quantity, quality and condition of produce when it is delivered and deal with any poor quality produce on the spot.
- If the supplier delivers any whole boxes of poor quality or damaged produce ask that you not be charged for it or that a replacement box is provided.
- Check through box of produce and remove any bruised, mouldy or over-ripe items (see section on Waste for suggestions on what to do with these items).
- Ensure fruit and vegetables are kept cool and away from sunlight for as long as possible.
- Handle fruit and vegetables as little as possible to avoid damage, in particular produce that is fragile.
- When packing bags or boxes make sure the heavy items such as potatoes and onions are at the bottom and more fragile items such as tomatoes or peaches are at the top.
- If produce is stored ensure that it is in an appropriate environment at the right temperature (remember different types of produce need different types of storage).
- Regularly check stored produce for signs of spoilage and remove any bad items.

For more information on selecting and storing produce, different fresh produce types and seasonality visit: www.marketfresh.com.au

Waste

Even with the best ordering system and proper storage of food your community food enterprise will generate some food waste. Box schemes/buying groups where people pre-order will generate less waste than market stalls or shops where you cannot predict exactly how much you will sell.

As you will inevitably have some waste it is important to work out what you will do with this waste. For produce that is still of a quality for human consumption you may consider donating it to an emergency relief agency or a community kitchen who can use it to prepare meals. If the food waste is not of a quality for human consumption you can arrange for it to be used as animal feed or to be composted. Many community gardens have composting

systems and may be willing to take your food waste. Alternatively, you may have volunteers or local residents who have backyard composting systems.

Try and develop a system which will ensure that no food waste goes to landfill. Food waste going to landfill is a large contributor of the greenhouse gas methane. For more information on how to reduce food waste visit: foodwise.com.au



Financial Planning

As with any organisation or project it is important for a community food enterprise to have a clear idea of what its predicted expenditure and income will be to ensure that it will be able to cover its costs to break even or even make a small profit. It is also important to have a plan to manage and monitor financial performance to ensure that the community food enterprise is achieving its financial goals and to address any issues before it gets into financial difficulty.

Start-up costs

One type of costs your community food enterprise will have is start-up costs. These are the costs before you start operating your enterprise. Simple community food enterprises like buying groups will have limited start-up costs. You will also be able to reduce your start-up costs by borrowing or obtaining donated equipment, negotiating free or low cost permit registration. Some of the start-up costs your community food enterprise may have are:

- Equipment/infrastructure
- Staff time
- Staff/volunteer training
- Promotional materials
- Permits/licenses
- Incorporation/business registration
- Insurance

Ongoing costs

All community food enterprises, however small or volunteer-based, will have ongoing costs. These are costs associated with the ongoing operations of your community food enterprise. Again these costs can be reduced by using low-cost or no-cost premises, using volunteer labour and negotiating a low cost produce supply arrangement. However it is important to consider how this may affect the operation of your community food enterprise. Some of the ongoing costs your community food enterprise may have are:

- Produce
- Paid staff
- Staff/volunteer travel re-imbusement
- Vehicle (fuel, insurance, vehicle registration)
- Rent
- Utilities (electricity, gas and water)
- Consumables
- Promotion materials

Income

Once you have worked out all the costs associated with establishing and operating your community food enterprise you will need to work out the sources of income and predict the quantities and frequency of this income. The key income sources your community food enterprise may have are:

- Food sales: This will be much easier to predict if you have a box scheme with a set box price and a set number of members. However if your community food enterprise is a market stall or shop you can use your market research findings to predict how many customers you will have and how much they will spend.
- Membership/service fees: These might be a one-off joining fee, a yearly fee or ongoing fee that those using the community food enterprise must pay.
- Grants: These will be much easier to obtain to cover the start-up costs of your enterprise. Generally it is much harder to secure grants to cover ongoing costs such as staff. Grants are also often short term so you may find after a short-period that your grant funding has run out and you have lost a source of income.

As a result of this unreliability of grant funding some community food enterprises try to generate income by having an arm of their enterprise which generates a profit to support their ongoing operations. This might be supplying produce to community organisations, schools, local governments or even commercial businesses such as restaurants. While this can serve as was of generating income to support the less profitable parts of an enterprise selling to low income communities, it must be recognised that this requires well-developed business skills to ensure a reliable and good quality service.

Financial position

Once you have reasonable estimate of the costs and income for your community food enterprise you can work out whether your community food enterprise will make a loss, a profit or break even. This is usually analysed over a period of a financial year.

If the analysis of your financial positions shows a predicted loss you may need to consider:

- Increasing sales by broadening target market.
- Developing a new sales income stream such as wholesales sales to community organisations, schools or local businesses.
- Decreasing costs associated with staffing, produce or transport.
- Increasing product/service prices or sales margins.
- Securing grant funding.

You may have to revisit these figures a number of times as well as adjust your enterprise model to ensure your community food enterprise has a sound financial footing. If you find you cannot address these predicted losses or the losses are too big you may need to consider if you should proceed at all with establishing your community food enterprise.

It is important to remember that even financial projections based on the best market research can prove not to be wrong once you have the enterprise up and running. This is why it important to have in place good financial management practices which will help you accurately monitor your financial position and to identify areas of poor performance and to develop actions to address poor financial performance.

Many community food enterprises targeting people on very low incomes find that in order to provide food at affordable prices they need some form of subsidisation. This subsidisation can come in the form of:

- Grant funding.
- Operating a more financially viable business arm servicing higher income communities, community organisations, government organisations or corporate organisations.

- Using donated food.
- Developing a relationship with emergency relief providers to provide emergency food relief vouchers for you enterprise.
- Utilising staffing and administrative support through other local community organisations/programs.

For more information on financial analysis check out the Community Enterprise Workbook: www.socialtraders.com.au/sites/www.socialtraders.com.au/files/CEDI_WORKBOOK.pdf

Financial management

Any type of community food enterprise will have a range of basic financial management tasks that will need to be performed. The type of financial management systems you will require use depend on the type of enterprise you are operating as well as the skills and experience of those involved. Some community food enterprises prefer to keep simple paper-based financial records while others prefer to use software packages such as Excel. Spread-sheet and accounting software packages can make financial management tasks a lot easier and more efficient if you know how to use them. However, they will not be an effective tool if no-one knows how to use them properly.

Some of the financial management tasks that may have to develop appropriate and effective procedures for are:

- Produce ordering/stock control
- Keeping sales records
- Taking payments- cash or electronic
- Cash handling
- Banking cash
- Paying accounts
- Bookkeeping (keeping track of income and expenditure, reconciling accounts)

It is important to have simple and clear systems in place and that all staff/volunteers involved in carrying out these tasks have a clear understanding of the procedure. By having good financial managements systems you will also reduce the risk of theft or accidental loss of money.

For more information on managing the finances of a community food enterprise can you can visit the Our Community website which provides a range of tools and resources related to managing money:

www.ourcommunity.com.au/financial/financial_article.jsp?articleId=1043

Funding opportunities

Depending on the type of community food enterprise you may require external funding to cover establishment costs and possibly some ongoing costs such as staff, consumables and to cover any potential losses on produce.

Some of the potential funding opportunities for community food enterprises in the western metropolitan region of Melbourne include:

Hobsons Bay City Council Community Grants Program

Offers grants of between \$500 and \$10,000 in categories including Social Support Subsidy, Shared Equipment, Small Grant, Community Partnerships and Networking, Corporate Connections and Establishment Grant. For more information contact the Community Grants Program Officer on 03 9932 1078.

Hobsons Bay Community Fund

Offers grant of between \$500 and \$20,000 to organisations or groups in the City of Hobsons Bay with food security being a key priority area. For more information visit:

www.hbcommunityfund.org.au

Maribyrnong City Council Community Grants Program

Offers grants of between \$550 and \$3000 in categories including Social Support, Community Development, Arts and Culture, Social Enterprise and Prosperity and Environmental Sustainability. For more information contact the Community Projects Coordinator on 03 9688 0141.

Melton Shire Council Community Funding Program

Offers annual and monthly grants of between \$1000 and \$10,000 in categories including Community Strengthening, Partnership, Local Neighbourhood and Establishment Grant. For more information contact the Community Development Team on 03 9747 7200.

Collingwood Football Club Community Benefit Program

Offers annual grants of between \$5000 and \$10,000 to community groups and organisations in the Shire of Melton. For more information, contact Melton Shire Council's Community Funding Officer on 03 9747 7200.

Victorian Volunteer Small Grants Program

Offers grants of up to \$5,000 Victorian Volunteer Small Grants to Victorian community not-for-profit organisations to attract new volunteers from diverse backgrounds, create new volunteering opportunities and strengthen existing volunteering programs as a way of engaging new volunteers. For more information visit:

www.dpccd.vic.gov.au/home/grants/all-grants/victorian-volunteer-small-grants

Social Traders- The Crunch

The Crunch provides training, support, mentoring to develop a social enterprise idea as well the opportunity to 'pitch' your idea to an investment fund. As this not simply a grant program it is probably more appropriate if you are planning to establish a larger and more commercially focused food enterprise. To eligible for The Crunch you must have an idea for a new, commercially viable social enterprise (an enterprise which trades to fulfil its social, cultural, environmental or economic mission) and be based in Victoria. For more information visit: www.thecrunch.socialtraders.com.au

Risk Analysis

When planning for the establishment of a community food enterprise, as with any community organisation, it is important to identify any potential risks associated with its operations and to develop appropriate strategies to mitigate these risks. Below is a list of risks that your community food enterprise may face and some possible risk mitigation strategies. Use this as a starting point for identifying the particular risks and risk mitigation strategies for your community food enterprise. For more information on risk management visit: www.ourcommunity.com.au/insurance/insurance_article.jsp?articleId=1247

Risk	Risk mitigation strategies
Lack of customers	<p>Make sure the enterprise is needed and wanted in the community.</p> <p>Make sure you provide the type of products your target group want at a price they can afford.</p> <p>Build community support and 'ownership' in the community.</p> <p>Get the word out there anyway you can.</p>
Food wastage	<p>Make sure you develop an effective produce ordering procedure.</p> <p>Make sure that produce is appropriately handled, stored and disposed of.</p>
Lack of consistency of service	<p>Make sure you have the right balance of paid and volunteer staff for the work roles that need to be performed.</p>
Competition from other food outlets	<p>Map food outlets/potential competitors.</p> <p>Building relationships other local food outlets who may feel threatened.</p>
Loss of key staff/volunteers	<p>Make sure your staff/volunteers are provided with appropriate support and training.</p> <p>Make sure that staff/volunteers get appropriate recognition.</p> <p>Develop an appropriate staff/volunteer handover procedure.</p>
Poor quality/high cost produce supply	<p>Undertake appropriate research of produce suppliers.</p> <p>Monitor quality of produce and address poor quality produce immediately with supplier.</p> <p>Undertake regular price comparisons.</p>
Staff/volunteer injury	<p>Develop appropriate OH&S policies and procedures.</p> <p>Provide staff/volunteers with appropriate training and support.</p>
Theft/loss of money	<p>Develop an effective financial management system.</p> <p>Provide staff/volunteers who deal with money appropriate training and support.</p>

Other Useful Websites and Resources

Sustain Food Co-ops Tool Kit: www.sustainweb.org/foodcoops/

Making Local Food Work: www.makinglocalfoodwork.co.uk

Social Traders: www.socialtraders.com.au





PO Box 8 Abbotsford VIC 3067

Office: 03 9429 3084

Fax: 03 9427 9762

info@cultivatingcommunity.org.au

www.cultivatingcommunity.org.au