

Good Food Enterprises

Adapting to the pandemic, one year on



sustain
the alliance for better food and farming

Sustainable Food Places

Sustainable Food Places is a partnership programme led by Soil Association, Food Matters and Sustain: the alliance for better food and farming. It brings together food partnerships from towns, cities, boroughs, districts and counties across the UK that are driving innovation and best practice on all aspects of healthy and sustainable food.

The programme works across six key issues, one of which is supporting the good food economy. Good food enterprises are integral to the local economy and food system; they employ more people, source from fairer supply chains and use more climate friendly food practices, and should be taken seriously as a key player in building back better as part of a green economic recovery.

Author

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In May 2020, Sustainable Food Places and Sustain's networks, including Food Coops Network and London Food Link, surveyed good food enterprises to better understand how these organisations – so integral to the supply of good food for communities across the UK at a time of crisis - were adapting to covid disruption and the initial lockdown.

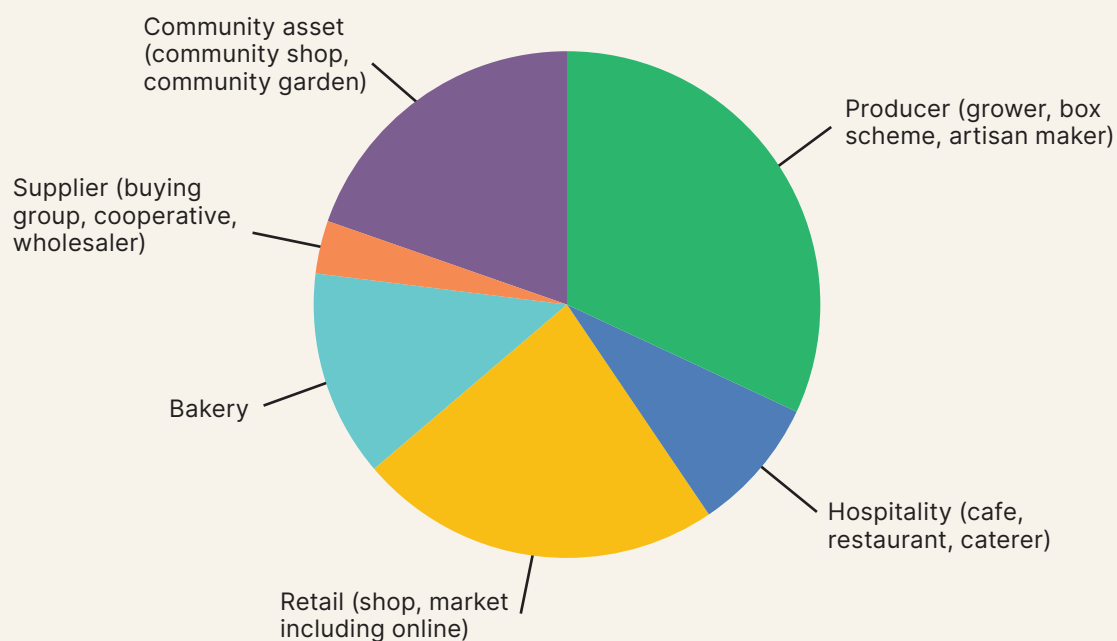
One year on, our follow-up survey found that good food enterprises continue to be vital assets to their communities; offering good jobs, tailoring their services to local needs, continuing to innovate, and providing good food to those worst affected by the pandemic. We also found more than half had not received financial support that could help them. It was also evident that national and local government could offer more support to such important enterprises, helping new and existing businesses to be part of a green economic recovery.

Responses were received from 91 people representing good food enterprises between 16 March and 30 April 2021, representing a range of enterprises including producers, suppliers, bakeries, retail, hospitality and community assets. We invited responses from our networks, those who completed the first survey and those from other allied networks, including Better Food Traders, Open Food Network, Ooooby, Farms to Feed Us, and Feeding the City.

Key findings

- Good food enterprises adapted and diversified to respond to pandemic; most commonly by creating a delivery service (52%), online ordering (41%), and providing new or different products or services (35%)
- 63% plan to continue with their adaptations longer term, showing that these changes appear to have benefited their business model
- Almost two thirds reported an increase in customer numbers and just under half increased their revenue, indicating an increase in the use of local, good food enterprises during the pandemic
- There has been more collaboration between local food enterprises and other businesses locally, with 60% reporting increased collaboration between enterprises, organisations and others within their local food networks in the past year and 30% accessing new supply chains
- 42% had supported the emergency food response, showing how good food enterprises can contribute to community resilience
- Over half had not accessed local or national government support, including financial support, business advice or access to council resources.

Which category best describes the primary activities of your enterprise?



Key recommendations for local authorities and Local Enterprise Partnerships:

- *Recognise the opportunity to build local community wealth* and revitalise high streets through supporting good food enterprises to fully reopen and grow as we emerge out of lockdowns
- *Ensure funding is more flexible to support different needs.* A 'one size fits all' approach means many good food enterprises will fall through the gaps
- *Prioritise the creation of good food jobs* as we build back better, supporting community focussed, sustainable and ethical enterprises which are better for people and the planet
- *Actively support existing, or the development of, local food partnerships* and ensure members of these partnerships are involved in the development of local economic plans and other strategies and plans, as well as local Growth Hubs, to bring in sustainable food expertise

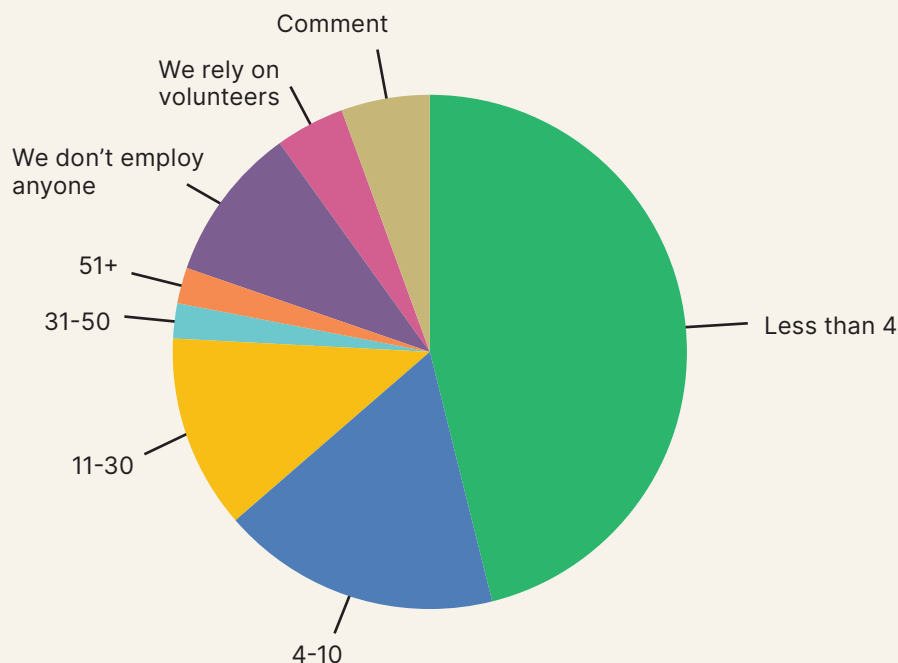
The demographics

Almost all enterprises who took part in the survey were small to medium enterprises with less than 50 employees (98%), of those, 46% hire less than four people. 11% of the enterprises started during the pandemic and these new enterprises included community shops, online platforms, artisan producers, suppliers, a bakery, box schemes, cafés and restaurants, with no clear trend in the types of new food enterprises. Over half of enterprises who completed the survey (55%) have been in operation for more than five years.

Good Food Enterprises

We define 'good food enterprises' as those that use farmer focussed supply chains, prioritise healthy and sustainable food, and increase access to, and the affordability of, good food. Good food enterprises may be non-profit, social enterprises or for profit food retailers but all play a part in their community beyond trading.

How many (full time equivalent) employees are there?



Of the enterprises surveyed,

- 46% help people on low-incomes access food (eg. Accepting Healthy Start Vouchers, Eden Red, offering a sliding pay scale),
- 74% provide or source sustainable products (eg. Certified organic, Fairtrade, LEAF produce), 68% provide and promote affordable healthy options,
- 22% actively source culturally appropriate foods, 68% use short and farmer-focussed supply chains and
- 59% pay the real Living Wage.

How have enterprises been affected by the pandemic?

The majority of the enterprises remained open all year (88%) and most business had to diversify in some way in response to the changing landscape (73%). Of those, 63% are continuing with their diversifications and planning further changes as we emerge from a year in and out of lockdowns, and 30% intend to return to their original business models longer term.

Some of the diversifications included:

- 52% added or increased their delivery service
- 41% moved some or all of their enterprises online
- 35% provided new of different products or services, including meal delivery services, online classes, and/or diverting produce from hospitality to households
- 30% accessed new supply chains, like selling directly to the public or focussing on local small producers. Some producers built new 'sheds' and other structures on their land so the public could buy from onsite
- 46% collaborated with other enterprises or services, including other food enterprises but also building associations and resident associations to increase access to food
- 42% supported the emergency food response through working with the council, local food banks, community food responses, supplying produce or meals, and special deliveries for those shielding or vulnerable

- Many enterprises hired new staff, adjusted working times, days and operational hours
- Some street and farmers' markets adapted by offering drive through services and reduced rent for traders

'We employed new staff, changed our working structure, changed our rounds and added an extra day, simplified the grocery products we sell with a focus on local small producers.'

Alice Guillaume, Cambridge Organic

'We make farmhouse soft cheese. Our wholesale trade stopped at lockdown so we opened a shed on the farm with vending machines selling our raw milk, our soft cheeses, local produce and fresh coffee direct to the public, with contactless payment.'

Mary Davenport, Cote Hill Cheese

How have food enterprises been supported?

The local community

Overall, small and good food enterprises were supported by their local communities; 63% saw their customer numbers increase and 43% had increased revenue. 25% of enterprises saw their revenue decrease but there was no correlation between the type of business and revenue increase/decrease, with an even spread across different types of enterprises and experiences.

Many enterprises noticed changes in buying habits and behaviours towards supporting their local good food enterprises and food network.

Customers have seemingly just created new habits and stayed loyal to the business that served them through the initial stages of the first lockdown.'

Anonymous

In the first survey in 2020, enterprises experienced a spike in new customers but were concerned about whether they would sustain the commitment to small, local enterprises once lockdown measures eased. The figures a year on suggest many new customers have continued to use these enterprises.

Lockdown measures only officially lifted in July 2021, so it is too early to say if customer buying habits will adapt long term but there is a prime opportunity for local and national governments to support small good food enterprises to grow.

The local network

There was also increased support within the sector; 60% of enterprises said they have seen more collaboration between enterprises, organisations and others within the local food network since the pandemic hit.

Examples of increased collaboration included producers sharing deliveries, focussing on sourcing from small, local producers, and food businesses helping each other with accessing and supplying food and ingredients. Other enterprises commented that they have made new links with health centres, community centres and food banks and were collaborating on the emergency food response.

‘We delivered bakery orders to all customers who were self-isolating / shielding / unwell. We worked with residents’ associations to facilitate additional baking days for estates / building developments (they arranged doorstep delivery). We moved our training courses online. We bake additional bread for our local Food Bank each week donated by Hen Corner. We started a ‘Sponsor a Loaf’ campaign allowing our customers to donate extra bread to the Food Bank.’

Sara Ward, Hen Corner

Malcolm Cadman, from Pepys Community Forum, noted that as a response to the pandemic, they have collaborated with the local health centre and university to develop a new project around health and wellbeing that may extend to other partners in the future.

In our first survey in May 2020, good food enterprises demonstrated extraordinary adaptability, with our evidence suggesting that in the early stages of the pandemic they met the needs of their communities better, and with less waste than supermarkets, who initially struggled to keep shelves stocked and had to introduce significant social distancing measures. Many of those who responded to our survey, quickly altered supply chains and changed their offers to cater for both existing and new customers, and local networks have played a key role in achieving this.

Local and national government

Over half (54%) of those surveyed did not receive any support from local government. Of those that did, the most significant support included

- 28 enterprises received small business grants, emergency or SME grants
- 12 enterprises were involved in the council’s emergency food response
- 11 enterprises received business rates relief
- 6 enterprises were promoted through ‘buy local’ campaigns or council websites

A few enterprises received other types of support including access to council e-learning support, help with online sales and accessing council transport like bicycle or vans for delivery.

‘The statutory sector was slow to react to cohere groups and collaborate. Our enterprise was squeezed out funding wise, and both Councils we dealt with have said that this was a mistake and they are better at enabling providers now and brokering collaboration.’

Tom Cottam, London Independent Living Service (LILS)

Only 36% of enterprises were able to access national government financial support, which included using the furlough scheme and accessing business loans including Coronavirus Business Interruption Loan and Bounce Back Loan.

Several enterprises commented that they didn't qualify for support for several different reasons including; using a shared space and therefore not qualifying for business rates relief or the enterprise being too new (or too newly self-employed), or enterprises not fitting into 'neat boxes' that available funding required.

The case for good food enterprises

Growing, producing, buying and selling agroecologically produced or healthy and affordable food offers opportunities to build the resources, wealth and resilience of local communities, and to balance power and equity across the supply chain. There is clear evidence that diverting spend to localised food systems, with shorter supply chains, offers decent jobs, keeps food in the local economy and produces food efficiently.

Using food to build local power and economic opportunity can also be beneficial to reducing food insecurity and reaching the Government's

Net Zero goals. Good food enterprises are likely to have less food waste, shorter food miles and more sustainable practices, like less and better meat as well as pay a Living Wage. Therefore, there should be incentives from local and national governments to show commitment to good food enterprises, and drive growth in this sector as part of their longer-term strategies to support the economy, jobs and combat the climate and nature crisis.

'National government needs to level the playing field with big businesses via grants, enforcing living wages at big businesses (as many of us small orgs pay real living wages), tax breaks, subsidising healthy food, supporting changes to procurement, increasing budgets for food in schools, hospitals etc.'

Alice Brown, Sutton Community Farm

Reflections from good food enterprises

Many enterprises expressed what both national and local governments could have done, and could be doing, to support small and medium good food enterprises:

- *Increase access to land, buildings and resources.* Make it easier to access or use land and buildings for new start-ups and community organisations
- *Tailor support for community owned enterprises* including community supported agriculture
- *Invest in young people.* Provide more business start-up opportunities in agriculture and horticulture for young people.
- *Improve public procurement* to support small, local and organic producers and suppliers, including council owned county-farms
- *Change planning laws* so private developers must provide land for community food growing in towns and villages
- *Incentivise good practice.* Business rate reductions for sustainable/healthy good practices and efforts to lower carbon output
- *Prioritise agro-ecological farming.* Subsidise agro-ecological farming and growing practices at the expense of conventional farming methods and introduce agro-ecological training into all agricultural/rural education colleges
- *Invest in online technologies and infrastructure* to support SMEs level with larger food corporations/business, including sharable infrastructure like storage facilities and e-bikes.
- *Provide access to more grant funding and loans* and increase funding eligibility and flexibility for smaller businesses to help with recovery and building back better
- *Make meals on wheels statutory* and procure using local enterprises
- *Run council-led 'buy local' food campaigns*
- *Review corporation tax liability* for not-for-profit enterprises that continued to provide a much-needed service during the pandemic

Conclusions

- *The pandemic forced many enterprises to diversify and collaborate with other enterprises and organisations more, and many of the changes made are staying for good. For many, the pandemic offered an opportunity to fast track their longer-term plans or ambitions.*

'We focussed entirely on retail Veg Box sales and stopped all other forms of income by necessity (restaurants, events, education). Luckily, the Veg Box grew by 70% so more than made up for the lost income. We are not intending to supply restaurants again even when they open (all veg will go to Veg Box).'

Alice Brown, Sutton Community Farm

- *More people have been spending money in good food enterprises and, with the right support and access to resources, this is a key opportunity to use this momentum to maintain this shift in spending.*

'The change in demand now as it is could change food buying habits considerably.'

Collette Pavledis, Ashurst Organics

- *Local and national governments could do more to support good food enterprises. Many enterprises received little to no support from local or national government schemes across the year, despite showing resilience and adaptability and responding to the needs of their local communities.*

'SME food enterprises need a 'seat at the table' in developing long term solutions for food resilience - not just relying on the big food companies - small and ethical food enterprises stepped up when needed and provide an important part of the overall healthy food system.'

Vic Borill, Brighton & Hove Food Partnership

When we first surveyed good food enterprises at the beginning of pandemic in 2020, we could not have predicted the length of the disruption and the impact on the food sector, particularly those involved in the retail and hospitality sector who have been affected significantly. But small and medium good food enterprises have shown their resilience, adaptability and role in the community.

Recommendations

For local authorities and Local Enterprise Partnerships

Our recommendations for local authorities echo those in [our previous report in 2020](#):

- *Develop Good Food Retail plans* based on a joined-up approach between departments
- *Give access to premises and opportunities for good food enterprises to thrive*, recognising their value in tackling poverty, offering vital services to their communities, and supporting healthy neighbourhoods This may include maintaining or increasing market spaces, affordable rents, grants, promotion as well as ensuring these businesses are recognised as vital in local food supply and resilience to shocks.
- *Become a good food buyer*: starting with internal catering, and widening out with a good food buying policy to cover schools, care homes, and community food. Buying even a moderate amount from local good food enterprises would greatly help secure such businesses.
- *Create more opportunities to grow food* that can supply local people and local enterprises, including community growing spaces and agro-ecological farms.

Key recommendations for local authorities and Local Enterprise Partnerships:

- *Recognise the opportunity to build local community wealth* and revitalise high streets through supporting good food enterprises to fully reopen and grow as we emerge out of lockdowns
- *Ensure funding is more flexible to support different needs*. A 'one size fits all' approach means many good food enterprises will fall through the gaps

- *Prioritise the creation of good food jobs* as we build back better, supporting community focussed, sustainable and ethical enterprises which are better for people and the planet
- *Actively support existing, or the development of, local food partnerships* and ensure members of these partnerships are involved in the development of local economic plans and other strategies and plans, as well as local Growth Hubs, to bring in sustainable food expertise

'We look forward to allowing shoppers at our local food hub to be social during collection when it's safe to do so, as this helps build a food community'

Kate Smith, Slow Food Birmingham

For national government:

- *Prioritise investment in small, local food enterprises and initiatives.* As part of the green recovery strategies as well as economic recovery/build back better funding including via the incoming Shared Prosperity Fund to ensure there is infrastructure, business support and resources for the creation of new, and support of existing, good food enterprises
- *Review national planning policies* to make it easier for small and medium enterprises to afford and access spaces and land, including making Community Asset Transfer more accessible.
- *Commission research* to better understand the environmental benefits of small-scale, good food enterprises to help these businesses be recognised for their benefit to tackling the climate and nature emergency.

'The government should acknowledge local farmers & producers who have supported communities with necessities such as food & drink, deliveries, interaction etc. It's not so good that the supermarkets have taken the limelight.'

Poppy Milne, Foodful

The pandemic has spurred the revival of appreciation, as well as reliance, on 'local food'. There need to be more mechanisms in place to embed shorter, farmer focussed supply chains and access to healthy and sustainable food within wider planning, policies and our vision for food. It is up to local and national government, as well as Local Enterprise Partnerships, to provide the resources and support to enable small and medium sized food enterprises have a seat at the table. Sustain will work to keep up the momentum and pressure at all three levels, spurred during the pandemic.

Sustain's role in supporting the good food economy going forward

Small and medium good food enterprises have huge potential for broader community wealth building agendas, but currently no one body represents the sector at a national level. Survey participants highlighted this gap that as one that Sustain could help with, which we will be exploring. In the meantime, Sustain will continue to support good food enterprises through:

- Lobbying government and local councils on key food issues
- Online training and forums to share knowledge and resources
- Signposting to information, funding and good practice for small good food enterprises
- Creating and boosting networks that support and promote good food enterprise including as our existing London Food Link and Real Bread Campaign networks
- Developing new projects and campaigns to improve infrastructure and supply chains
- Practical support like peer mentoring, start-up advice for community-minded, good food enterprises
- Support through the Sustainable Food Places programme, with Soil Association and Food Matters

The role of food partnerships

There has understandably been a significant focus on the emergency food response in the last year, but as we emerge out of lockdowns, there are real opportunities for food partnerships, supported by Sustainable Food Places, to help good food enterprises thrive. This can be through local networking, business support, and working with local councils. Where they do not exist, the development of food partnerships is key to providing a regional voice and support system.

Other useful resources

Reports

- [Good Food Enterprises adapting to lockdown: survey report](#)
- [Good Food Economy. How councils can support good food enterprises: findings from London](#)
- [Putting good food jobs at the heart of the economic recovery](#)

Blogs

- [Which new government funds can support building back better through the good food economy?](#)
- [How short supply chains benefit everyone](#)
- [Five ways councils can support the local food economy](#)
- [Better Food Traders, wholesalers and the missing middle: why transparency matters](#)

Webinars

- [Sustainable food places: engaging with government funds](#)
- [How councils can support a Good Food Economy: retailer engagement in London and Scotland](#)

Websites

- www.sustainweb.org
- www.sustainablefoodplaces.org

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About Sustain

Sustain: The alliance for better food and farming, advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the living and working environment, enrich society and culture, and promote equity. It represents around 100 national public interest organisations working at international, national, regional and local level.

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