

Edible Assets: Securing money for your food initiative 14/09/10
Notes from the panel discussion

Edible Assets opened with a panel discussion to give an overview of the theme of financial sustainability and what some of the key issues are affecting the sector.

The discussion was chaired by Tom Macmillan from the Food Ethics Council and he was joined by Barbara Janke leader of City Council, Ian Price from Triodos Bank and Kath Dalmeny policy director at Sustain.

Ian Price - Senior Relationship Manager, Triodos Bank – See powerpoint slides for more information)

Summary:

- Banks are not necessarily going to meet the needs/solve issues for food projects/businesses but can work in partnership and support them.
- Triodos have created an incentive scheme to encourage conventional farms to convert to organic.
- Banks will want more for what they lend (bigger return), stronger balance sheets, higher risk businesses will find it more difficult to borrow in the future.
- Triodos haven't got the answers - projects and groups will have to be smarter and tighter. Triodos are helping and working in partnership with other organisations and support food enterprises, but community groups and individuals will have to find the solutions.
- Land ownership is a big issue for sustainable food projects, and negotiating its value, rent, sale can be large obstacles for many projects. Need to address these issues on a policy level as well.

Kath Dalmeny – Policy Director, Sustain

Summary:

- Ian brings news from the real world which is what we have to face if projects get bigger and more from being friendly small projects.
- Growing Communities start-up programme, MLFW etc. to help projects get more savvy and tighten up. How are we actually going to become self-financing in 3 years time, as per all the funding applications what we all write!
- Food projects – we know we're going to be tackling health issues (obesity, mental health etc) with food projects but how can we do this? Government departments employ people who have not necessarily worked in the farming sector so there are communication challenges
- Regional Development Agencies will be slashed, Defra funding drying up fast – Spending review will cut more, and local authorities are becoming more piecemeal. For example some London councils now “doing food” but there will more focus on energy and carbon reduction that they will have to measure.

Questions and comments from the audience

Q1 What are some avenues for becoming financially sustainable? i.e. ?Constant fundraising? Trading good? Services?

- Timeless fundraising is hard work! Can be creative e.g. Fordhall Farm <http://www.fordhallfarm.com> – but not easy
- Mark-up on goods/services is vital. Sometimes it is shocking at the lack of mark-up on goods and services being traded and this is a big worry – need to build in profitability and make enterprise savvy and able to invest in the future of projects/organisations
- Language is very important - we need to talk the language of other people and talk about jobs, health farming community energy etc.

Q2) How do we expect changes in PCTS/local authorities GPs etc. to affect our work?

- Changes and realignment that's taking place is difficult, but also provides opportunities and chance to commission local groups or people to may be do what has previously been done in-house
- Can funders and trusts act as guarantors for food enterprises?
- Can learn from different scene in Europe - e.g. in Netherlands everyone changed their bank to Triodos during banking crisis – so more support for different types of finance.
- People could put their money into ethical investment/banks is a way of supporting and helping the movement and we should shout about this.
- Risk factors – projects with more spokes and variable income can be good but also the management increases dramatically often these businesses can't tell which are the losses – need to be sharp and thorough for the risk to be reduced.