

This section of the Economic Blueprint focuses on our local food economy, and how we might grow it. Where we say food, we mean food and drink (including alcoholic drink) unless stated otherwise. All numbers should be taken as roughly indicative rather than an accurate set of figures. For more information about this project, why we're doing it, who and what's behind it, please see the Totnes & District Economic Blueprint Project Overview (available on the Transition Town Totnes website in the Economic Blueprint section).

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A. ABOUT OUR FOOD ECONOMY TODAY

WHAT FOOD RELATED INDUSTRY DO WE HAVE?

The commercial data that was sourced from Bureau van Dijk<sup>1</sup> shows that there are around 380 food businesses in Totnes and District (T&D) today, employing over 1,500 people, and contributing about £114m to the economy overall. We can see the different commercial activities in our food economy, and how they are represented in Table 1.

| SIC 2003 code | Description  | Est or Act<br>Turnover £k<br>Last avail. Yr | Est or Act<br>Employees<br>Last avail. yr | #<br>Businesses | % of total<br>turnover |
|---------------|--|---|---|-----------------|------------------------|
| 5211          | Retail sale in non-specialised stores with food, beverages or tobacco predomina  | £22,351                                     | 50  | 14              | 19.7%                  |
| 112           | Growing of vegetables, horticultural specialities and nursery products Total     | £19,429                                     | 344                                       | 9               | 17.1%                  |
| 121           | Farming of cattle, dairy farming Total   | £11,239                                     | 132                                       | 55              | 9.9%                   |
| 501           | Fishing Total  | £6,864                                      | 20  | 8               | 6.0%                   |
| 130           | Growing of crops combined with farming of animals (mixed farming) Total          | £6,574                                      | 96  | 61              | 5.8%                   |
| 5540          | Bars Total   | £6,362                                      | 261                                       | 40              | 5.6%                   |
| 5530          | Restaurants Total  | £6,068                                      | 219                                       | 67              | 5.3%                   |
| 5227          | Other retail sale of food, beverages and tobacco in specialised stores Total     | £5,330                                      | 74  | 17              | 4.7%                   |
| 125           | Other farming of animals Total   | £4,518                                      | 59  | 18              | 4.0%                   |
| 5132          | Wholesale of meat and meat products Total  | £3,031                                      | 12  | 3               | 2.7%                   |
| 5222          | Retail sale of meat and meat products Total                                      | £2,909                                      | 42  | 12              | 2.6%                   |
| 5552          | Catering Total   | £2,688                                      | 45  | 5               | 2.4%                   |
| 5224          | Retail sale of bread, cakes, flour confectionery and sugar confectionery Total   | £1,782                                      | 22  | 8               | 1.6%                   |
| 122           | Farming of sheep, goats, horses, asses, mules and hinnies Total                  | £1,679                                      | 21  | 14              | 1.5%                   |
| 1594          | Manufacture of cider and other fruit wines Total                                 | £1,662                                      | 9   | 1               | 1.5%                   |
| 5221          | Retail sale of fruit and vegetables Total  | £1,652                                      | 25  | 7               | 1.5%                   |
| 5225          | Retail sale of alcoholic and other beverages Total                               | £1,487                                      | 18  | 3               | 1.3%                   |
| 1581          | Manufacture of bread; manufacture of fresh pastry goods and cakes Total          | £1,487                                      | 21  | 2               | 1.3%                   |
| 5138          | Wholesale of other food including fish, crustaceans and molluscs Total           | £1,242                                      | 4   | 2               | 1.1%                   |
| 111           | Growing of cereals and other crops not elsewhere classified Total                | £827  | 13  | 8               | 0.7%                   |
| 1551          | Operation of dairies and cheese making Total                                     | £687  | 5   | 4               | 0.6%                   |
| 1589          | Manufacture of other food products not elsewhere classified Total                | £583  | 7   | 1               | 0.5%                   |
| 502           | Fish farming Total   | £515  | 5   | 2               | 0.5%                   |
| 1584          | Manufacture of cocoa; chocolate and sugar confectionery Total                    | £436  | 6   | 3               | 0.4%                   |
| 4100          | Collection, purification and distribution of water Total                         | £413  | 2   | 1               | 0.4%                   |
| 5137          | Wholesale of coffee, tea, cocoa and spices Total                                 | £377  | 1   | 1               | 0.3%                   |
| 124           | Farming of poultry Total   | £373  | 5   | 3               | 0.3%                   |
| 5223          | Retail sale of fish, crustaceans and molluscs Total                              | £262  | 4   | 2               | 0.2%                   |
| 5131          | Wholesale of fruit and vegetables Total  | £253  | 1   | 1               | 0.2%                   |
| 1596          | Manufacture of beer Total  | £250  | 3   | 1               | 0.2%                   |
| 1533          | Processing and preserving of fruit and vegetables not elsewhere classified Total | £166  | 1   | 1               | 0.1%                   |
| 5117          | Agents involved in the sale of food, beverages and tobacco Total                 | £90   | 1   | 2               | 0.1%                   |
| 1513          | Production of meat and poultry meat products Total                               | £83   | 1   | 1               | 0.1%                   |
| 113           | Growing of fruit, nuts, beverage and spice crops Total                           | £55   | 1   | 1               | 0.0%                   |
| 1586          | Processing of tea and coffee Total   | £0  | 0   | 1               | 0.0%                   |
|               |  | £113,722                                    | 1530                                      | 379             | 100%                   |

Table 1 Summary by detailed Standard Industry Classification (SIC) code, by turnover. Source: BVD data 2011.

We did some checking on the data for 3 of the largest local food businesses: the data for Riverford was confirmed; and the data for Morrisons and the Co-operative supermarket was estimated as this was not include in the BVD data - see later for this estimation process.

We can see a summary of the relative contribution of the different commercial sectors in Table 2.

## ECONOMIC BLUEPRINT FOR TOTNES & DISTRICT: OUR LOCAL FOOD ECONOMY

| Type of business (SIC 2003) | Est or Act<br>Turnover £k<br>Last avail. Yr | Est or Act<br>Employees<br>Last avail. yr | #<br>Businesses | % of<br>total<br>turnover |
|-----------------------------|---|---|-----------------|---------------------------|
| Producers                   | £57,838                                     | 751                                       | 195             | 51%                       |
| Retail                      | £35,773                                     | 235                                       | 63              | 31%                       |
| Bars, Rest., Catering       | £15,118                                     | 525                                       | 112             | 13%                       |
| Wholesale                   | £4,993                                      | 19  | 9               | 4%                        |
|                             | £113,722                                    | 1530                                      | 379             | 100%                      |

Table 2 Summary by category, by turnover. Source: BVD data 2011.

**Our data indicates that our local food and drink economy has around 380 businesses, employs 1,500 people and is worth around £114m per year.**

Data notes: It is difficult to validate these figures further without checking with each individual business. However, it is the best commercial data that we can source at the moment. Reporting on food and drink using Standard Industry Classification (SIC) codes means we had to group a number of different codes together, this is not the way such data is typically reported by government, and therefore it is hard to reconcile this data with, for example, the agri-food data provided by Devon County Council via [www.devonomics.info](http://www.devonomics.info) which excludes the retailers. Also, devonomics data is not available for our district, only for the local authority.

### HOW MANY PEOPLE DO THESE BUSINESSES EMPLOY?

The population of T&D is 22,869<sup>ii</sup> and of these 61% are working age<sup>iii</sup>. Current employment in the South Hams stands at 73%<sup>iv</sup> of those of working age, which means around 10,400 people who live in T&D are employed.

The above BVD data implies that the food economy employs about 1,500 local people or 15% of those currently working. Again, the public government employment data does not allow extraction of all food and drink workers across their categories so this is hard to double-check.

### WHAT SKILLS DO PEOPLE IN THIS SECTOR HAVE AND WHAT JOBS DO THEY DO?

This question was difficult to answer with the data that's publicly available, partly due to the issues mentioned above about how government reporting does not readily combine all the relevant food and drink businesses together, and also that such data is only reported to district authority level only, rather than for T&D. We did find information about qualification level on NVQs for the district<sup>v</sup> and how this has changed over time, but not for food and drink workers specifically.

In terms of job roles, again we were unable to answer this question with publicly available data, with only employment by occupation (manager, admin etc.) at district level available<sup>vi</sup>. However, there has been some useful, detailed analysis of work and skills<sup>vii</sup> for Torbay and South Devon which is aligned to current economic priorities for the region.

More work is needed here to baseline job numbers and skills within the food sector for Totnes and District.

B. SPEND ON FOOD & DRINK

HOW MUCH MONEY DO WE SPEND ON FOOD AND DRINK HERE?

To understand more about this, we can analyse the turnover data for the businesses in the ‘retail’ category as shown in the table below.

| SIC 2003 code | Description   | Est or Act<br>Turnover £k<br>Last avail. Yr | Est or Act<br>Employees<br>Last avail. yr | #<br>Businesses | % of total<br>turnover |
|---------------|---|---|---|-----------------|------------------------|
| 5211          | Retail sale in non-specialised stores with food, beverages or tobacco predominating Total | £22,351                                     | 50  | 14              | 62%                    |
| 5227          | Other retail sale of food, beverages and tobacco in specialised stores Total              | £5,330                                      | 74  | 17              | 15%                    |
| 5222          | Retail sale of meat and meat products Total   | £2,909                                      | 42  | 12              | 8%                     |
| 5224          | Retail sale of bread, cakes, flour confectionery and sugar confectionery Total            | £1,782                                      | 22  | 8               | 5%                     |
| 5221          | Retail sale of fruit and vegetables Total   | £1,652                                      | 25  | 7               | 5%                     |
| 5225          | Retail sale of alcoholic and other beverages Total  | £1,487                                      | 18  | 3               | 4%                     |
| 5223          | Retail sale of fish, crustaceans and molluscs Total                                       | £262  | 4   | 2               | 1%                     |
| <b>Retail</b> |   | <b>£35,773</b>                              | <b>235</b>                                | <b>63</b>       | <b>100%</b>            |

Table 3 Retail food and drink turnover summary. Source: BVD data 2011.

So this data indicates that we spend around £35.8m a year on food and drink from retailers in T&D.

We can check this against the typical household spend on food as reported each year by the UK Government. The Office for National Statistics (ONS) Family Spending report tells us that in the South West, each home spends on average £54.70 per week on food and non-alcoholic drinks, plus £7.20 on alcohol<sup>viii</sup> from retailers for home consumption, excluding take-aways. Note that this data is very useful as it also indicates how much is spent on bread, fish, eggs, fresh vegetables etc. giving a potential market size for each food type.

So that’s £61.90 per week or £3,219 per year per home. Given we have 10,139 households in T&D<sup>x</sup>, this adds up to a total expected annual spend of around £32.6m, in the same ballpark as the £35.8m figure we estimate from the BVD data above.

We have not had capacity to explore smaller categories such as wholesale trade or the ‘going out’ food and drink spend. In T&D the majority of our restaurants, cafes and pubs are local independents. The ONS data referred to above tells us the average spend by South West household on restaurants/cafe meals or other take-aways/catering is £29 (incl. £6.50 for alcohol) per week. So this is another £13.8m T&D residents spend on food and drink per year. This is in the same ballpark as our reported revenue figures for this category in Table 2, of around £15m. Follow-up research could help establish how much of this is spent on local produce, and what the potential is for growing this figure.

**What’s the impact of tourism?**

There is no readily available data that looks at food and drink spend by tourists in T&D. This could again be the subject of further study, which could look more into district and county level data such as that provided by South West Tourism in 2008<sup>x</sup> which indicated that over £224m was spent by visitors to the South Hams per year (day trips and holidays).

The amount of money that is spent on food and drink in T&D is between £32.6m - £35.8m per year. We will use £30m as an indicative figure. This excludes spend in restaurants, pubs, bars, canteens and takeaways.

### HOW MUCH OF THIS IS SPENT IN LOCAL INDEPENDENT FOOD SHOPS VS LARGE SUPERMARKETS?

The ONS reports that across the UK in 2010 “81% or £43.10 per week of food and non-alcoholic drinks were purchased from large supermarket chains, an increase of £5.40 on the previous year<sup>xii</sup>”. This excludes alcoholic drinks but let’s assume this is a similar percentage, and that the Co-op counts as a large supermarket chain (ONS do not publish which supermarkets they include here, other than they are “a national supermarket where the stores are not franchised and all profits feed into a central point”).

If we apply this to T&D, i.e. that 81% of the total food and drink spend by T&D households goes to our 2 big supermarkets (Morrisons and the Co-operative), this equates to about £24.3m.

How do we confirm this? These supermarkets do not share their actual revenue data by store (we asked), so we have estimated this data based on what we know about their size, and their average sales per square metre of retail floor space. The latter info is somewhat publicly available, though expensive to buy – we used 2008 data which we found through a report from the Competition Commission<sup>xiii</sup>. Both Morrisons and the Co-op told us their Totnes floor space when we asked.

Using this process, we estimate that Morrisons’ turnover (for food and drink, so excluding health and beauty, tobacco non-food etc.) is around £16.8m per year, and the Co-op is £2.2m. Both the Co-op and Morrisons suggested our total estimated revenue figures for the Totnes stores was roughly in the right ball park, so we can have some confidence in these estimates.

So that’s around £19m in total or 63% of the £30m total. This is less than the ONS UK wide average, but that feels right given there is already a local food economy in place (compared to other places), and as the CPRE report shows later, also some good support for locally sourced food products from independent stores.

Therefore given we are looking for indicative figures, we will conservatively estimate that £20m or 2/3 of the total spend is in Morrisons and the Co-op. Again, this might then exclude tourism impacts.

**We estimate that £19m-£24.3m is spent in our 2 large supermarkets each year - we will use an estimate of £20m. So about 2/3 of all the £30m spend today goes to just 2 supermarkets, with Morrisons getting 56% of the total. This leaves £10m being spent in other retailers.**

## C. LOCAL SUPPLY AND LOCAL SOURCING TODAY

### WHAT DO OUR LOCAL SUPPLIERS PRODUCE, AND HOW MUCH DO THEY TURNOVER?

Table 4 shows the range of farmers, growers, processors and manufacturers that we have in T&D, according to the BVD data. Riverford has a strong impact, contributing the majority of the total revenue for the ‘Growing of veg’ category. It was not possible to do a more detailed gap analysis within the constraints of this study.

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| SIC 2003 code    | Description  | Est or Act<br>Turnover £k<br>Last avail. Yr | Est or Act<br>Employees<br>Last avail. yr | #<br>Businesses |
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| 501              | Fishing Total  | £6,864                                      | 20  | 8               |
| 130              | Growing of crops combined with farming of animals (mixed farming) Total          | £6,574                                      | 96  | 61              |
| 125              | Other farming of animals Total   | £4,518                                      | 59  | 18              |
| 122              | Farming of sheep, goats, horses, asses, mules and hinnies Total                  | £1,679                                      | 21  | 14              |
| 1594             | Manufacture of cider and other fruit wines Total                                 | £1,662                                      | 9   | 1               |
| 1581             | Manufacture of bread; manufacture of fresh pastry goods and cakes Total          | £1,487                                      | 21  | 2               |
| 111              | Growing of cereals and other crops not elsewhere classified Total                | £827  | 13  | 8               |
| 1551             | Operation of dairies and cheese making Total                                     | £687  | 5   | 4               |
| 1589             | Manufacture of other food products not elsewhere classified Total                | £583  | 7   | 1               |
| 502              | Fish farming Total   | £515  | 5   | 2               |
| 1584             | Manufacture of cocoa; chocolate and sugar confectionery Total                    | £436  | 6   | 3               |
| 4100             | Collection, purification and distribution of water Total                         | £413  | 2   | 1               |
| 124              | Farming of poultry Total   | £373  | 5   | 3               |
| 1596             | Manufacture of beer Total  | £250  | 3   | 1               |
| 1533             | Processing and preserving of fruit and vegetables not elsewhere classified Total | £166  | 1   | 1               |
| 1513             | Production of meat and poultry meat products Total                               | £83   | 1   | 1               |
| 113              | Growing of fruit, nuts, beverage and spice crops Total                           | £55   | 1   | 1               |
| 1586             | Processing of tea and coffee Total   | £0  | 0   | 1               |
| <b>Producers</b> |  | <b>£57,838</b>                              | <b>751</b>                                | <b>195</b>      |

Table 4 Producers and manufacturers food and drink turnover summary. Source: BVD data 2011.

Our data indicates that around £57.8m of revenue is attributable to local food and drink producers.

### HOW MUCH IS SPENT HERE TODAY ON FOOD THAT IS GROWN, REARED OR PROCESSED LOCALLY?

The recent CPRE work for Totnes<sup>xiii</sup> gives some useful insight into our local food supply. This study looked at the extent of local sourcing by independent food stores in Totnes, and also explored the supply network up to 30 miles from Totnes, though they found most produce comes from 5-10 miles. This supply area is wider than that of T&D used for the analysis above, so we will note where the geographic area impacts our estimates and assumptions.

#### CPRE retail side

Over two thirds of Totnes retail outlets selling food confirmed they sourced locally. Those interviewed said on average 60% of total sales are sourced locally.

Interviews with 17 of the local independent Totnes outlets showed over £4m of their total revenue was attributable to local produce. If this ratio is applied to all Totnes outlets identified as selling local produce, CPRE estimates that annual sales of locally sourced produce could be over £8 million today. Our BVD data also indicates that around £8m of turnover could currently relate to local food, if we use CPRE's proportional estimate, but this is across all of T&D not just Totnes.

It is noted that the CPRE report looked at 30 food shops in Totnes only, whereas our work above looking at retail spend using BVD data was for T&D and included 64 retailers. Our total turnover figure was roughly twice that estimated by CPRE, so there is some support for both our findings here as a ballpark, although at the

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detailed level we do not match exactly on the retailers in our data, and CPRE used revenue ranges. Therefore we will use £8m as our estimate.

Morrisons and the Co-op do not currently stock many (if any) local food products when we looked, and could not share with us their % sales for local food.

**CPRE estimates that we spend around £8m on food and drink that has been produced within 30 miles of Totnes, this is 27% of the total £30m spend. So currently we import from outside T&D around 63% of our food.**

### CPRE supply side

Over 160 suppliers in the 30-mile supply chain radius sell their produce through outlets in the town or directly to customers. Interviews with 19 local suppliers show these businesses generate a combined annual turnover of £4.5m, including sales into Totnes.

As a rough check against our own producer data, the CPRE data then gives an average turnover per supplier of £237k. The BVD data (if we remove the main Riverford company which is so large it overly skews the data, and which was not part of the CPRE work) shows an average turnover of £211k so they are roughly in the same ball park, and our earlier figure of £57.8m seems reasonably indicative.

While we can't compare the £8m spend on local food against the £57.8m turnover by the suppliers (as the supplier selling prices are then marked-up by the retailer), it is obvious that the majority of our food comes from outside T&D. At the same time, our local suppliers are producing many more food and drink products than the local area is buying. Of course, partly this is to meet demand elsewhere. But it also raises the question about local demand, and how much of this could be met by our local suppliers rather than via the imports from outside T&D.

## D. WHY BOTHER CHANGING?

### WHY DO WE CARE WHERE WE SPEND OUR MONEY, AND WHERE THE STUFF COMES FROM?

Our research above shows that of the £30m spent in T&D on food and drink per year, £20m goes to our 2 large supermarkets (most to just 1), and the remaining £10m to local independents.

In terms of sourcing, we have seen that maybe £8m is spent on products from the local area (up to 30 miles), meaning £22m is spent on products imported from elsewhere in the region, the country or the world.

If we look at the spend data first, we know that money spent in local independent shops has greater value overall than the same amount of money spent in chain stores like the big supermarkets. This is because money spent with local businesses typically gets re-spent in the local economy not just on wages and local suppliers of products, but also on local services like accountants, marketing, printing, insurance, distribution, cleaning and so on. However, chains tend to only re-spend locally on wages, as they have central contracts with large and remote suppliers and service providers, which often excludes the use of local organisations for all the other business-to-business trade. So that's why, if our aim is to strengthen our local economy, it's just as important to look at where money is being spent, as well as how much.

The New Economics Foundation (nef) has explored in detail this 'local multiplier effect'<sup>xiv</sup>, with examples given in the recent CPRE England's Food Web Report<sup>xv</sup>:

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- Income from organic box schemes generates about twice as much for the local economy as supermarkets;
- Cusgarne Organics, a farm with both local staff and local suppliers, generated £2 for the local economy for every £1 spent or a local multiplier of 2;
- In Plymouth, £384,000 or around half the school meals budget was spent locally 'on seasonal, local produce,' generating around £1.2 million of value per year, a local multiplier of £3.04 per £1 spent;
- In Nottingham local food spending for school meals (currently £1.65 million per year) generates over £5 million in value, or £3.11 in social, economic and environmental value for every £1 spent;
- Similar studies in Northumberland showed every £1 was worth £1.76 to the local economy if it was spent with a local supplier, but only 36 pence if spent outside the area. In other words, £1 spent locally was worth almost 400% more.

Based on nef research<sup>xvi</sup>, CPRE uses a typical local multiplier of 2.5 for its food business calculations. It is beyond the scope of this work to calculate a local multiplier for our local economy here, or to explore more about the factors that impact on the examples given above, but clearly it's feasible for a relatively small transfer of spend from a supermarket chain or international/national supplier to an independent, to have a disproportionately large positive effect on the local economy.

In addition, CPRE's food webs report also usefully quantifies direct job benefits, and notes that local food businesses are particularly important as sources of employment. In terms of jobs, "local food outlets support on average one job for every £46,000 of annual turnover, whereas supermarket chains support one job per £138,000 to £144,000 of annual turnover. So in comparison, pound for pound, *smaller independent local food outlets support three times the number of jobs*. Research indicates this effect continues down the supply chain. For example, producers involved in the local food economy employed on average 3.4 full-time workers compared to the regional average of 2.3 per farm".

Supermarkets and other large corporations have been extremely successful at reducing the cost of labour per unit of turnover. While this has been good for profits and for their shareholders, it comes at the expense of jobs. While this is a complex issue that has to take into account the ability to price competitively in the cut throat world of supermarket market share, we might ask whether just being able to buy some food as cheaply as possible is worth the cost, especially when often local seasonal produce is no more expensive when bought from an independent outlet.

While CPRE reports that 4 in 10 shoppers are already prepared to pay more for local food, we appreciate there are differing viewpoints and needs here, and one of our aims is to ensure that everyone in our community can access reasonably priced, fresh, quality food, even those on the lowest incomes.

**Using the above CPRE data, if just 30% (£6m) of the spend that currently goes to our supermarkets (£20m) , was instead spent in our local independents, this could translate to an additional 87 jobs. Using the local multiplier of 2.5, it also means an additional £15m is then re-spent into the local economy.**

CPRE also report that "local food outlets offer direct and indirect markets for micro and small producers that are unlikely to be available through the distribution channels of supermarket chains. Based on the sample interviewed, we calculated that 69% of supply chain businesses were micro businesses employing fewer than 10 people". This enables more start-ups and micro businesses to participate in the local economy.

So the more local food businesses we have, the more paid employment we have here - significantly more than that provided by a supermarket, with a much greater range of skills.

We are not suggesting that 100% of our food and drink requirements are all sourced locally – there has always been trade across the region, country and the globe, and there always will be to some extent. Also we are not suggesting that the large supermarkets will cease to exist (though certainly they face increasing pressure from energy prices which impacts their logistical advantages), there will always be some demand for what they offer (though we are interested to see how well a community based local food supermarket can offer the ‘large’ supermarket experience, but retain more benefits for the local economy. The People’s Supermarket<sup>xvii</sup> for example is exploring this approach).

So rather perhaps, what could be grown here, should be grown here, and the growing/retailing model should aim to maximise the benefit for the local community, as well as provide a reasonable living for all the people involved. It’s clear that buying more local produce from local independents has the best economic impact on our economy here in T&D – more money goes to support local suppliers and the local multiplier effect means other local businesses also benefit.

REAL OR PERCEIVED BARRIERS

Of course, there are many factors at play. For example, the local option may not offer the best price (real or perceived) or desired range or quality, it can be more difficult to access local shops, and we recognise that purchasing decisions are subject to complex rationale and emotive reasoning, which are often influenced by the media and advertising.

One of our challenges is to identify and remove the barriers to more local trade within the food sector, for residents, for business-to-business and within the supply chains. CPRE’s study of England’s food webs has provided some useful research already about barriers, challenges and recommendations which will inform the work that emerges from this study. For example, Figure 1 shows the results of a survey by CPRE carried out over 13 locations that asked shoppers why they don’t buy more local food, and why they shop at supermarkets.

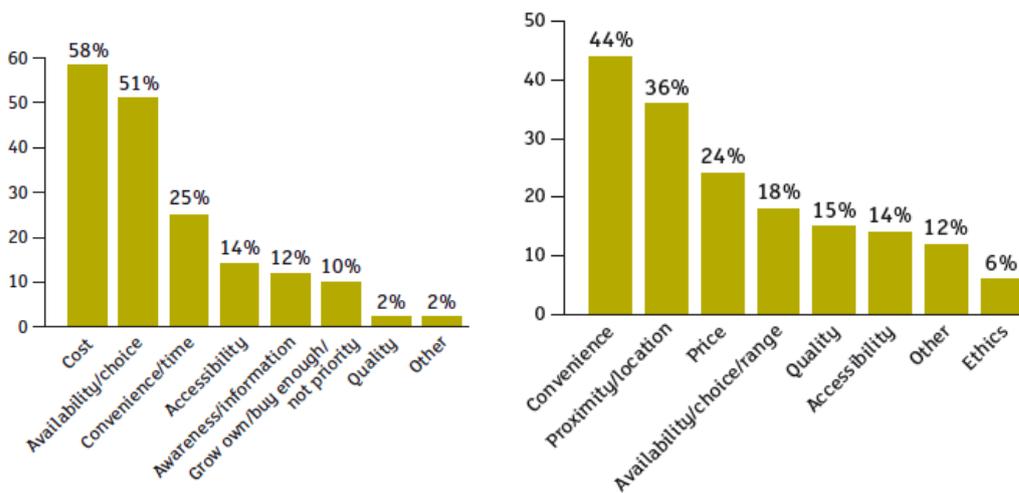


Figure 1 Why don't you buy more local food? (left) and Main reasons given for shopping at supermarkets (right)  
 Source: CPRE From Field to Fork, England, 2012

WHAT ARE THE ADDITIONAL SOCIAL AND ENVIRONMENTAL BENEFITS?

In addition to the financial impacts, there's a host of other social and environmental benefits. While we have not been able to quantify these in any meaningful way within the limits of this study, this would be an interesting piece of follow-on research. Some of the main benefits include the following...

**Reduction in food miles** – this is a complex topic and the importance of transport varies for the different modes of transport and types of food. CPRE reports that for example, “for field grown fruit and vegetables, transport emissions tend to be a significant part of the total, whereas for meat and dairy products the agricultural stage generates most emissions. However air freight contributes a large proportion to total transport carbon emissions: the 1.5% of fruit and vegetables transported by air make up 40% of all fruit and vegetable transport emissions. Driving to shops for food plays a part too: cars contribute around a quarter of the total greenhouse gas emissions of food transport. Emissions due to shopping by car rose by 46% between 2002 and 2006”. So there are certainly opportunities for reduced carbon emissions for some food types, both from transport and production processes.

**An improved place** – food businesses interviewed by CPRE commented significantly on three main roles of their businesses: supporting the quality and character of their town (especially markets); supporting the quality and character of the surrounding landscape; and maintaining historic and listed buildings in use (retail outlets).

**Social** - in terms of social connections, CPRE reports that relationships are built between local independents via informal business networks. These enable mutual support, sharing of information, helping to deal with surplus produce or promoting each other's products. Many outlets offer informal support the local community, delivering goods for free for the elderly for example, and providing help in other ways where they can.

A diverse, vibrant, strong local food system is one of the most important building blocks for our local resilience. According to Can Totnes Feed Itself<sup>xviii</sup>, it not only improves access to nutritious and affordable food, but improves our local diversity in terms of species, ecosystems, products, occupations and so on. It has potential to provide a substantially enhanced carbon sink and reverse the decline in soil fertility, and reduce our dependence on fossil-fuel based fertilisers and other agrochemicals.

Can Totnes Feed Itself also presents a compelling vision for “a new food culture, one that becomes more rooted in healthy, fresh food, with a wide variety of local livelihoods offering meaningful and productive work, with rich soils, abundant wildlife, a resurgence of skills and craft, and a renewed interest in healthy eating. It would result in a more populated countryside being home to a range of businesses and a greater range of land use types, and an urban landscape fully integrating food production and intensive market gardening. It is not about “going back” to some dimly imagined rural idyll, rather it is about going forward into the future in such a way as to be able to thrive and flourish in uncertain and volatile times, and to live within realistic energy constraints.”

A SUMMARY OF WHERE THE GREATEST BENEFITS LIE

So now we know the value of our current food economy, and the justifications for making it more local, with the best outcomes for our local economy arising where local products are bought from local retailers.

Figure 2 captures this situation graphically, and shows who benefits from the 4 possible combinations of sourcing locally or non-locally, and spending locally and non-locally. Clearly, the most benefits arise in the green (upper right) quadrant.

**ECONOMIC BLUEPRINT FOR TOTNES & DISTRICT: OUR LOCAL FOOD ECONOMY**



Figure 2 Who benefits from decisions we make about our food and drink shopping in general?

If we map the figures we produced earlier onto these 2 scales (place of purchase and source of product), we get the result shown in Figure 3. This represents our current £30m food (retail) economy. While this is a great start, clearly there is much potential for our community to gain more direct benefits from a more localised food sector, especially where local source and local spend overlap (our current data allows us to look and source and spending but not both, hence we can't show a 'green' area with any accuracy).

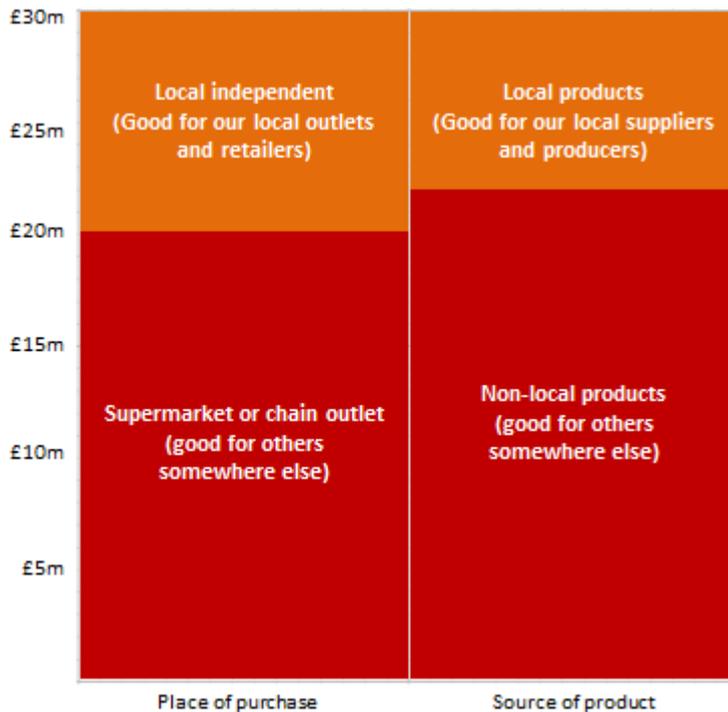


Figure 3 Current T&D opportunities for growing local spend and local sourcing.

Some people might see this approach as protectionism, the opposite of free trade. We would argue that we are most interested in the best outcomes for our community here in T&D, and that we are looking to stop the leakage of money that could be retained in our own economy, providing jobs and essential goods and services for local people, in a sustainable and equitable way. We hope this model will be replicable elsewhere, so other places can benefit from increased economic resilience too by strengthening their own local systems, rather than relying on export. We refer to the vision for our local economy as presented in the summary document.

### E. GROWING THE LOCAL FOOD ECONOMY

#### PROPOSED APPROACH, PROJECTS AND ACTIVITIES

So given the clear opportunities to increase local spend and local sourcing, where might we start?

Note that for this plan, we are looking at a 3 year time frame (any longer feels too subject to change) and relatively limited resources. This plan does not include every possible thing that might need to be done to realise the maximum potential, rather this is a set of things we can practically do that will start to realise some of it. From these activities, we will learn much that will influence our future work, and of course, other things may come along unexpectedly that gains precedence over these suggestions. We welcome input from others to help shape our collective path. So this should be seen as a suggested approach, with some aspects already getting underway, but it's not set in stone.

Given this, we feel there are 2 main themes to consider in our approach, and within each stream we propose a number of projects, with work already underway in a number of areas.

#### **1. Community awareness - encouraging people to spend more in local independent retailers and outlets and encouraging people to buy more local products.**

We need to work to raise awareness in our local community of these economic issues. Our money is a weapon against the economic uncertainty we are facing. It matters what we do with it. If we don't bring our community along with us, then things are unlikely to change and these opportunities and benefits will remain words in this report. This work needs to go beyond a traditional 'shop local' campaign to engage local people with this discussion, connect with both hearts and minds, and invite participation in building our local food economy together.

Initial projects and activities:

**'Grow our local economy' campaign** - develop a series of campaigns, each of which targets a certain segment (residents, tourists, restaurants, retailers, kids, public sector procurement etc.). This will include exploring the real and perceived barriers to more local shopping, including labelling and infrastructure issues like parking, opening hours etc., and finding ways to address them.

Status: 'Reimagining the High street' activities already planned for the autumn. Resource is required to set up and run the wider campaigns, and identify and make the required infrastructure changes or other barrier reduction.

#### **2. Build capacity - grow the range and capacity of our local supply chain to meet an increased demand for local food and drink.**

If our 2 supermarkets closed down today, then we would be in trouble! Our local food supply chain is not geared up to meet all the food and drink needs of our community (though we are doing better than many other places). We need time to do the following if we are to make the most of these opportunities:

**Research the production gaps** - work with local suppliers to explore what is produced locally now (some info in local CPRE report<sup>xi</sup>), and the gaps between this and T&D's needs. Then identify what could be produced locally, considering current and potential use of land, and what will always be imported.

Status: Recent funding means we can now begin this work with a local food crop gap analysis. We aim to use local students to assist with research where possible. This work can then inform the best means of exploration of other areas, and how we might support/work with suppliers to help fill these gaps.

**Infrastructure** - identify related processing and distribution infrastructure that might be needed to support this shift.

Status: A little of this work is also funded and underway – for example, exploring what current processing facilities we have and where the gaps might be. Also setting up a Food Hub for local people, and looking at the viability of a similar model for wholesale. If ATMOS<sup>xx</sup> goes ahead then this would ideally house some of the required facilities like processing or packing capacity etc. We would like to support establishing a Community Supported Agriculture (CSA) model, and possibly regular food markets for local suppliers.

**Business support** –inspire and support new enterprises (and existing businesses) including access to appropriate skills, training, facilities, finance and investment ideally via a physical incubator facility (not just for food enterprises).

Status: Facilities secured, South Devon College providing apprentices to re-fit the building, now seeking additional funding for initial running costs.

**Network & collaborate** – build and strengthen mutually supportive connections between all parts of the food supply chain. Actively engage this network with creating and delivering this plan. Enable more direct contact between producers and retailers, restaurants etc.

Status: this work is underway through the Totnes Food Link project which is building and working with a network of local producers, suppliers, retailers etc.

**Skills and training** – more work is needed to identify the skills required to support this bigger local food economy, and then work with schools, colleges and other providers to set up the courses or other means. This might include, for example, working with local chefs on the use of more local, seasonal produce.

Status: A small number of courses are already offered locally, such as the Sustainable Horticulture course at Schumacher College<sup>xxi</sup>. The wider skills analysis work requires funding.

All of the above projects have been considered by the REconomy Forum partners, and priorities have been suggested to help give clarity on where to focus our efforts, including fundraising. A number of policy changes are also suggested in the summary document, and we aim to work with local, district, county and national government to address these.

A summary is provided in Figure 4, with a traffic light system of red (not yet started), amber (partially underway) or green (fully underway) used to show current status. The priority projects, along with those from the other areas of this work, have been put onto a timeline that reflects what will happen when, any dependencies and who is responsible. The latest version of this plan will be available on the TTT website.



Figure 4 Summary of proposed projects for next 3 years, and current status

## INDICATORS

How will we know if the economy is changing in the desired way? We suggest that a small number of indicators need to be defined, and then monitored long-term. Defining these in more detail is not within the scope of this work, but this will be picked up by the team who takes this work forward as a priority action and in association, we hope, with credible academic partners who can help provide appropriate process and rigour. This work will include providing baselines for each indicator, building on the work in this report.

Suggested indicators include:

- Amount of money spent in local independent outlets, and versus the supermarkets
- Amount of money spent on locally sourced products versus non-local
- # food-related jobs
- food-related jobs skills profile
- % of food-viable land in production
- # tonnes of carbon saved due to re-localised food
- % of local public sector organisations with procurement policies preferring local sourcing, and amount spent

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