Feasibility Study on Sustainable Logistic Models of Food Distribution in South West Wales

Draft Final report

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Feasibility Study on Sustainable Logistics Models of Food Distribution in South West Wales: Final report

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Table of contents

List of Figures

List of Tables

Glossary

Acronym/Key word	Definition
CIC	Community Interest Company
LAG	Local Action Groups
SW	South-West
POPPs	Public Organic Procurement Policies
UHB	University Health Board

Executive Summary

Introduction

- Miller Research was commissioned by Ceredigion County Council, on behalf of the Rural Development Plan LEADER Local Action Groups (LAG's) in Carmarthenshire, Ceredigion and Pembrokeshire, to conduct a feasibility study on sustainable logistic models of food distribution in South West Wales to connect local consumers with local producers.

Distribution models

- As a result, a SWOT analysis of the main distribution models in the region and further afield was undertaken including food hubs, intermediaries and cooperative retailers to gauge the key considerations, barriers and opportunities to model development. Factors considered was the level connection with the community, the time and effort involved for producers and clarity surrounding governance and ownership.

Design principles and key components for consideration

- It was determined that any model produced needed to be regionally unique and built on existing assets, as well as socially, economically and environmentally sustainable.
- The potential presence of the public sector (specifically Hywel Dda Health Board) in the model offered the ability to create consistent demand for producers and develop a viable distribution system on which local producers could "piggyback". The commissioning frozen and cook chill ready meals was suggested as an effective way to distribute/retail locally sourced food and engage hard to reach families who are price sensitive.
- The potential of a community interest company (CIC) to provide coordination and expertise in management, finance and marketing was also recognised.

Consumer market research

- As part of segmentation work undertaken, consumers were categorised into four different archetypes with different habits, considerations and barriers when engaging with local food: ‘hardcore activists’, who buy local food as a priority, ‘social buyers’ and ‘believers’ who like to buy local food, but do not deem it a priority, and finally, ‘local food sceptics’, who do not deem it a priority. From the results of the consumer survey, most respondents fell into the category of social buyers or believers.
- Despite each groups differences there was overlap in the actions needed to be taken to engage these groups, including increasing the accessibility, range and convenience of purchasing local produce. Findings from the consumer focus group supported the survey data.

Producer mapping and buy-in

- Mapping using Power BI software identified 385 producers across the three county areas with several clusters in the more populated areas. The mapping work highlighted gaps in the region in terms of the low numbers of fruit and veg suppliers and food processors.
- Overall, producers expressed an interest in participating in any future model on the conditions of routine and predictability in any demand, as well as a constant, resilient food supply.
- Multiple challenges to creating a sustainable model were highlighted by producers including the issue of ‘last-mile’ distribution and the scalability of the model. The coherence of a large-scale abattoir with model values were also cited as a concern.
- In order to address the challenges, several solutions were suggested. The issuing of forward contracts from the public sector and the introduction of seasonality was proposed as a means of providing predictability for producers. The ability of reliable

intermediaries to ease logistical burdens for producers and the possibility of a mobile abattoir for the region was suggested.

Model development

- Taking the above findings into account, the outline of a sustainable food logistics model was developed iteratively, integrating the multiple components to create a systemic approach. The output is a multi-layered model, seeking to build on existing assets and appeal to the different types of consumers and producers identified.

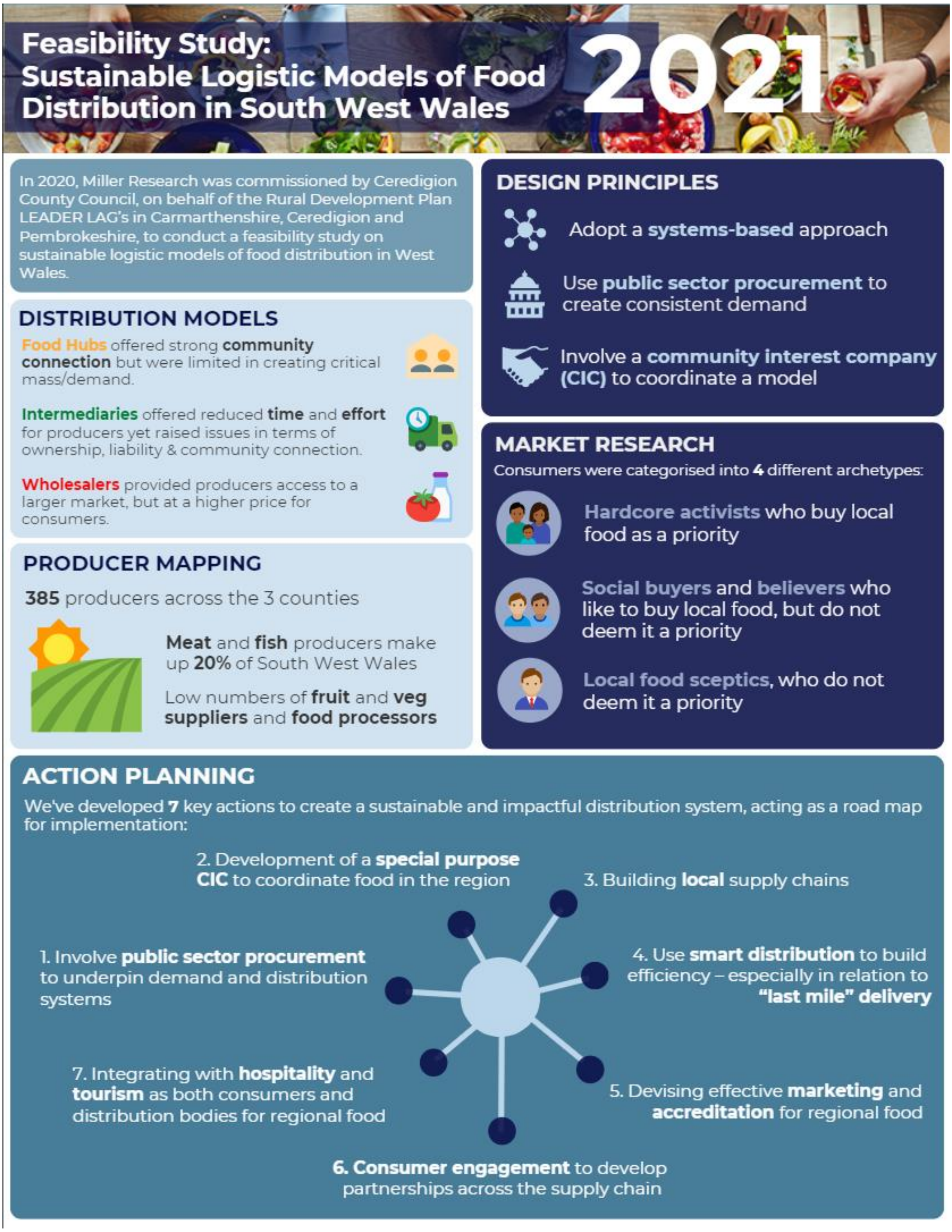
Action Planning

- Following its development, steps need to be taken to turn the proposed model and its various elements into a sustainable and impactful system. As such, seven key actions have been proposed, acting as a road map for implementation. These include:
    - Public sector procurement to underpin demand and distribution systems
    - Development of a special purpose CIC to coordinate food in the region
    - Building local supply chains
    - Smart distribution to build efficiency – especially in relation to "last mile" delivery
    - Devising effective marketing and accreditation for regional food
    - Consumer engagement to develop partnerships across the supply chain
    - Integrating with hospitality and tourism as both consumers and distribution bodies for regional food
- Each action has key steps and interdependencies outlined which ultimately centres around engagement and consultation

between major delivery partners, such as local growers, Hywel Dda University Health Board, and LEADER LAG's.

- Although there is no prescribed order, each action plan has a suggested timescale for implementation and an assigned priority level. The characteristics and assets and gaps of the individual county has also been taken into account when determining future actions.

Figure 1 Food Feasibility Study Summary



1. Introduction

Background to the study

1.1 In September 2020, Miller Research was commissioned by Ceredigion County Council, on behalf of the Rural Development Plan LEADER Local Action Group's (LAG's) of Carmarthenshire, Ceredigion and Pembrokeshire, to conduct a feasibility study on sustainable logistics models of food distribution in South West Wales.

1.2 This project is as an 'inter territorial co-operation project' between the three LEADER LAG areas. This allows for the exchange and transfer of knowledge and experience between the LAG areas. Co-operation also enables the pooling of collective resources and expertise.

1.3 Ceredigion County Council has acted as the lead organization, though the project has involved equal focus and investigation across the three counties. Over the course of the study, Miller Research has drawn on its expertise in the food and drink sector and extensive knowledge in agriculture and rural development to provide a feasibility report which is tailored to the context of the South West Wales region.

1.4 Consideration has been given to the geographic and demographic contexts of the three counties throughout the feasibility study. To date, several sustainable food initiatives have been established and explored across the UK, however in many cases these have been concentrated in urban areas. Noteworthy examples include *Sustainable Food Places*, or formerly, the *Sustainable Food Cities* initiative which has expanded primarily in England. Conducting a feasibility study in the relatively rural areas of Carmarthenshire, Ceredigion, and Pembrokeshire is therefore a more novel venture, presenting its own set of challenges and opportunities. To fully understand these, we have sought insight from key local stakeholders, as well as local consumers. This has included developing an understanding of the barriers that currently exist to developing a sustainable model in the South-West region, and the actions required to overcome them. As a rural area with an economy that fluctuates seasonally in response to tourism, we sought to develop a model which allows for greater security all year round.

The Need for a Sustainable Model...Why Now?

1.5 Alternative food systems, and the emphasis on local, sustainable solutions, has increasingly become a national priority. The combination of climate change, Brexit, and Covid-19 have produced a substantial threat to food security in Wales if action is not taken quickly to implement sustainable solutions. Addressing vulnerability in the Welsh food system and its supply chains has been cited as a matter of urgency by the Policy Institute for Wales, which can only be resolved through systemic thinking.

1.6 The rationale for this food feasibility study was underlined by the impact of Covid-19 on the three counties. The study was a response to issues of lost revenue and instability in food supply and access, and the observed impact to farmers and local businesses caused by the pandemic.

1.7 Alongside this, a rising interest and demand for local food has been observed during the COVID-19 pandemic, with many businesses and producers in Wales selling directly to consumers. Consumers have also been motivated by a desire to support local businesses and to compensate for the shortfall experienced through the loss of tourism throughout the pandemic.

1.8 Since the initial proposal of this study in Summer 2020, the importance of sustainable local food models as a response to Covid-19 has been further reinforced. With an extended lockdown period through the Winter months, we observed a continuation of the shift away from local high streets and towards online retailers. This drastic change in consumer habits is now more likely to be long-lasting, emphasising the importance of moving away from the current system and examining alternative models.

1.9 The ongoing lockdowns have presented lasting challenges for local food suppliers. The drastic reduction in tourism and widespread cancellation of events have made it essential for producers, suppliers, and retailers to consider ways of sustaining an income all year round. Regular and effective engagement with local consumers has become increasingly important as a result.

1.10 For consumers, the main challenge caused by the pandemic was related to cost and accessibility. Covid-19, combined with existing measures of austerity over the last decade, has created a ripe climate for food insecurity – forcing many consumers to shop at multinationals offering more affordable options.

1.11 Despite these difficulties however, we believe that the current situation presents a unique opportunity to harness a sustained interest in local food. Furthermore, the issues outlined demonstrate an urgent need to develop mechanisms which make local purchasing a natural, affordable, and effortless choice for consumers and businesses across the region.

Existing Strategy in Wales

1.12 The need for a sustainable food strategy has been strongly acknowledged by Welsh Government over the last decade. As a result, most of their investment in the food & drink sector post Covid-19 is focused upon sustainability (*Covid-19 business recovery plan, Food & Drink Wale*s). The strategy document clearly states the need for post pandemic strategies which place a focus on public procurement opportunities and a growing green economy. It also envisions ‘one of the most environmentally and socially responsible supply chains in the world,’ which can only be achieved through studies such as these which strive to optimise and improve upon existing local assets.

1.13 Over the last decade, there has been a wealth of strategy and policy documentation guiding progress in Wales across the specific areas of agriculture, food and drink, food and tourism, horticulture, red meat, dairy and seafood. Additionally, wider policy areas such as the Well-being of Future Generations Act have clearly outlined the need for future developments to align with the core themes such as health, global responsibility, prosperity, and resilience.

1.14 These wider priorities, such as the Well-being of Future Generations Act, sustainable development, and the identification of measures to tackle poverty and social exclusion, overarch many areas of Welsh policy and have also been cited as cross-cutting themes for this study. This highlights the importance of taking a whole-systems approach which is beneficial for both private and public sector.

1.15 The lack of alignment across existing food policy guidance has been widely recognised by key actors. The segmentation of areas across the food supply chain often leads to a failure to connect the stages of the food system, which is why newer reports have advocated for holistic approaches that fully consider how these stages are interlinked.

1.16 More recently, the Cardiff University/WWF commissioned report on, 'A Welsh Food System Fit for Future Generations' produced a comprehensive analysis, re-imagining what an aligned food system in Wales might look like, and what it may require. We recognise that to implement these recommendations, working with Local Authorities will be essential – in order maximise the potential for each region.

1.17 In many areas, the findings of our fieldwork for this study reflect several recommendations made in the Cardiff University/WWF report, specifically in building a sustainable local food system. Through this feasibility study, we have aim to provide an added layer of clarity – proposing Action Plans which suggest key steps needed for delivery. We have ensured that our recommendations are accompanied with area-specific examples, as well as practical steps for taking action. Guidance on public sector procurement, sustainable food hubs, and digital markets are all areas of consideration, within which we have mapped context-specific examples across Carmarthenshire, Ceredigion, and Pembrokeshire.

Aims and objectives of the study

1.18 The central aim of this study is to identify and work with existing assets in the region, to devise a food distribution system which responds to local needs, whilst providing the strategy to facilitate economies of scale.

The study's key objectives are:

- To analyse and report on the current status of food systems in the three areas.
- To collect and present the perspectives of local producers and consumers.
- To consult with key external individuals/organisations and specialists (e.g., local governments, Food Innovation Wales, and Welsh Government).
- To consider and build upon existing best-practice models and examples.
- To present-evidence based recommendations, which we demonstrate through our delivery model and 7 Action Plans.

Approach to delivery model

1.19 The final objective of the study is to present a delivery model based on the findings, to include tailored solution packages and future recommendations. Where possible, we have considered costs, funding sources, smart IT solutions, and organisational systems.

1.20 The model that we have devised considers factors unique to the South West Wales region, reflecting its people and landscape. It also aims to maximise retention of spend in the local area.

1.21 The ‘Action Plans’ illustrate different steps and starting points from which action can be initiated to fulfil the model. The exact roadmap for each region, made up of the proposed steps in each action plan, will vary between regions, based on budget, other regional initiatives, the immediate need, preference, or logistic practicality. Given the size of the geographic area, with variable local needs, a one dimensional approach is unlikely to be suitable, so our model and action plans are designed to be used as a ‘tool kit’, with constituent parts to be used as is most appropriate in each area.

1.22 The advantage of presenting ‘Action Plans’ in this format is that it allows decision-makers to realise the practical and tangible elements that need to be put in place in order to achieve a sustainable local food system. The Action Plans detail recommendations that can be carried out and tailored to work on core areas, such as building local supply chains, smart distribution, and hospitality and tourism.

1.23 In addition, the Action Plans closely align with the wider plans for economic recovery in the region. We understand that core areas, such as digital connectivity and smart technology, up-skilling and retraining, the growth of a green economy and of a fair and equal economy, are all core priorities for post Covid recovery. These ambitions, combined with new strategies for the local food system, can make substantial progress in building more resilient communities.

1.24 Our Action Plans are well designed to coexist with existing projects, such as Carmarthenshire’s Ten Towns Initiative, in seeking new opportunities to collaborate with public sector partners and small businesses. The added potential of capital funding for the initiative may allow vital funding to establish start-ups or contribute to the expansion that enables small businesses to scale-up and provide increased employment in local communities.

Approach to the study

1.25 The feasibility study involved a wide range of both primary and secondary research activities, including:

- Background research
- Qualitative interviews with key stakeholders across the region
- An online survey of local consumers
- An online survey of local producers
- Mapping of local producers
- A virtual focus group with local consumers

1.26 These activities are expanded on in the full methodology in Annex A.

Report Structure

1.27 This report presents a comprehensive overview of the feasibility study, including findings from our research activities and our recommendations for action. The report is structured as follows:

- **Section 2** provides an overview of food distribution models, including SWOT analyses of model types, factors for consideration, and the role of the public sector.
- **Section 3** presents our group profiles i.e. Consumer types, a discussion on the findings from our consumer and expert focus groups, and a mapping exercise of producers in the region.
- **Section 4** presents a model for sustainable food logistics, and consideration of the wider context.
- **Section 5** provides a roadmap for the implementation of recommendations based on our findings. We detail 7 Action Plans designed to target specific areas, which can be used as strategic starting points to achieve a more sustainable food system.

- **Section 6** sets out the characteristics, strengths and weaknesses of the three respective county's of Carmarthenshire, Pembrokeshire and Ceredigion in relation to the implementation of the Action Plans.

2. Food Distribution Models

2.1 This section of the report describes the development of our model, through the iterative, collaborative process outlined in our methodology (Annex A). In effect, it provides a theory of change for food distribution in South West Wales and can be used to identify assumptions, scope resource requirements and highlight challenges.

2.2 We will begin by discussing the basic idea of a local food model, before examining five core categories of distribution models that have informed our approach. We will also present the key principles of our design, as well as important factors to consider, including the use of public procurement and a special purpose Community Interest Company (CIC).

What is a local food model?

2.3 A sustainable local food model is a collaborative network that aims to shorten the distance between producers and consumers, both literally and figuratively. Such models tend to typically include food production, processing, distribution and consumption, and can bring a variety of benefits to local areas.

2.4 In order for local food models to be sustainable, they must generate positive value across three dimensions: the environment, society and economy (See Table 1 below). This holistic vision allows us to identify potential synergies and hidden trade-offs, to ensure that a model has an overall positive impact on the value of the food system. As such, systems-thinking has underpinned the foundations of our approach to this study as we believe it offers the most effective means of designing a model that is regionally unique – reflecting the needs of the landscape and people – but can that also facilitate economies of scale.

Table 1: Dimensions of sustainability in local food models

Area	Criteria
Economic Sustainability	Profitability Generating local employment Training initiatives Synergies with other sectors Markets/events for multiple producers locally Preservation of small farms
Environmental Sustainability	GHG Emissions Energy use and Carbon Footprint Food Miles Food Waste Production methods?
Social sustainability	Connection between producers and consumers Sense of community (and trust) Community pride Recognition of producers Consumer empowerment (doing the right thing etc) Health and Wellbeing in the community

Source: Miller Research

Existing types of distribution models

2.5 A number of existing models operate in the UK and Europe. The activity and organisation of these informed the development of our own model and provided guidance and inspiration.

2.6 Several innovative models are already testing cost-effective and sustainable solutions for more efficient logistics and distribution in the SW Wales region, allowing short food chains to share cost and resources, and tailer to the needs of consumers. The main distribution models we explored through our analysis included:

- Food Hubs
- Active Intermediaries
- Enabling Intermediaries
- Wholesalers
- Co-operative retailers

2.7 Below we briefly summarise each type of model, along with any relevant examples regionally and in the rest of the UK. We have also included a high-level SWOT analysis for each, highlighting their associated advantages, disadvantages, opportunities, and threats.

Type of model

Food Hub

Similar to farmers' markets, food hubs bring together a range of produce into a single location (both virtually and physically). The difference, however, is that food hubs include consumers placing online orders and producers dropping these at the hub for the customer to collect on a specific date/time.

Many initiatives in the region have set up community food hubs, several supported through LEADER.

Regional examples include:

- Aberystwyth Food Hub
- Haverfordwest Food Hub
- Carmarthen Food

Advantages:

- Strong community element, bringing together local people with a common interest in local food.
- Producers can aggregate orders together and obtain a sense of demand due to pre-ordering from consumers.

Disadvantages:

- Costs of administration/volunteer time.
- Issues of liability and storage capacity if stocks are held at the hub.
- Coordination of delivery times for collection arrangements.
- Issues of achieving and maintaining critical mass.

Opportunities:

- Producers can form a co-operative with the hub to lower margins.
- To bring local people back into local areas and rural towns post-covid.

Threats:

- A loss of interaction with the producer, something directly associated with traditional farmers' markets.
- A continued shift to online shopping and preference for delivery by consumers.

<table>
<tr><th colspan="2">Active Intermediary</th></tr>
<tr><td></td><td>An active intermediary physically handles and organizes produce for producers. They collect local produce and deal with packaging and delivery themselves. Usually, the model includes the use of an online platform, where consumers can place orders for delivery, and can sometimes include smart IT solutions for producers/retailers.
Some examples include:
Local e-sourced: brings together Herefordshire’s independent local businesses and products on a single platform.</td></tr>
<tr><td>Advantages:
Consumers can aggregate orders from a range of suppliers.
They tend to offer delivery to residential addresses or workspaces
Reduced time and effort involved for the producer, as the intermediary is responsible for marketing and managing the platform.</td><td>Disadvantages:
“Last mile” costs prohibitive for rural areas.
Some issues of liability and ownership.
Reduced sense of local – consumers do not get to directly interact with the producer.</td></tr>
<tr><td>Opportunities:
Strong promotion/story telling on the online platform can increase the connection between producers & consumers.
Can provide economies of scale, through developing recurring subscriptions.
Movement to online shopping habits during the pandemic provides good indication of demand.</td><td>Threats:
Requires a strong trust element and buy-in from producers for the model to be viable.</td></tr>
</table>

Enabling Intermediary

Enabling intermediaries usually consist of online/virtual forums for producers to sell their produce. An enabling intermediary might be involved in the ordering and organisation of delivery but does not handle the produce themselves.

Best-practice examples include:

- Big Barn
- Farm Drop
- The Open Food Network

Advantages:

- Like the active intermediary model, reduces time and effort for producers by providing a platform to sell their products.
- Provides single invoicing for consumer and assured payment for producer.

Disadvantages:

- Relatively more labour intensive for a producer than in comparison to an active intermediary.
- Producers ship direct to client using couriers – can add significant intermediate costs.
- Reduced sense of local – consumers do not get to directly interact with the producer.

Opportunities:

- Possibility to develop recurring subscriptions from consumers.
- Strong promotion/story telling on the online platform can increase the sense of community and interaction between producers and consumers.

Threats:

- Can be issues with liability over who is responsible – the producer or intermediary – if anything goes wrong.

Physical wholesaler

A physical wholesaler buys products in large quantities direct from the producer. They are responsible for storing the products and will look to resell the inventory after marking up the price.

One regional example includes:

- Castell Howell: support regional produce as a core value. Currently stock thousands of Welsh suppliers, providing a platform for their products.

Advantages:

- Can offer sophisticated infrastructure networks and existing links into foodservice and retail.
- Can often offer more extensive range of products for consumers – including ready meals.

Disadvantages:

- Can induce higher prices on consumers.
- Tend to incur lower margins for producers.
- Doesn't offer a real connection with the producer or sense of local.

Opportunities:

- Consumers can bulk buy orders with other members of the local community to bring the prices down.
- Can provide more reliability and quantity in demand for producers.

Threats:

- Risks that the wholesaler has a preference for national needs/demand over local.

Co-operative distribution model

Co-operative distribution models include the aggregation of farmers and producers into a collaborative group/network who own the distribution system. This means that instead of intermediaries connecting them to consumers, producers actively & collectively participate in distributing their products, and share profits.

Examples, include:

- Welsh Lamb and Beef Producers: a farmer-controlled agricultural cooperative society of over 7,500 Welsh livestock farmers

Advantages:

- Can increase knowledge transfer and education of best practice amongst local producers.
- Can build strong relationships between local food and local people through direct delivery or collection.

Disadvantages:

- Can be some issues over governance and management e.g. the day to day running of the model.

Opportunities:

- Can supply larger volumes to market and consistently over longer periods which in turn facilitate co-ops to develop into long term opportunities (i.e. price paid).
- Can develop a strong label/brand for local producers.

Threats:

- Depending on the size, sometimes they have the inability to meet supply contracts:
  - Financial implications for the co-op.
  - Supplement inferior goods that tarnish the brand

Design principles

2.8 A number of principles were established to help determine the scope of the model in the initial stages. These are laid out below:

- Adopting a systems-based approach, that entails working across all aspects of the food supply chain, by taking a holistic, place-based view to the delivery of healthy and sustainable food. This means examining each interrelated component of the model as part of a single, regional system, to create a distribution network that:
    - optimises all the current and potential food and drink transactions within the region
    - grows demand amongst consumers in the region and
    - as a result, stimulates demand and increased regional food production
- Built on existing assets – designing a model which:
    - incorporates all the existing local and regional distribution models
    - takes advantage of all forms of food and drink spending, from consumer through retail and hospitality to corporate and public sector procurement
    - provides a strategic framework in which ground-up initiatives can thrive, whilst working in alignment with wider goals
    - maximises retention of spend in the local area to build short supply chains and maximise contribution to foundational and circular economies
- Regionally unique - reflecting the characteristics of landscape and people but is scalable through replication.

2.9 These principles have informed our approach to the study throughout and have equipped us with a framework for sense checking at each stage of the process.

2.10 There are a wide range of factors to be considered when compiling a model. A number of these are highlighted in Figure 2 below.

Figure 2 Factors for consideration

Other key components for consideration

Role of the public sector

2.11 One of the challenges for local or regional food distribution is that of the "last mile" delivery to households – which can take up a substantial proportion of overall distribution resources. Although food hub arrangements allow for consumers to collect orders from their local area, for less engaged audiences, the ability to deliver to the door is important for attracting new customers into local food.

2.12 The public sector has a potential role to play here, by providing a level of demand that is high enough to make a distribution system viable. In doing so, it leads to economies of scale and reliability. The result is that delivery to households then becomes a feasible part of the service, which is maintained by the base level demand provided through public procurement.

2.13 This has been witnessed successfully in international contexts, like Copenhagen (case study is enclosed in Annex B), where over 90% of the food in public kitchens is organic. This is due to a combination of progressive green procurement policy and a goal to transform the food system. The cities model ensure that well-trained kitchens are supported by quality, organic procurement, and tenders encourage markets to develop sustainable parts of their product ranges.

2.14 In effect, using public procurement can provide the "nuclear baseload" of distribution to allow for local producers to piggyback on the network and achieve delivery and collection at a lower marginal cost. Furthermore, there may be scope to allow for the network to be extended to provide a proportion of doorstep deliveries direct to customers.

2.15 A key additional point here is that much of the public sector procurement requirement is for processed food, which does not necessarily fit with what is produced in the region. Discussions with Hywel Dda UHB suggested that the Health Board could commission frozen and cook chill ready meal products for use on their premises, using local ingredients.

2.16 This idea could be further extended to provide reasonably priced ready meals for sale to local families under a regional brand. This would address one of the key challenges identified – that of engaging hard to reach families with low household budgets and little culture of cooking from raw ingredients.

Role of CIC

2.17 One of the key challenges for several models, such as co-operatives and intermediaries, is that both require some element of co-ordination and general day to day running to make them viable. This often requires a dedicated team who overall have expertise in management, finance and marketing.

2.18 The development of a special purpose community interest company (CIC) has a potential role to play here. One example in South West England (case study is enclosed in Annex B), was recently launched to lead a collaborative food community to support the region's food network to buy local and establish sustainable, shorter supply chains across the food sector, focusing primarily on public procurement.

2.19 The CIC lead the management of the online platform and coordinate regional support for producers. They are also responsible for ensuring producers adhere to the core principles and accreditation required to engage with the model, thereby taking responsibility for quality, accreditation and overall marketing.

2.20 We have explored the use of a special purpose CIC in our own model – as an active intermediary between producers, the public sector and consumers in the region. In effect, this would mean that they were responsible for overseeing distribution and delivery to the public sector and consumers, as well as branding, marketing and accreditation.

2.21 There may also be scope to allow for the CIC to engage in wider community activities, which can include local growing initiatives, engagement with foodbanks and local schools.

3. Segmentation Profiles and Findings

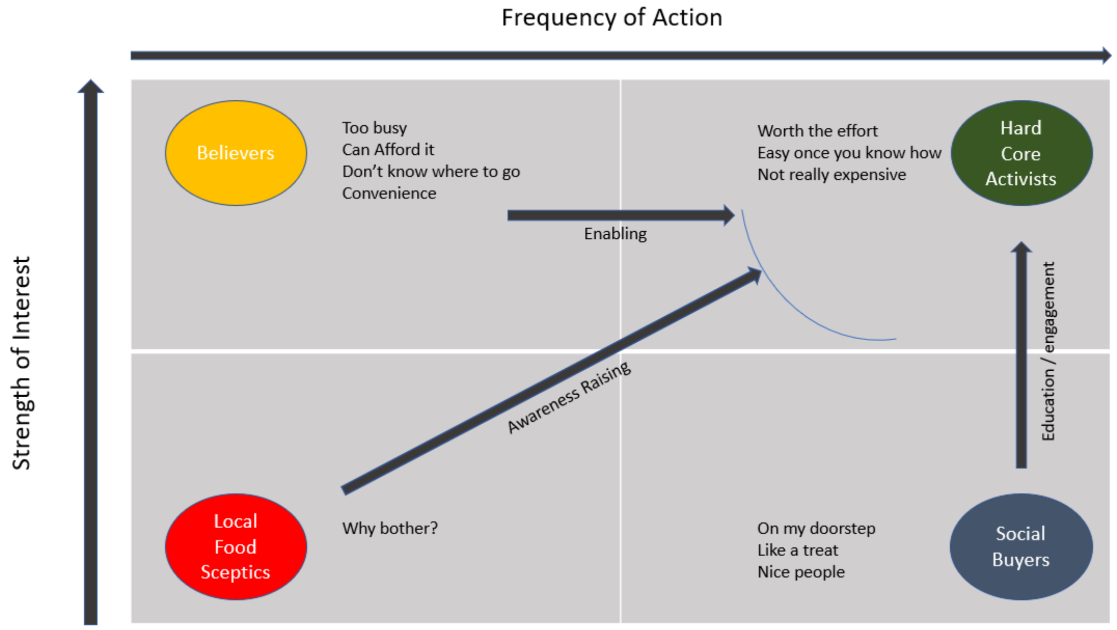
3.1 This section outlines the findings stemming from stakeholder interviews, the Expert Group workshops, the producer and consumer surveys and the consumer focus group. This in turn, has informed model development in section 4 and the action plans set out in section 5.

Consumer segmentation and archetype development

3.2 Informed by existing market research on consumer attitudes, four archetypes for consumers in the region were identified, based on their relationship to local food and drink and their interactions with the sector. The rationale for segmentation was to highlight the different needs, habits and challenges facing the various groups, and how they fit into the varying aspects of any logistic model of food distribution.

3.3 Consumers were classified initially on the two axes of strength of interest and frequency of action. The results from this segmentation exercise are shown below:

Figure 3 Segmentation exercise

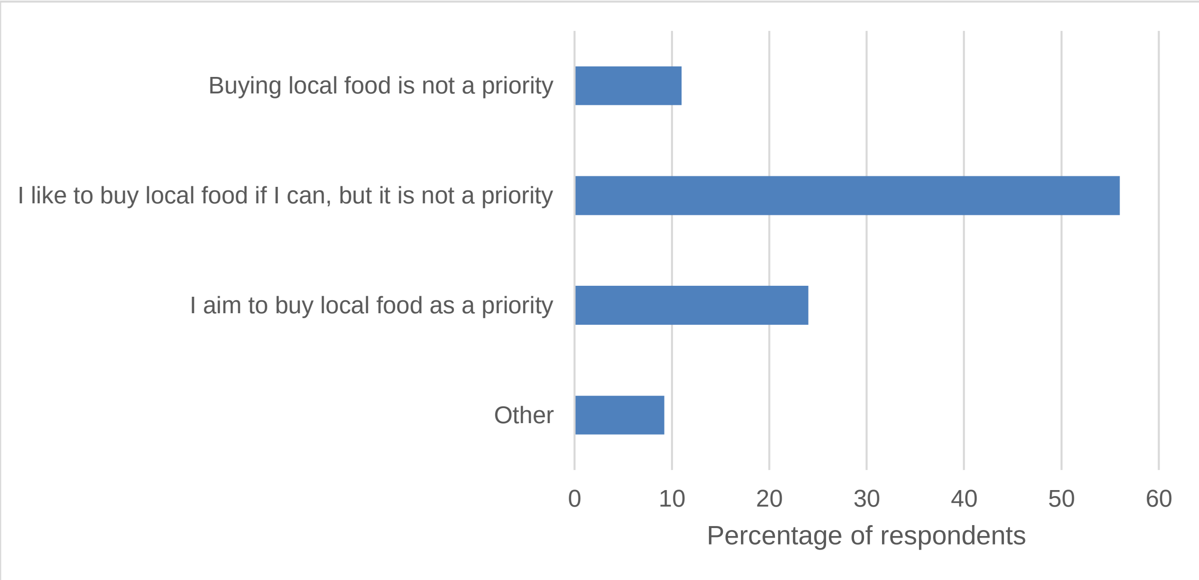


3.4 This, combined with the data from the consumer survey and consumer focus group, highlighted some key insights for each of the four groups and the actions that needed to be considered in order to build engagement.

Views on local food purchase

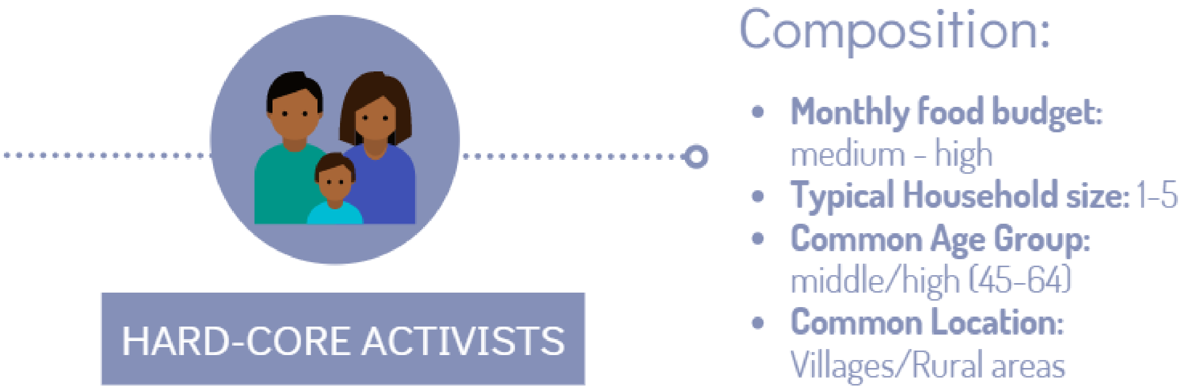
3.5 Drawing on the segmentation exercise, the consumer survey asked respondents for their views on purchasing local food, based on the categorisation of the four types of consumers. The largest number of respondents fell into the categories of ‘social buyers’ and ‘believers. That is, they wanted to buy local food more frequently, but did not deem it a priority. The next most common group were those who buy local food as a priority, ‘hardcore activists’. The smallest proportion of respondents claimed that buying local food was not a priority and hence fit into the category of ‘local food sceptics’. This profile was not surprising, given the self-selection of an online survey, but it is likely to represent an inversion of the wider population overall.

Figure 4 What is your present view on purchasing local food?



Source: Consumer survey, Q4. n=165

Hard core activists



Context

3.6 This group is normally happy to visit local farmers' markets and engage with producers to maximise their local spend. The backstory and contract with producers are important to this group, as is a shared ethos of sustainability and healthy local food and drink.

Habits

3.7 Although activists 'sometimes' buy food from supermarkets, they are the most likely consumer group to buy from local retailers and farmers' markets, as well as purchasing direct from producers. During the COVID-19 pandemic, this group has been forced online, using food hubs or click and collect to access local food supply.

Barriers

3.8 Most activists disagree with the common barriers identified to purchasing local food, specifically that there is limited choice, that it is not important or that it is too expensive. Furthermore, over 90 percent of activists disagree with the statement that quality is an issue when purchasing local food. The biggest limitation for this consumer group is the availability of local produce year-round.

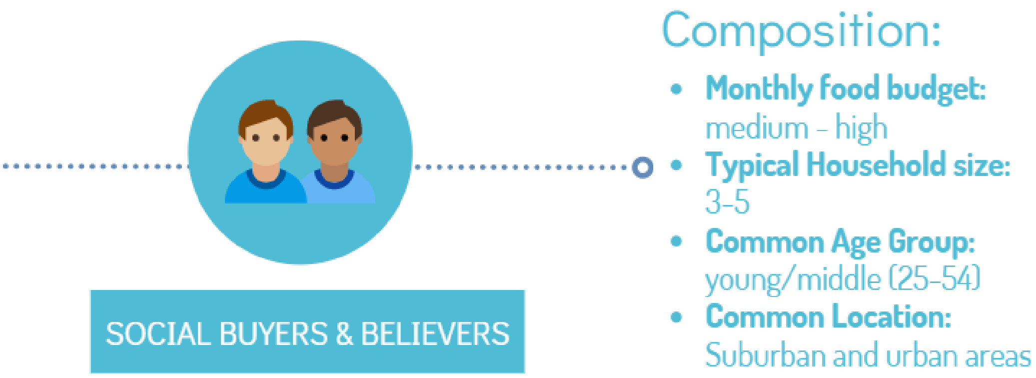
Considerations/ Actions

3.9 Within this archetype, the quality of produce, specifically its taste and freshness was stated as the biggest motivation for purchase. There is a significant willingness to buy local food through the settings of food hubs and farmers' markets, with support for delivery to take the form of either a collection point or direct from the producer.

However, activists are the least likely to consider engaging with local food that is pre-prepared (for example cook-chill meals) and are also the most reluctant group to either engage with wholesalers or through an app.

3.10 In terms of future action, there is scope to grow this group in terms of numbers and spend through an enhanced product range, as well as ease of access. As the most reliable consumers of local food, it is important that the model meets the needs of this group.

Social buyers and believers



Context

3.11 Social buyers are possibly the weakest archetype. These consumers are typically casual buyers at farmers' markets and food festivals who view buying local food as a treat, rather than a practical weekly shop. Tourists also fit into this category and can be considered as an often-willing audience. The engagement of social buyers with local food has been significantly diminished by the pandemic, with several consumers claiming that when restrictions are lifted, they intend to support local producers more.

3.12 Believers are people with the value set to engage with regional produce and who have the financial means to spend more. However, this group is often time-poor through pressure of work and family and may take the line of least resistance;

utilising national retailers to deliver high quality, sustainable produce, but without the regional link.

3.13 Despite the significant distinctions between these two sets of consumers, they have been grouped together in this analysis as both groups are open to and have the potential to become more engaged with local food, but as of yet, are not as proactive in their purchasing habits when compared to hardcore activists.

Habits

3.14 Both social buyers and believers most commonly purchase food from supermarkets and major retailers, with a significant proportion sometimes purchasing local food from independent retailers. However, the majority of these consumers never use local food hubs and well over half never buy from producers directly. This limited engagement is also applicable to farmers' markets.

Barriers

3.15 Within these consumer archetypes, the limited choice of local food was stated as a major barrier to further engagement. In contrast, they dismissed the idea that the barrier to their engagement was having limited interest or awareness of where to find local food. To add to this, there was an overwhelming consensus that quality was not a barrier to local food purchase.

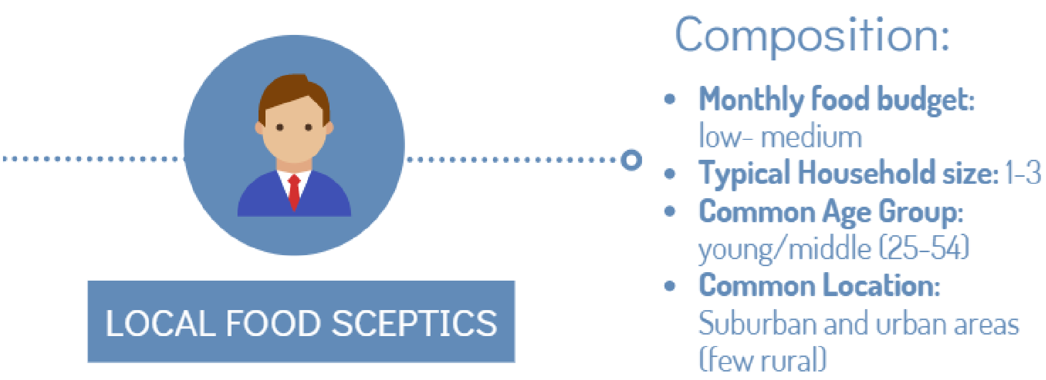
3.16 Instead, the lack of accessibility of local food was highlighted as a frustration, specifically the opening times of farmer's markets and local retailers. Social buyers who are 'time-poor' and working full-time jobs feel they typically struggle to buy local food given that farmers' markets are open only on weekends and not on weekday evenings. They stated that planning weekend visits to purchase local food is an inconvenience for all consumers, given that people are busiest on the weekends and finding suitable parking is difficult. This contrasts with supermarkets, where there are longer opening hours and guaranteed free parking. The issue of cost is considered an issue for half of this archetype, with the other half viewing the price of local food a non-issue.

Considerations/ actions

3.17 There is some support for accessing local produce through a food hub and farmers' market, on the condition that the barriers that face these consumers are significantly reduced or removed altogether. Once again, there is an even split within these archetypes as to where they would consider accessing local food through wholesalers, but there is a strong endorsement for accessing local food through local retailers. The option of purchasing from an online store with home delivery also appealed to these particular consumers, with a lesser proportion preferring to pick up local food from a collection point, or directly from producers. Similar to hardcore activists, social buyers and believers were not attracted to the option of accessing local produce in the form of a cook-chill ready meal.

3.18 In future there is scope to raise awareness amongst this group through engagement, publicising the range of regional food and drink available and the various methods for accessing it. Tourists also fit into this category and more could be done to encourage consumption of regional produce amongst this often-willing audience. To build this market, the model needs to deliver on range, choice and convenience to counter the competition from nationals.

Local food sceptics



Context

3.19 This group presents the greatest challenge to local food and drink. The archetype here is a working family with children in the category described by former prime minister Theresa May as “just about managing”. Such families face pressures of time, money and behavioural preferences for trusted brands, more processed food and “child-friendly” options.

Habits

3.20 According to the consumer survey, this group almost exclusively buys food from the supermarket, having no engagement with purchasing local food from farmers' markets, food hubs or directly with producers. The majority of local food sceptics also never buy from independent retailers.

Barriers

3.21 Sceptics have identified numerous factors that are barriers to increased engagement with local food. Amongst this consumer group, there is agreement that the limited choice of local food is an issue, with respondents citing the difficulties of fulfilling a weekly shop for a family with a variety of tastes on local food alone. Furthermore, the factors identified as barriers by believers, high price and inconvenience, are also viewed by local food sceptics as a significant issue, but to a greater extent. This is evidenced by several respondents citing lower prices as the single factor that would convince them to purchase more food. However, over 70 percent of local food sceptics disagreed with the statement that quality is the reason they do not buy local, aligning with the other consumer archetypes.

Considerations/actions

3.22 As things stand less than half of respondents would consider supporting a local food hub or farmer's market. There is also a lack of support in relation to subscription schemes, such as regular veg boxes. In relation to the involvement of an intermediary, consumers expressed uncertainty around whether they would purchase from wholesalers. On the other hand, local food sceptics were the consumer group most supportive of accessing local food through cook-chill meals. When asked whether they would purchase ready-prepped local food in the form of cook-chill microwave or oven meals, 50 per cent of those for whom local food is not a priority said that they would, as opposed to 28 per cent of other consumers responding. This indicates the potential value of cook-chill meals in engaging 'local food sceptics', despite being less attractive to the 'hardcore activists' consumer type.

3.23 Given the time and price sensitivity of local food sceptics, they are the least likely to engage with local food. Therefore, there is a need for substantial awareness raising activity and a seismic shift in the local food offer to truly engage them.

Consumer focus group findings

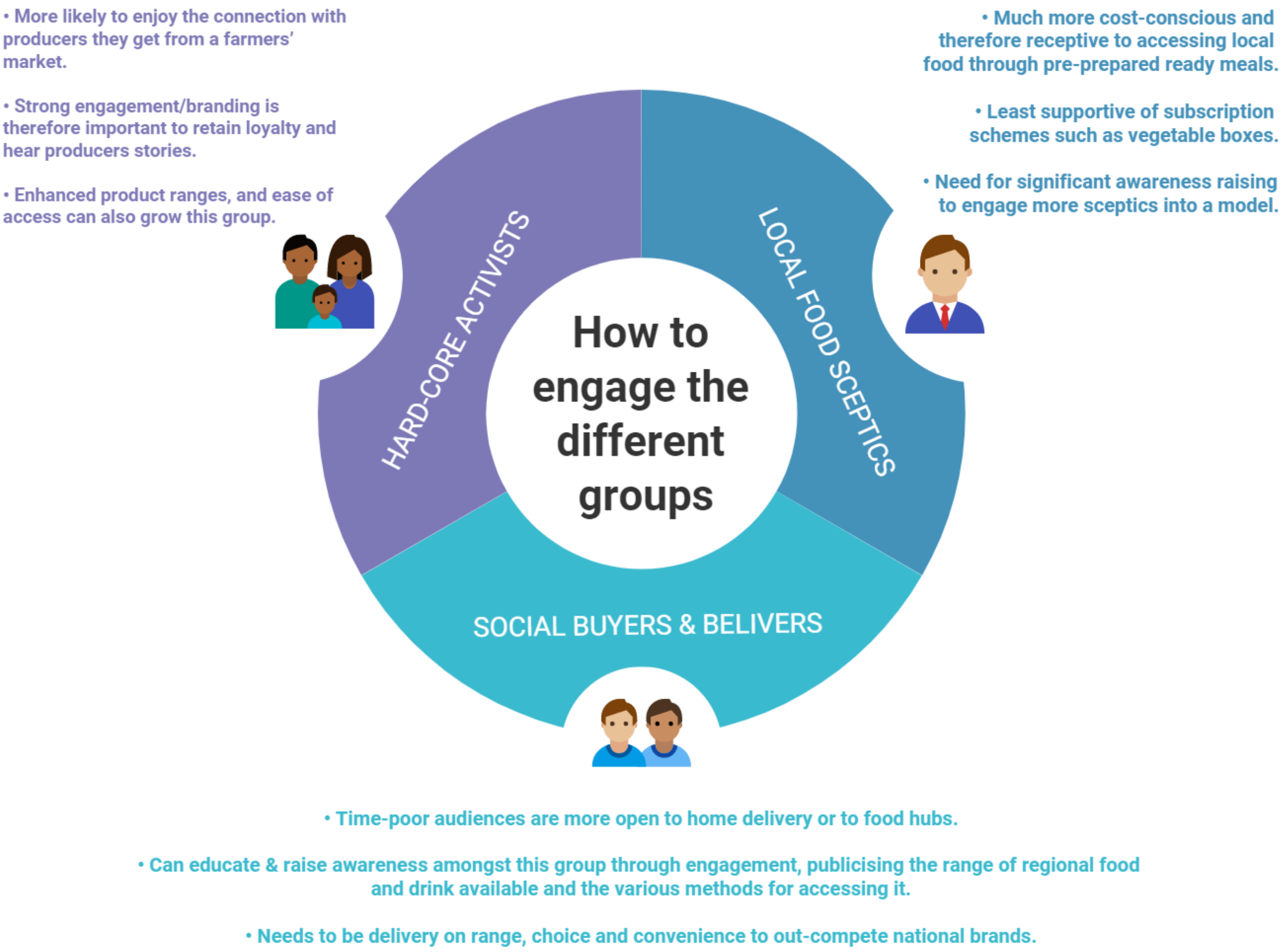
3.24 In terms of where focus group participants were most likely to purchase food, supermarkets were unsurprisingly the most common choice, with the convenience of being able to do one big shop per week cited as the primary motivating factor, as opposed to multiple trips for local food. Independent and co-operative retailers were locations that participants sometimes purchased from.

3.25 Focus group participants cited the importance of knowing where the produce has come from and that it was free of chemicals. Giving back by supporting the local economy and having a connection with the community also ranked as a key driving factor, with many consumers feeling that they spend too much money at the supermarket. The experience of talking to producers directly, including hearing the story of where the produce has come from was highlighted as a strength of farmers' markets in particular. Consumers also indicated environmental considerations, referring to the minimal packaging of local produce in comparison to the supermarket, as well as less wastage due to the longer-lasting freshness of produce.

3.26 During the workshop, members of the consumer focus group highlighted the ability for hubs to include local pubs, restaurants, and retail outlets in communities – examples already witnessed during the pandemic – with scope to continue the merging of retail, hospitality, and food services in a future model.

3.27 From the perspective of focus group participants, home delivery was also identified as key enabler for those families that favour convenience, supporting the survey findings. The ability of small producers to offer home delivery was highlighted as an enabler to consumers purchasing more local food, particularly in the context of Covid.

3.28 When proposed to participants, the notion of offering delivery of highly provenanced ready meals to price sensitive consumers was viewed as an idea to be capitalised on, with the possibility of a public sector-led cook freeze model referenced as an approach that could be rolled out to citizens across the region and to other parts of the public sector.



Producers

3.29 In order to develop a robust, sustainable logistic model of food distribution, it is necessary to consider, not only consumer engagement with local food, but also producer involvement and buy-in. This involves scoping the opportunities and challenges producers face across a number of elements such as supply, procurement and distribution.

3.30 To achieve an understanding of the context that producers are facing in the SW Wales region, a mapping exercise was undertaken setting out the number of producers in the various food and drink sectors across the three county areas of Carmarthenshire, Ceredigion and Pembrokeshire.

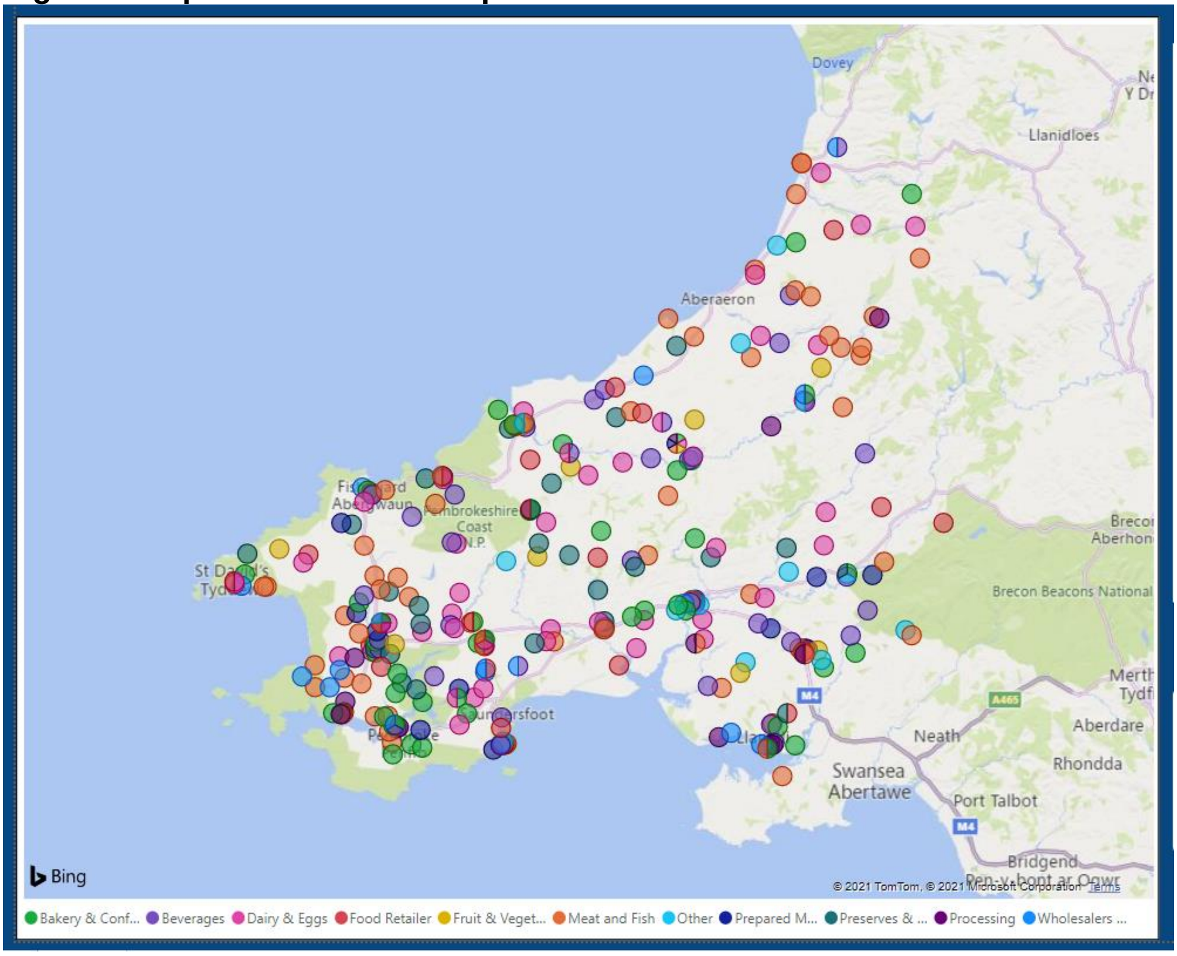
Table 2 Producers in SW Wales

	Carmarthenshire	Ceredigion	Pembrokeshire	Total
Bakery & Confectionery	15	8	32	55
Beverages	20	10	17	47
Dairy & Eggs	18	13	28	59
Food Retailers	9	3	18	30
Fruit & Vegetables	3	3	5	11
Meat and Fish	22	21	37	80
Prepared Meals	5	1	9	15
Preserves & Sauces	9	4	15	28
Processing	11	3	6	20
Wholesalers & Distributors	6	2	10	18
Other	13	6	3	22
Total	131	74	180	385

Source: Miller Research

3.31 The output from the mapping exercise demonstrates the diversity of food and drink producers across the region. In total 385 producers were identified across the region. Although producers are geographically spread, the more populated areas such as Carmarthen, Llanelli, Pembroke Dock, Fishguard and Lampeter all have clusters of producers across different food and drink sectors. Within the food and drink sector the largest proportion of producers mapped was meat and fish, representing 20 percent of the total number of producers in SW Wales.

Figure 5 Map of food and drink producers in SW Wales



Source: Miler Research

3.32 Other prominent producers in the region were:

- Dairy and Eggs (59)
- Bakery and Confectionery (55)
- Beverages (47)

3.33 In contrast, the number of fruit and veg suppliers in SW Wales is significantly lower (11), possibly raising concerns around large-scale supply capabilities. The limited number of processors (20) across the three areas also highlighted that there may be issues surrounding the infrastructure required to scale up any logistic model of food distribution.

3.34 An interactive version of the food map is available at: https://www.miller-research.co.uk/sw-wales-food-and-drink-sector-dashboard/

Needs

3.35 The majority of producers surveyed expressed an interest in participating in a local food network, despite having some reservations. Producers emphasised that any distribution model needs to support local economies and communities in order to fully engage them. Ensuring routine and predictability through consistency of demand was also cited by producers as an important element to make delivery viable.

3.36 Collaboration with other producers was viewed as an opportunity to share logistical burdens, particularly with distribution. Producers expressed support for the potential to reduce food miles and carbon footprint, as well as furthering their ability to contribute and connect to the local community.

Challenges

3.37 Building a constant, resilient food supply is one of several technical and logistical challenges faced when developing a sustainable model of food distribution. As suspected from the mapping exercise, the issue of scalability was also acknowledged by local producers as a challenge, with concerns surrounding the capacity of local vegetable growers, for example, to scale up to wholesale level in the absence of predictable demand and prices.

3.38 There was widespread consensus amongst producers that issues surrounding 'last mile' distribution is a major challenge when devising a suitable model, especially in the geographical context of rural SW Wales. The transport of meat, dairy and fresh fruit and veg in the same vehicle was one of the key difficulties flagged by producers, along with the question of ownership and responsibility in distribution.

3.39 The need for committed leadership in this area was highlighted, with the potential for some nature of collaborative framework to be established.

3.40 In reference to feedback received from consumers and their engagement with local food, producers expressed frustration that cost was cited as a major barrier. Producers felt strongly that the cost of local food was down to its value, both in terms of increased nutrition and reduced environmental impact, and that as a result the price is fair. There was an acknowledgment that communicating the value of local food to consumers presented a real challenge to the model.

Considerations and actions

To best meet the challenges of supply, producers felt there is a need for demand to be structured on what is available from the supplier. There was also consensus that there needs to be a proactive engagement with stakeholders in the supply chain to achieve buy-in that will lead to action.

3.41 The development of a 'hybrid' model, where there is public sector involvement integrated into a collective distribution network delivering to local hubs was proposed as a viable solution to address the difficulties surrounding distribution. Producers were open to the idea of accreditation as a means of quality control but also stated that for it to be worthwhile, there would need to be tangible benefits for them when meeting accreditation standards.

3.42 Committed leadership, such as that seen in Copenhagen's model[1] was also mentioned as key to success. Despite cynicism across food and drink businesses about the ability of public sector interventions to deliver real benefits to the sector, there is recognition that political support and strategic direction from local and Welsh Government is important for any model's future success.

3.43 The role of intermediaries is another key consideration from a producer's perspective. Whilst they offer the ability to save time in marketing, promotion and distribution, they stressed the need for intermediaries to be reliable and convey the story of the producer across to consumers.

3.44 As part of this, producers felt there is a need to change the culture surrounding the value and accessibility of food, with an increased emphasis on paying more for freshness and quality that will last longer. Producers referenced the role that education, both within and beyond schools, can play over the long-term in bringing about a recognition of where quality local produce comes from, also emphasising the role food plays in wellbeing.

Expert Group

3.45 There were two workshops held with Expert Group members that covered a range of elements considered important when designing a sustainable food model. Building a resilient supply chain, the involvement of the public sector in

[1] See case study

procurement, processing capabilities and effective distribution methods were discussed at length. Alongside this, engaging the various consumer archetypes, the use of branding, marketing and accreditation were also covered. Members of the expert group covered a range of stakeholders in the food and drink sector. This included distributors such as Blas ar Fwyd and Watson & Pratt’s, the charity Sustainable Food Trust and stakeholder organisation Food Sense Wales.

Challenges

3.46 Limited access to land for producers in the SW Wales region and a lack of skills in the sector to meet growers’ demands were both stated as barriers by the Expert Group. This was supported by a range of stakeholders who referenced the lack of growing skills amongst the workforce in the sector as one of the biggest limitations to accessing markets and creating a resilient model.

3.47 Members also highlighted several barriers to enabling local and sustainable procurement. The skills of procurement professionals to understand what can be done, rather than traditional notions of best value, was seen as a necessary development to enable local, resilient, and sustainable supply. Under current procurement arrangements, it was felt there is too much emphasis on purely cost instead of wider, more holistic values such as the social and environmental contributions of competing bidders.

3.48 Processing is an issue for many producers – perhaps especially organic red meat farmers. Understanding how large-scale abattoirs would align with the values of a local, environmentally minded model was raised as a concern. Interest was expressed in exploring the possibility of a mobile abattoir for the region, following experiments with the model in Gloucestershire. Dairy processing was also an issue for some, especially small batch processing facilities for live cheeses.

3.49 Expert Group members felt there was much work to be done in selling the value of local and organic produce to consumers, with local food only holding an appeal to a limited base of consumers at present.

Considerations/actions

3.50 Coming out of the workshops, accreditation was cited by members as a vehicle that can be utilised to overcome challenges around quality standards from public sector organisations. Nonetheless, for accreditation to have the necessary impact and positive association both with the public sector and consumers, it was recognised that there is a reliance on a strong marketing and communication strategy to create central branding.

3.51 An area that was discussed at length over the course of the two Expert Group meetings was how might we make local food procurement work. There was an expressed desire amongst stakeholders to put a framework in place that scores suppliers on overall value instead of purely cost. Key scoring criteria for such a procurement process would include sustainability, regenerative value, as well as social and health benefits. Doing this would increase the presence of local producers and help contribute towards the wider decarbonisation agenda.

3.52 The potential involvement of Hwyel Dda UHB and other public sector buyers in a future model was widely met with enthusiasm from the Expert Group, viewing it as an opportunity to drive change in the industry, providing inspiration and confidence in supply. In relation to procurement, the issuing of forward contracts to ensure continuity for producers was proposed and the need to engage with caterers was raised, to ensure there is a common understanding on what produce can and needs to be supplied to public sector outlets.

3.53 Expert Group members agreed that to meet the demands from the public sector, all local assets would need to be explored and utilised as a way of ensuring the necessary coverage. The introduction of seasonality into any potential model was viewed as an effective way to allow for producers to grow the volume required and regulate demand year-round, while also bringing environmental co-benefits.

3.54 Beyond creating consistent demand, public sector participation was seen as a major asset in providing constant business and contributing towards a holistic model over the long-term, with its ability to involve schools, hospitals and care homes in local food. Furthermore, due to its obligations to serve healthy food, public sector involvement has been viewed as an opportunity to inspire people to eat healthier, local food and take the recipes home.

3.55 When discussing current assets and gaps in the region, it was highlighted by the Expert Group that there are distribution assets already available that should be harnessed. For example, Capestone in Pembrokeshire was referenced as a key asset for organic poultry, while Watson and Pratt's and Castell Howell were recognised as key distributors with existing links to multiple Welsh supply chains.

3.56 It was recognised however, that despite existing assets, there are gaps in dried food production, premium costs on Welsh beef and other produce such as chicken, a need for local authority collaboration, more processing infrastructure (e.g., dairy processors and abattoirs), as well as stronger alignment between food policy in Wales and production capacity.

3.57 To achieve coherence at a strategic level, members of the Expert Group identified the need for clarity as to who owns the property rights of the model, who invests in it (the Development Bank of Wales was one example) and a suitable framework to determine appropriate management and governance structures for distribution

Summary of findings and key considerations

3.58 In order for any future local food distribution model to be resilient and sustainable, achieving engagement and buy-in from producers and consumers is essential. This is particularly challenging given the number of barriers that exist when seeking to create a regional model, particularly in a rural context. Nevertheless, findings from both producers and consumers indicate there is a desire to participate in a model where both groups can benefit and provide solutions to overcome any barriers they face.

Enabling local food purchase

3.59 The motivations for current local food purchase have already been outlined above, however there are numerous factors that can enable further consumer engagement and increase the outreach of local food. Both producers and local government conducting a promotional campaign to raise awareness of the availability of local produce is one such example and could serve as a tool to signpost consumers on where they can access local food in their area. This could be achieved through celebrating local food at public events such as food festivals, increased social media activity, as well as restaurants and schools promoting local food to move towards a whole-system approach.

3.60 Ensuring the purchase of local food is convenient and accessible is an essential factor in creating a resilient food distribution model. Respondents to the consumer survey referenced the availability of local produce in one place, whether that be physical or virtual, as a key enabler. This could take the form of a food hub or farmers’ market where consumers travel to one location to purchase all the produce they need. Aberystwyth food hub was pointed out by consumers in the focus group as a standout example of where you can order local food online and collect it, cutting down on carbon in the process.

3.61 Similarly, a website could act as a source of information as to all the producers and suppliers in the region. In terms of preferred delivery arrangements, home delivery and pick-up at a collection point, such as a food hub, were the desired options. Nevertheless, it is worth noting that a significant number of respondents expressed a desire to collect local food directly from the producer.

Enabling producer participation

3.62 Feedback from the fieldwork undertaken indicates that there is a desire amongst producers to strengthen ties and connections to the local community, and that under the right circumstances, they see the participating in a local food network as an opportunity to achieving this. The economic viability of the model is essential to producer participation and the potential involvement of the public sector was welcomed as a guarantee of consistent demand, as well as a chance to widen the consumer base and create a holistic food system. The ability of any model to have a positive environmental impact through reduced food miles and shared delivery was also met with enthusiasm from producers.

3.63 The utilisation of existing assets in the region was highlighted as a key enabler to producer engagement, minimising the burden of distribution through collective networks delivering to hubs. There was support for accreditation that upheld environmental and social standards in relation to procurement, on the condition that it would not become overly burdensome for producers. Receiving support, whether it be through collaboration with other producers, or strategic direction from government was also cited as an important factor that would encourage participation.

4. Our Model

Devising a Model

4.1 Taking in to account all the above findings, in this section of the report we bring together an outline model for sustainable food logistics in the SW Wales region. Figure 6 below presents the model, demonstrating how integration between suppliers, retail channels, wholesalers and the public sector can be brought together to drive a systemic approach.

4.2 Figure 7 adds detail to the retail interface, with online ordering from both inside and outside the region feeding into a network of producers and a shared distribution channel. Potential enhancements from other examples of best practice include incorporating donations to food banks, regional certification, memberships schemes / forward contracting and strong regional branding, all of which we have considered when devising our action plans for moving forward beyond this feasibility study (Section 5).

Model Characteristics

4.3 The model sets out to describe a holistic system for optimising the connection between consumers and producers in the three counties. It has been iterated on the basis of the discussions with stakeholders, described in the previous section. Some of the key characteristics we have addressed include:

- Different consumer segments require different approaches to marketing, sales and distribution, with:
  - committed local food buyers being more likely to enjoy the connection with producers they get from a farmers' market
  - time-poor audiences being more open to home delivery or delivery to food hubs, that may take shape in several forms including local community centres and hospitality.
  - hard to reach families being much more cost conscious and receptive to ready meals, rather than raw ingredients for cooking from scratch.
- Some producers find that distribution is a barrier to sales growth, especially the "last mile" delivery to households.

- It is also worth noting that the broadening of supply depends on adequate processing facilities being developed or protected in the region. Red meat processing is a particular issue, especially for smaller scale organic producers.
- There are existing distribution networks in place across the region, delivering to retail, hospitality and foodservice clients. There is scope to investigate expanding these to include elements of local produce delivery – either to hubs or household delivery. Hospitality venues could be encouraged to act as local hubs, with the potential commercial benefits of consumers having to visit cafes and restaurants to pick up their orders.
- Public sector organisations (including hospitals and schools) in the region have expressed interest in procuring more from local / regional suppliers and potentially tendering for a supplier to prepare cook chill products from local / regional ingredients. A likely unintended consequence of this would be an increase in local distribution, giving the potential for suppliers to “piggyback” on the network to facilitate cost-effective distribution to homes, hubs and businesses.
- The nature of procurement means that there could be risks in appointing a single supplier and there may therefore be scope to develop a not-for-profit solution or special purpose CIC to co-ordinate regional food distribution in this context.
- Cook chill ready meals produced under this model could scaled up to be sold as a branded local food product for hard-to-reach consumers. The means of selling this product could be through local retail outlets or online through a dedicated online ordering platform.
- Producers buying in to the model could form a co-operative, with branding and accreditation to differentiate them from other suppliers, build a regional identity and encourage competition within the market.
- The creation of a dedicated online ordering platform for all regional producers could be integrated into the model, to lower barriers to ordering.

4.4 All of the above points have been integrated into the model, to create a holistic approach to developing a sustainable food system for the region.

Figure 6 Sustainable Food Distribution – Model

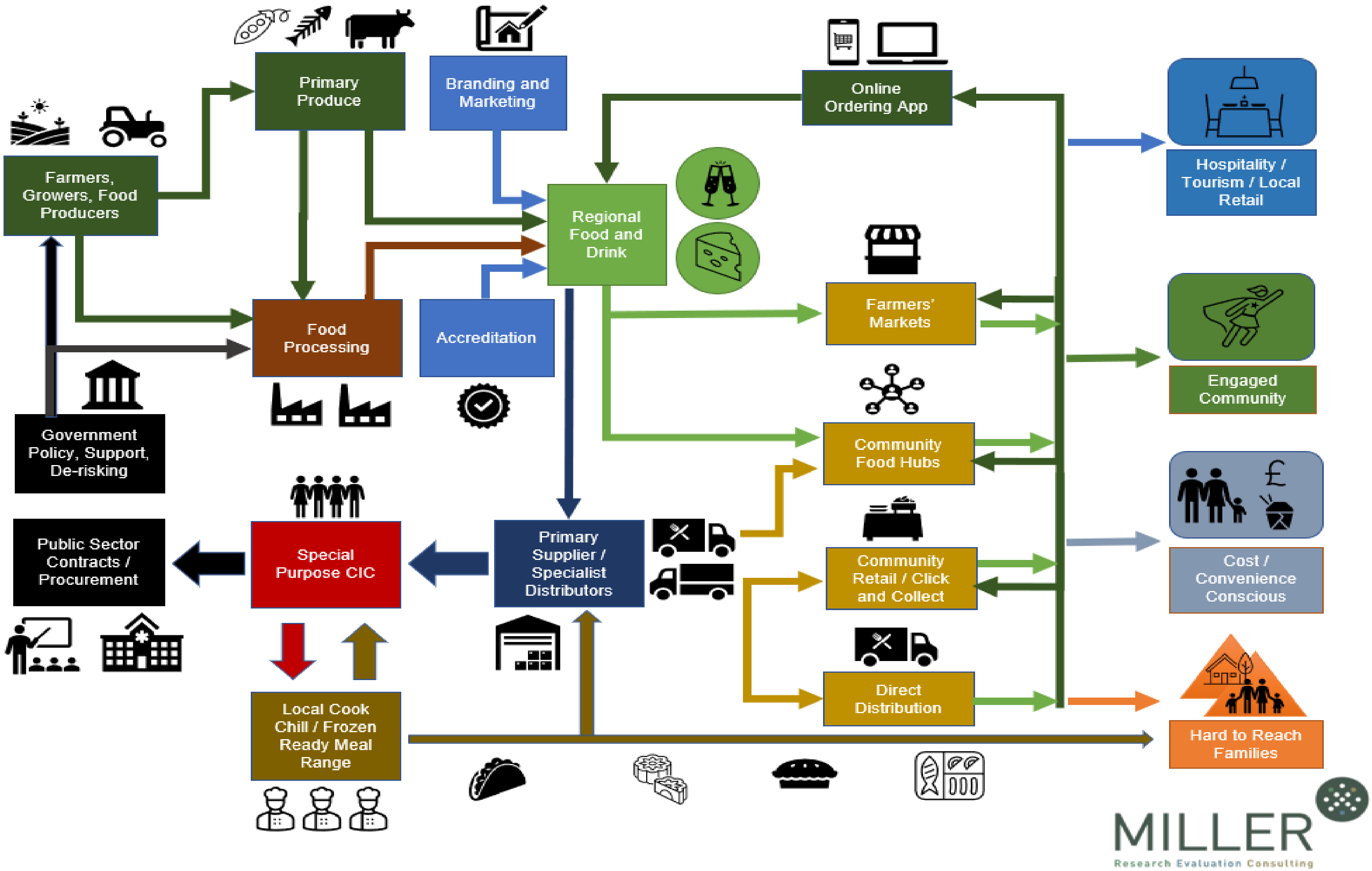
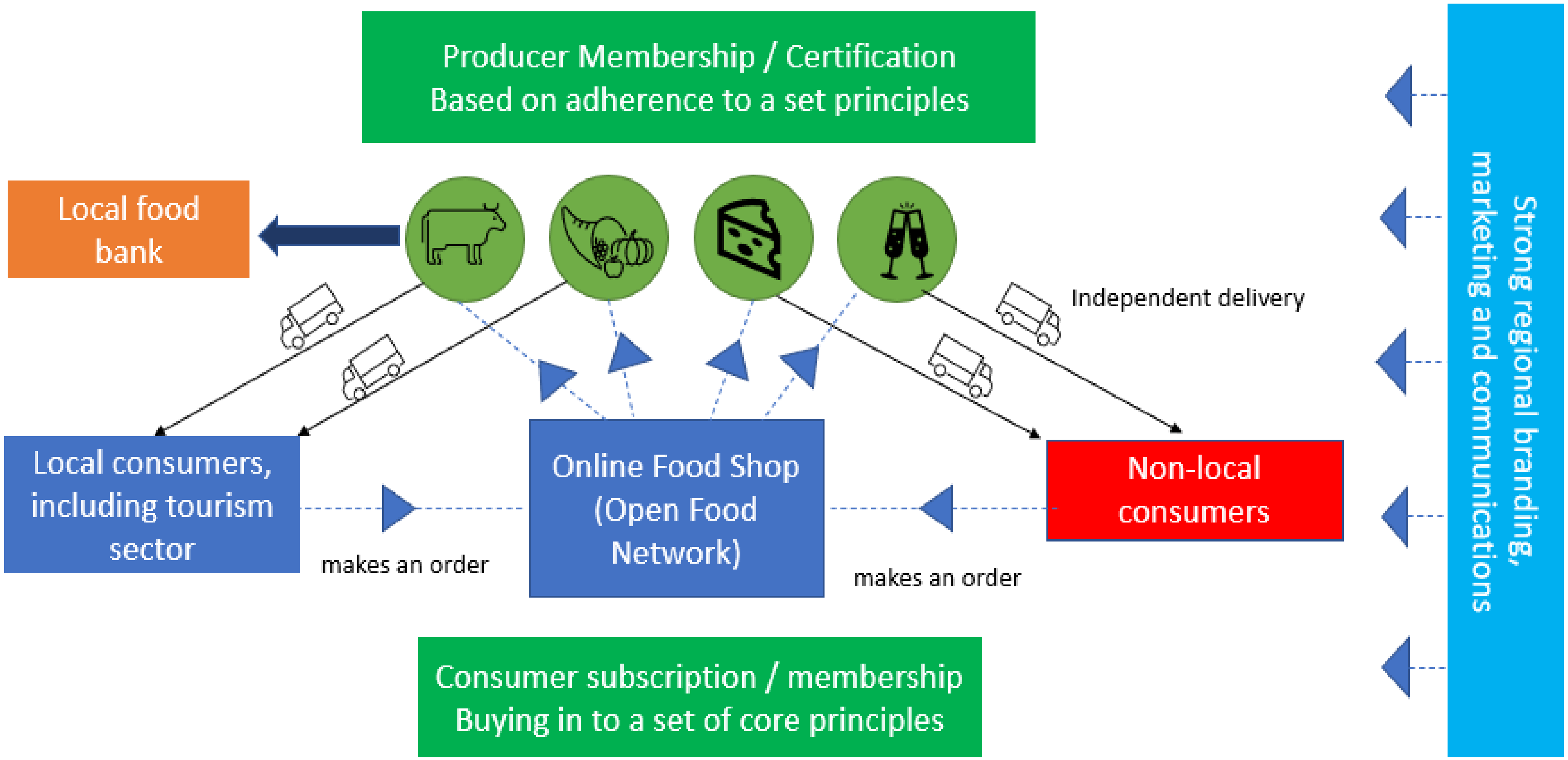


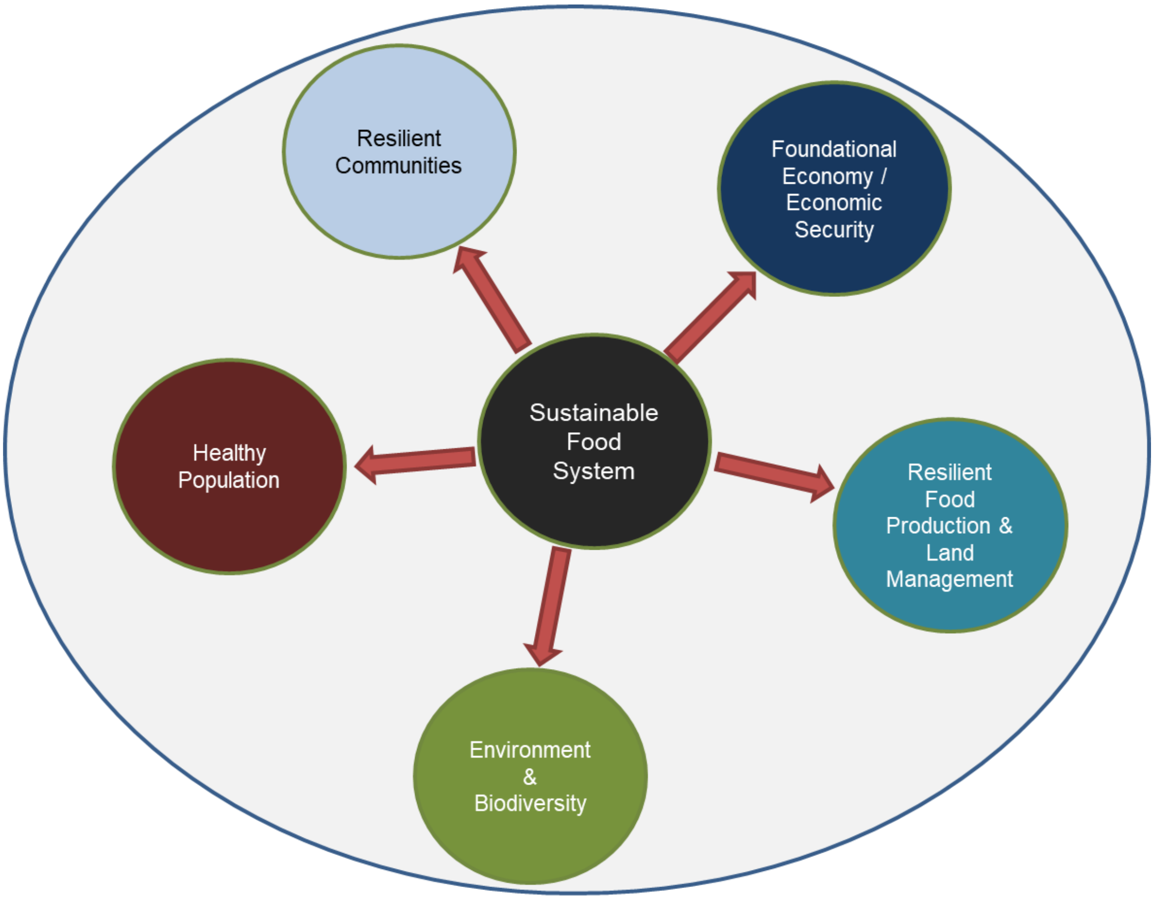
Figure 7 Online ordering - interactions



Contextualising the model

4.5 One key conclusion from developing the model is that food cannot be treated in isolation. This project is well-positioned to provide a blueprint for regional food models across Wales, but these need to be considered in a wider policy landscape. This encompasses health, land management, environment, foundational economy and community. Urgent strategic action is needed to ensure these linkages are made if the model is to be truly successful.

Figure 8: The wider context



5. Action Planning

The way forward

5.1 A number of steps are required in order to turn the proposed model into a real, sustainable and impactful distribution system, where local purchasing becomes a natural, effortless choice for consumers and businesses across the region. The steps required are not necessarily sequential, as the model is intrinsically holistic and so there is no prescribed order of events or actions to ensure its development.

Sustainable Logistics Model of Food Distribution in SW Wales
Proposed Mission: To make purchasing of healthy, local, artisan food a natural, effortless choice for consumers and businesses across the SW Wales region. **Proposed Objectives:** • To build and market a range of quality assured, primary and processed products to reflect the needs of range of consumers across SW Wales • To work with existing assets in the region to devise a distribution system which responds to local needs and preferences • To build in certainty and scalability to the model to support growth in supply
Proposed Key Actions: • Public sector procurement to underpin demand and distribution mechanisms • Development of a special purpose CIC to co-ordinate food in the region

- Building local supply chains
- Smart distribution to build efficiency – especially in relation to "last mile" delivery
- Devising effective marketing and accreditation for regional food
- Consumer engagement to develop partnerships across the supply chain
- Integrating with hospitality and tourism as both consumers and distribution bodes for regional food.

Road map for implementation

5.2 Below we present seven action plans, relating to each element of our proposed model. Each plan includes detail on the key steps, timescales and actors required for potential delivery, as well as interdependencies with other action plans.

5.3 Although each element is discussed individually, we present these priorities as different possible starting points within the broader system. As such, each is intrinsically linked to the actions taken in others and are designed to be gradually implemented alongside one another as required for each region.

5.4 Each county is able to take these action plans and apply them to be regionally specific, in order to responded to the needs and context of each area.

Action Plan 1: Public Sector Procurement

Priority: • Med - High	**Timescale:** Short-term/ Medium-term
Description:	**Potential delivery:** Hywel Dda Health Board

<table>
<tr>
<td rowspan="2">Devise links with the public sector to secure a distribution infrastructure that connects food producers across the region.

In effect this can provide the “baseload” to allow for local producers to piggyback on the network and achieve delivery and collection at a lower marginal cost.

Key parties – and their roles – who might be involved in this action include:

• Hywel Dda Health Board: as the entry point into public procurement, who have already expressed an interest in commissioning frozen and cook chill ready meal products for their premises, using local ingredients.
• Local wholesalers: to act as the primary supplier of local food to public institutions, and of ready-made cook-chill meals.
• Special Purpose CIC (See AP 2): to oversee the distribution network to public canteens and ensure overall quality control.
• Local Authority procurement officers: to explore where the potential for extending the Hywel Dda model lies.

There is also an opportunity for the provision of any cook-chill ready meals produced to be extended to local families through the CIC’s online platform – distributed via its existing network.</td>
<td>Local wholesalers/suppliers

Special Purpose CIC</td>
</tr>
<tr>
<td>Interdependencies:

AP 2: Special Purpose CIC.

AP 3: Building local supply chains.

AP 5: Marketing and Accreditation.</td>
</tr>
<tr>
<td colspan="2">Action Points:

A1: engage a joint meeting with Hywel Dda Health Board, on the necessary requirements (nutritionally, food safety, control of allergens etc.) for cook-chill ready meals for their premises, and potential capital investment to enter the market.

A2: consult with regional wholesalers and local producers to explore all local assets in the region, secure buy-in to the model and ensure necessary coverage.

A3: carry out a ‘speed dating’ session for local producers, distributors and the public sector, to understand the different needs and capabilities.

A4: look to develop AP 2, the development of a special purpose CIC, as an active intermediary between producers, the public sector and consumers, and to provide central oversight of commercial relationships.</td>
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Action Plan 2: Special Purpose CIC

Priority:	Potential Funding (£):	Timescale:
Med - High	1. Wales Development Banc 2. Transforming towns grants 3. National Lottery Fund 4. Shared cost across producers for use of the online platform	Short-term /Medium-term

Description:

Develop a working group to investigate the feasibility of establishing a special purpose CIC to coordinate regional food distribution and act as an active intermediary between producers, the public sector and consumers in the region. This could build on existing examples such as Aber Online or Carmarthen foods.

This could involve developing an online platform built specifically for enterprises to sell local food to local people, with a set of values that underpin it. A 'one-stop-shop' for consumers to pre-purchase food orders, then to be distributed and delivered to a variety of locations (homes, food hubs, hospitality etc.) via the CIC's specialist network.

The overall scope, purpose and responsibilities of the CIC might include:

- Supporting producers in meeting entry requirements to engage with the model and public sector contracts; offering expertise and guidance.
- Management of the online ordering platform for consumers, including marketing, accreditation and distribution.
- Wider community and educational activities. For example, providing training to upskill public kitchen staff, or working with schools to bring together producers and children for growing initiatives.

Potential delivery:

Expert Group

Co-operative of local producers/suppliers – including distributors

Technology partner (e.g., web developers)

Support from the South West England food hub

Interdependencies:

AP 1: Public Sector Procurement

AP 4: Smart Distribution

AP 5: Marketing and Accreditation.

AP 6: Consumer Engagement

Action Points:

A1: Convene an initial meeting for all interested parties to discuss team members, roles, governance and management of the CIC.

A2: Establish a set of core principles and values to underpin the enterprise (AP 5), which can then be used during future engagement with the local market.

A3: Hold workshops and discussions with local producers and suppliers to understand needs and costs, secure buy-in and encourage collaboration from the outset.

A4: Explore potential means of developing the software/online hub though web developers and tech partners.

Action Plan 3: Building local supply chains

Priority:	**Potential Funding (£):**	**Timescale:**
• Med - High	1. Transforming towns grants 2. National Lottery fund	Short – Medium term

Description:

Unlocking the potential of short local supply chains is key to not only bringing wide ranging economic, environment and community development benefits to the three counties, but also contributing to the broader rural development of the region. It is an essential element of this model as it ensures a collaborative and engaged network of producers, retailers and consumers from the outset.

Broadening of supply depends, however, on adequate processing facilities and their engagement with the model. There is a need to build short supply chains that include primary and secondary processing enterprises, through strong engagement with the market, and the linking up of communities, retailers and producers. This could be aided by community

Potential delivery:

Special Purpose CIC

LEADER LAG's in the region

CSA's

Interdependencies:

AP 2: Special Purpose CIC

AP 5: Consumer Engagement.

supported agriculture (CSA) initiatives tied to the development of the CIC.	

Action Points:

A1: Facilitate engagement with local producers, growers and processors to capture a picture of the existing assets in the region, discuss values and secure buy-in to create a diverse, supportive and engaged network.

A2: Bring together local retailers and producers through networking events, speed dating sessions and educational activities to help build short supply chains and share best-practice for optimising resources.

A3: Link activities to the special purpose CIC (AP 2), to begin facilitating wider community initiatives, such as bringing local school children and producers together in growing activities around CSA.

A4: Consider the feasibility of commissioning and operating a mobile abattoir, based on current developments in Gloucestershire.

Action Plan 4: Smart Distribution

Priority:	**Potential Funding (£):**	**Timescale:**
• Low - Med	1. Digital Innovation Fund (Wales) 2. SMART Cymru 3. UK Research and Innovation	Medium-term
Description: This intervention of the model includes exploring the use of smart distribution technology to optimise distribution networks and build efficiency – especially to tackle the issue of ‘last mile’ delivery. As such, it is dependent on securing a viable distribution infrastructure, (possibly through public procurement - AP 1) and short supply chains (AP 3),		**Potential delivery:** Existing distributors in the region e.g. Castell Howell, Watson and Pratt’s, Blas ar Fwyd etc. **Interdependencies:**

which can be improved through smart technologies and innovative approaches in the medium term. This could include engaging with: • Blockchain technology: to calculate plans for the most efficient delivery routes. • Internet of Things (IoT): smart devices that can be monitored over the web. This includes the ability to remotely control the conditions in which food is being kept during the distribution phase.	**AP 1:** Public Sector Procurement **AP 3:** Building local supply chains

Action Points:

A1: Engage in conversations with exemplar food distribution systems using smart technology in the UK and further afield. Examples could include:

- https://www.foodshed.io/
- https://www.welshfoodboxcompany.com/pages/about-us
- DISCOVER DELICIOUS: https://discoverdelicious.wales/

A2: Identify a technology partner to use for piloting the approach into the existing distribution system.

Action Plan 5: Marketing and Accreditation

Priority:	**Potential Funding (£):**	**Timescale:**
• Med - High	1. Development Bank of Wales	Short – Medium term

Description:	**Potential delivery:**
The development of a set of principles that producers must adhere to in order to engage in the model is vital for ensuring both sustainability and competition in the marketplace. It creates a means of accreditation. The value of any accreditation relies on its underlying principles and values being effectively marketed and	Special Purpose CIC Support from: • South West England food hub • Devon Food Partnership • SALSA Accreditation

communicated, so that any association with the model is beneficial for consumers and producers involved.	• Food for Life Scotland
Marketing and Accreditation allows consumers and the public sector to purchase local food through the model (AP 1 and AP 2) knowing that what they buy is underpinned by a set of core values. The development of this intervention within the model can be linked to the creation of a special purpose CIC – to act as both a critical friend for enabling producers to meet entry requirements and managing the marketing and communication of the online platform.	**Interdependencies:** **AP 1:** Public Sector Procurement **AP 2:** Special purpose CIC **AP 3:** Building local supply chains

Action Points:

A1: Convene an initial meeting through the CIC (AP 2) with key players in delivery and accreditation, including the South West England food hub, Scotland's Food for Life programme and SALSA, to discuss best-practice standards and means of becoming credited.

A2: Engage with local producers to negotiate their needs and the standard they believe they are able to meet. This could also be an opportunity to discuss thoughts on regional branding to use to market the online platform.

A3: Establish a set of entry criteria for local producers to engage in the model, built on a set of quality, safety and sustainability principles. This could be developed using a tiered system formed on sustainable brand values (SBV) and may require additional support from the aforementioned organisations for expertise and guidance.

A4: Engage with marketing specialists to create a regional brand for the model that can be transferred across to the online platform, and social media channels.

Action Plan 6: Consumer Engagement

Priority:	Potential funding (£):	Timescale:
Med - High	1. Funding Wales (Cyllido Cymru)	Short – medium term

Description:	Potential delivery:
There is a need for strong consumer engagement within the model, to grow interest in local food buying across all aspects of the supply chain. As such, this action plan ties strongly to the development of local supply chains (AP 3), to create a linked-up system in which local producers have strong relationships with local people.	Special Purpose CIC LEADER LAG's
Efforts should be made to not only engage with 'traditional' purchasers of local food, but also those groups that are harder to reach, including families, and others who are price sensitive. Different consumer segments require different approaches to engagement, marketing, sales and distribution. There are several ways in which the model can cater to the needs of each type of consumer, for example, through: • Cost-conscious group: veg box/subscription schemes, run through the online platform and CIC (AP 2) • Hard-to-reach families: through offering home delivery of the cook-chill ready meals used in public procurement (AP 1) • Engaged consumers: linking existing farmers' markets clients with the online platform/consumers. Consumer engagement also requires a robust online presence, strong values & marketing to establish long-term connections with local people and cultivate loyalty into the model (AP 5).	**Interdependencies:** **AP 1:** Public Sector Procurement **AP 3:** Building local supply chains. **AP 5:** Marketing and Accreditation.

Action Points:

A1: Facilitate local food events, workshops and educational sessions between producers and local people to establish relationships and allow new customers to discover the value of local food in the region**.** These can be linked to marketing and accreditation (AP 5), through the promotion of events on social media and the online platform.

A2: Link engagement activities to the special purpose CIC (AP 2), to begin facilitating wider community initiatives, such as bringing local school children and producers together in growing activities around CSA.

Action Plan 7: Hospitality and Tourism

Priority:	Potential Funding (£):	Timescale:
• Low - Med	1. LEADER Seed Funding	Medium – long term
Description: The intervention explores integrating the model with hospitality and tourism, as both consumers and distribution bodies for regional food. This could include: • Turning local hospitality outlets – including local pubs and restaurants – into mini 'food hubs' where local people can collect orders. This has the potential to bring wider commercial benefits for both businesses and consumers. • Educating/engaging with the tourism and hospitality sector, to encourage greater local supply to use within catered establishments.		**Potential delivery:** Special Purpose CIC **Interdependencies:** **AP 2:** Special Purpose CIC **AP 3:** Building local supply chains.
Action Points: **A1:** Facilitate engagement with hospitality/tourism venues in the region to encourage collaboration and establish their involvement with the local food model. This could include promotion of the CIC (AP 2), and engagement between consumers, hospitality/tourism outlets and producers to establish needs and secure buy-in.		

6. Local considerations for implementation

6.1 As already mentioned, the Action Plans outline the different steps that need to be taken to fulfil the model set out in Section 4. However, the exact road map and starting point for Carmarthenshire, Ceredigion and Pembrokeshire may differ depending on that particular local authority's assets, current initiatives and characteristics. This section highlights the unique contexts of the three counties, including their respective strengths and weaknesses, and therefore where they might best be placed to start implementation.

Carmarthenshire

6.2 As the most populous of the three counties in South West Wales[2], Carmarthenshire has numerous pockets in which producers across the food and drink sectors are clustered. These areas include Llanelli, Cross Hands and Carmarthen, with a high number of producers in the meat and fish and beverages sector in the area. Furthermore, according to the mapping, Carmarthenshire has the most processors in the region. Similar to Ceredigion and Pembrokeshire, there is a small number of fruit and veg suppliers in the county.

6.3 In terms of key stakeholders in the region, Carmarthen Food has been cited as an asset that has an established network with local suppliers and thus should be considered when creating a future model. The presence of Castell Howell in Cross Hands and the distribution centre in Carmarthen can also be utilised to further the county's strength in distribution. Overall, Carmarthenshire is well placed in terms of infrastructure and distribution links, being the closest county to the M4 east-west corridor. As such, Carmarthenshire is in a good position to start implementing the steps outlined in Action Plan 4: Smart Distribution.

6.4 The Carmarthenshire procurement project that has been undertaken in parallel with this feasibility study means that Carmarthenshire also has an insight into developing a fair and efficient procurement system in the area. Its ties to Hwyel Dda Health Board signify that it is well placed to lead the process of incorporating the public sector into the model set out in Action Plan 1.

6.5 With the highest number of respondents to the consumer survey in the region, Carmarthenshire clearly has significant consumer interest surrounding the topic of local food purchase. Under the categories of the consumer archetypes, the county appears to have a high number of social buyers or believers who like to purchase local food, but do

[2] https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Small-Area/PopulationEstimates-by-LocalAuthority-UpperSuperOutputArea-AgeGroup.

not deem it a priority. There is strong support for purchasing at local retailers and accessing local food through home delivery. Similarly, the majority of respondents from Carmarthenshire stated they would like to access more local food through farmers markets.

6.6 Despite this, in the South West region Carmarthenshire has the smallest proportion of consumers who purchase from farmers' markets. Furthermore, 60 per cent agree with the statement that local food is too expensive and 63 per cent feel you cannot get what you want all year round. Therefore, Carmarthenshire should look to place a particular emphasis on the action points of Action Plan 6: Consumer Engagement; seeking to nurture the relationship between local consumer and producer through events and workshops.

Ceredigion

6.7 With small towns and hubs spread out along the coastline and inland, there is a need for Ceredigion to have strong distribution networks and local supply chains in order to develop a successful model.

6.8 The mapping exercise indicates that Ceredigion has the smallest number of producers in the region. Bakery and confectionary, fruit and veg and beverages are sectors in particular where gaps currently exist. However, there is a strong presence of meat and fish producers in the county, highlighting its ties to the coastline and strength in the shellfish industry. Going forwards there is a need to build on this by ensuring that coastal communities have the right infrastructure in place to process and transport produce from "port to plate".

6.9 There are numerous assets in the area for Ceredigion to utilise when looking to develop the model in a local context. The food centre at Horeb is one such example of where the scaling up of any model could take place. Similarly, the success of the Aberystwyth Food Hub (see section 2) is proof of Ceredigion's potential to strengthen community ties and consumer engagement to local food purchase. The shift in the typical consumer base at the Aber food hub during the pandemic from 'hardcore activists' to include more 'social buyers and believers' is encouraging and something that should look to be strengthened through the activities in Action Plan 6.

6.10 Another outcome stemming from the pandemic is producers accelerating their shift to an online and social media presence. The number of producers offering home delivery has also increased. Additionally, there has been a shift to community outlets such as restaurants, cafes and village halls marketing local produce. Going forwards this should be built on and strengthened as outlined in Action Plan 3.

6.11 The case for increasing local food outlets is supported by the survey results, where Ceredigion has a strong base of consumers who see the value of purchasing local food with minimal barriers preventing them from doing so. Of those who responded in Ceredigion, 60 per cent disagreed with the statement that limited choice or inconvenience is a barrier to local food purchase and over 70 per cent disagreed that they did not know where to access local food. Following shopping at the supermarkets, coop and local retailers were the most common place for consumers to buy their food demonstrating the potential prominence they can also play in any future model in Ceredigion.

6.12 In terms of distribution, the presence of successful producers such as the Sustainable Food Trust and Watson and Pratts can be integrated to ease distribution burdens and utilise local supply chains.

Pembrokeshire

6.13 Located on the South West coast of Wales, Pembrokeshire ties to the neighbouring authorities of Ceredigion and Carmarthenshire, as well as Ireland. The impact of Brexit is particularly pertinent in relation to food supply and resilience, with Ireland offering a potentially large market for the area.

6.14 The county is also situated at the end of the A40 resulting in significant distribution costs for local producers transporting their produce out of the county and further afield. Therefore, the inclusion of wholesalers such as Blas ar Fwyd and Castell Howell offer the opportunity to get their product further, albeit at a smaller margin. In this regard, Puffin Produce has also been cited as a potential asset in terms of developing a producer cooperative and utilising their lorries for distribution. Totally Welsh Milk is also a big distributor in the county offering potential to share the distribution load and reduce costs.

6.15 In relation to the county's strengths, the Covid-19 pandemic has highlighted the importance of food markets and market towns in Pembrokeshire, with Haverfordwest farmers' market the only market in Wales to remain open during the whole of the pandemic. Furthermore, there are 12 indoor and outdoor markets in Pembrokeshire presenting the strategic potential to use these as points to expand the reach of local food in the area. The continuing development of the Pembrokeshire food park at Withybush is a further chance to work with the private sector and support smaller producers to scale-up, with the potential to utilise the park in future as a food distribution point.

6.16 From the mapping exercise it is evident that Pembrokeshire has a range of producers across different sectors with a notable presence in bakery and confectionary and meat and fish. Stakeholders expressed the need for Pembrokeshire to continue to develop the maritime, fish, and in particular shellfish industry, specifically sea salt production and seafood processing, as it forms a significant part of the county's food identity. This is evidenced by the existence of the annual Pembrokeshire Fish Festival Week.

6.17 The creation and use of its own identity mark for food and drink produce demonstrates that Pembrokeshire is well placed in regard to Action Plan 5: Marketing and Accreditation. The aim should be to continue to promote the use of the logo in hospitality, marketing and tourism as a means of promoting local food and identity and thus developing the model in a local context.

6.18 Data from the consumer survey indicates that Pembrokeshire has the highest proportion of hardcore activists in the region – that is, they aim to buy local food as a priority. Additionally, in comparison to Carmarthenshire and Ceredigion, consumers in Pembrokeshire tend to purchase more from farmers markets and direct from producers (although not from food hubs) supporting the need to continue market development as outlined above. Conversely, there is minimal support for participating in subscription schemes and accessing local food in the form of cook chill frozen ready meals.

6.19 There is a high awareness of where to buy local food and there is disagreement with the statements that local food purchase is too expensive or there is not enough produce available year-round. Of the three counties, Pembrokeshire has the highest proportion who do not think there are any downsides of shopping locally.

6.20 Despite these strengths, the county also faces challenges and barriers including a lack of fruit and veg suppliers and limited processing capacity. Given the importance of tourism to Pembrokeshire's economy, alongside the skills gap facing the hospitality industry at a national level, Pembrokeshire should place a particular emphasis on implementing Action Plan 7: Hospitality and Tourism.

Annex A – Methodology

Fieldwork stage

Desk-based review

A review of a range of models and previous projects was undertaken to inform thinking about:

- The rationale behind developing a local food distribution network
- Consumer behaviour and preferences
- Factors affecting producers and their relationship to community
- Existing models of distribution and their relative advantages and disadvantages / possible application.

Regional scoping interviews

A range of scoping interviews have been conducted with key influencers to build an understanding of the local context. Scoping interviews were conducted throughout the study, with the aim to fill specific gaps in knowledge and to determine the appetite for a regional food distribution network. A list of stakeholders interviewed is provided in Annex C.

Segmentation and archetype development

We began the model development by developing four archetypes for consumers in the region, in the context of their relationship to local food and drink. These were classified initially on two axes:

- Strength of interest
- Frequency of action

Existing market research on consumer attitudes was used to inform the descriptions of the four consumer groups and their interaction with the food and drink sector, *Testing archetypes against delivery models*

Following the segmentation exercise a set of personas were internally developed to build on the archetypes identified, and a role play exercise was conducted to test the experience of these personas against different models for local food distribution.

Personas developed for role play exercise

Activists: Mike & Jenny	Recently retired teachers. Guardian readers who have moved to SW Wales and are keen to support the community. Strong local values and go out of their way to support the local farmer's market once a month.
Believers: Jess & Oliver	Busy thirty-something professionals with two small children. Really keen to eat healthily and like organic. Keep meaning to source more local food and drink, but it is so easy with Abel and Cole and Waitrose are really committed to their suppliers…..
Family Buyers: Liz & Steve	It's been a hard year, with Steve furloughed from his job as a plumber and Liz working long hours in the NHS. They have to make every pound count, but don't really like cooking from scratch, as the kids prefer pizzas. They do a weekly shop at Lidl and have quite a few takeaways.
Chef: Gary	Gary is absolutely passionate about local producers and is constantly looking for new sources of inspiration to fuel his campaign for a Michelin star. He needs to be sure he can get the quantity and consistency he needs for his customers, ideally delivered and at a reasonable price to leave him some margin.

Project Group Workshops

A series of meetings with the Project Group and LAG representatives were held to discuss progress and explore key themes emerging from the fieldwork. These have included the strengths and weaknesses of various distribution models including food hubs and farmers' markets.

Expert Group Workshops

Following its establishment, the first meeting of the Expert Group took place on 27th January, to outline the project and conduct an initial workshop focused on procurement and supply of regional food. The second meeting was carried out on the 10th of March discussing the merits of a co-cooperative model as well as distribution logistics. Both workshops entailed an open discussion on the aforementioned issues, with thoughts being recorded by participants via the Google

Jamboard platform. The attendees of the two workshops are listed in Annex A.

Online consumer survey

A bilingual survey was developed in Smart Survey. It focused on consumer purchasing habits including motivations and barriers to local food purchase and how consumers would prefer to access local food. The survey has been distributed through a variety of channels including community groups and social media. In total there was 166 responses to the survey giving strong quantitative evidence of consumer purchasing habits in the South West Wales region.

Producer mapping

Using Power BI as an analytical tool, we mapped the producers in Carmarthenshire, Ceredigion and Pembrokeshire. This established the make-up of the different food and drink producers (what sector they operated in) across the three areas, highlighting areas of strength, as well as where gaps currently exist.

Online producer survey

As a measure of added value to the feasibility study, an online survey of producers was distributed to gauge the support for a local food distribution network amongst producers in the three LAG areas. This includes the perceived benefits from participation, as well as any potential barriers from a producer perspective. The survey explored what are the key factors that would entice participation in a local food distribution network. There have been 23 responses to the survey.

Mid-term review

The mid-term report submitted in March 2021 outlined how our proposed model had developed since inception, as well as our initial findings stemming from the desk-based review, stakeholder interviews, the Expert Group workshops and first wave of the consumer survey. The report also set out our approach for the final phase of the study.

Consumer focus group[3]

Following the collation of results from the consumer survey, work commenced in facilitating a consumer focus group in the region. This entailed having further, more detailed discussions on the themes emerging from the survey, as well as key findings from our workshops. The focus group explored the motivations and barriers to local food purchase and explored options on how these can be addressed.

Analysis of current position

From the above fieldwork, using mind mapping software we analysed the current position of food distribution networks within the SW Wales region and potential assets/solutions to difficulties encountered.

Case studies of existing networks

To complement the desk-based review, we continued to map the assets relevant to the three LAG areas, including notable existing networks such as the Aberystwyth Food Hub and the Open Food Network, Castell Howell and the Welsh Lamb and Beef Producers.

Options appraisal

The options appraisal involved an internal brainstorming session of findings to date and allowed various options (determined by the fieldwork) to be discussed. This focused on elements such as deliverability, viability, quick wins and impact and fed into the development of the action plans.

Reporting

Draft feasibility study report

This report encapsulates the process and findings of our feasibility study on sustainable models of local food distribution. It contains the

[3] A focus group of local producers was also planned in our original research approach but was not carried out. This was due to limited engagement from recruitment efforts, and a judgment that data from the producer survey and Expert Group offered sufficient information on the thoughts of producers.

context for developing such a model, including relevant case studies, as well as producer and consumer sentiment on the variations of the proposed model. Scalable options for model development are subsequently set out for the SW Wales region upon completion of this study.

Client presentation

Submission of the draft report will be followed by a presentation of findings to the Project Group on the 10th of June. This will provide an opportunity to discuss and refine the options produced from the feasibility study and to clarify what the next steps are following the close of the project.

Final feasibility study report

Following a client review, a final report with any necessary amendments will be delivered in June 2021.

Annex B – Case studies

A key aspect of the study is to explore best-practice models operating in the UK and Europe, to provide inspiration and guidance, and to assess their applicability for the region. In this section of the report, we present two key case studies of effective food distribution highlighted in our fieldwork and discuss their key characteristics and relevance to our model.

Copenhagen

In Denmark, the public sector is using green procurement to foster more sustainable diets. As of 2017, the share of organic food in public kitchens in Copenhagen reached 90%, including at schools, nurseries, social care services and other facilities[4].

Copenhagen's public procurement model is a combination of progressive green procurement policy and a goal to transform the food system. The strategy has been a combined effort of both training and up-skilling kitchen staff and restructuring the methods of procurement in the city, enabling a resilient food supply that brings wider health and environmental benefits to the population. Canteen staff are taught techniques that include:

- The increased use of seasonal vegetables
- Reduced use of meat
- Baking, preserving and fermenting
- Minimisation of food waste and,
- More or different use of bread and grains

The organic transition within kitchens raises the value of public food spending budgets, at the same time resulting in healthier, climate friendly and appealing meals for citizens.

Engagement with local suppliers and producers

[4] https://milanpact.developx.it/wp-content/uploads/2018/06/CLIMATE-1.pdf

Public Organic Procurement Policies (POPPs) in Denmark ensure that well-trained kitchens are supported by quality, organic procurement, and tenders encourage markets to develop sustainable parts of their product ranges.

Engagement with local producers and suppliers in Copenhagen is a key aspect of the model. Before the tender is written, public kitchens are asked about their needs. Nursery schools may for example request a box of fresh fish in season, delivered every week. There is then an open dialogue with suppliers around what can be supplied and at what price to establish relevant criteria, with a focus on creating annual calendars showing the produce that is available in each season.

To overcome barriers for small producers that cannot meet every aspect in the call for tenders, smaller suppliers and small to medium sized enterprises (SME's) in the region sometimes choose to team up in cooperatives to ensure coverage.

Highlights of the model

- **Seasonality**: the model focuses on creating seasonal diversity in both supply from producers and meals cooked in kitchens. In Wales, contracts for public sector institutions are dominated by national contractors due to their criteria calling for annual consistent supply of produce at fixed prices. Having seasonal menus with seasonal pricing overcomes this challenge by working purely with what produce is available to grow during the year and regulate demand.

- **Upskilling procurement professionals**: limited professional skills for procurement for short supply chains was identified as a key barrier for enabling local supply in our Expert Group workshop. Copenhagen's procurement strategy goes beyond traditional notions of best value by engaging in a procurement model that is built on local rather than the most economically viable needs and working with producers throughout the tendering process.

- **Systems-based approach**: the model offers a holistic method to optimising the food system, by aiming on the creation of not just a resilient local food supply, but one that reduces environmental impact, is economically viable, and in-turn creates a healthier and up-skilled population. Together, these are all aspects that our final model taps into, creating a system that is regionally unique and reflects the characteristics of landscape and people.

South West England food hub

The South West Food Hub is a Community Interest Company (CIC) working with the UK Government's Crown Commercial Service – in collaboration with DEFRA – to provide a new model for public sector food procurement in South West England, that supports a set of social, economic, and environmental values.

Known as the Future Food Framework[5], the approach aims to help small and medium size producers in the region sell directly to the public sector using an online platform, offering buyers a wider choice of local food, and redirecting spend into the regional economy. The platform will provide producers with the flexibility to choose what they want to supply, how much and when.

Anticipated to launch in early 2022, the new framework will have a greater focus on seasonality and sustainability, as well as welfare and quality standards, with producers and suppliers needing to meet an entry criterion to sell on the marketplace. The model is also designed to address critically important Sustainable Development Goals 10, 8 and 12 within the food supply chain:

- Fair Pay/Living Wage
- Modern Slavery
- Food Waste/Responsible Consumption.

[5] https://www.dynamicfood.org/future-food-framework

The hub is supported by several local initiatives, including South West LEP, the University of Exeter, Exeter City Futures, POM Support and the National Farmers' Union (NFU).

Highlights of the model

- **Sustainable standards and accreditation:** as a key issue impeding local procurement, the South West food model offers a solution to meeting the standards required in public contracts through implying an entry-level accreditation system (based on sustainability, welfare, and quality values) for small to medium producers to sell on the platform.

- **Intermediary Community Interest Company (CIC):** parallel to our model, the South West Food Hub includes an intermediate CIC that is responsible for management of the online platform and producers engaged with it.

- **Seasonality:** like Copenhagen's model, the South West food hub also focuses on seasonal growing and procurement, to raise the standards of sustainability and create a more resilient food supply. Adopting seasonality was highlighted as an important factor for making local food procurement work in our research and is an element we have integrated into our proposed model.

Annex C – Feasibility study consultees

Name	Organisation/Role	Stakeholder Interview	Expert Group 1	Expert Group 2
Regional/National Stakeholders				
Peter Seggers	Blaencamel Farm		X	
Osian Deiniol	Blas ar Fwyd		X	
Huw Thomas	Hywel Dda	X		
Philip Kloer	Hywel Dda	X		
Dr Robert Biel	Bartlett Institute, UCL	X		
Sarah Gould	Lantra	X		
Katie Palmer	Food Sense Wales	X		X
Gary Mitchell	Social Farms and Gardens	X		
Eva Trier	Eva Trier Consulting	X		
Louise McNutt	Development Officer – SW Wales	X		
Carmarthenshire Stakeholders				
Simon Wright	Wright's Food	X	X	X
Alex Cook	Swper Box	X	X	X
Liz and Andy Neagle	Anuna Bakery	X		
Terry Walsh	Carmarthen Food	X		
Abel Oakenshade	Glasbren CSA		X	
Edward Morgan	Castell Howell	X		X
Ceredigion Stakeholders				
Lucy Watson	Watson and Pratts	X		
Benn Pratt	Watson and Pratts		X	X
Jane Roach	Catch of the Day Cardigan	X		
Patrick Holden	Sustainable Food Trust		X	X
Liz and Andy Neagle	Anuna Bakery	X		
Huw Richards	Grower		X	

Pembrokeshire Stakeholders				
Joanne Welch	Food Officer, Pembrokeshire County Council	X		
Rachel Moxely	Head of Regeneration, Pembrokeshire County Council	X		
Maxine Down	Springfield Farm	X		