



**OPEN FOOD  
NETWORK  
AUSTRALIA**

# COMMUNITY FOOD ENTERPRISE PULSE CHECK



*PHOTO: CHARMAINE, MERRI FOOD HUB*

## UNDERSTANDING THE STATE OF THE COMMUNITY FOOD SECTOR IN 2022

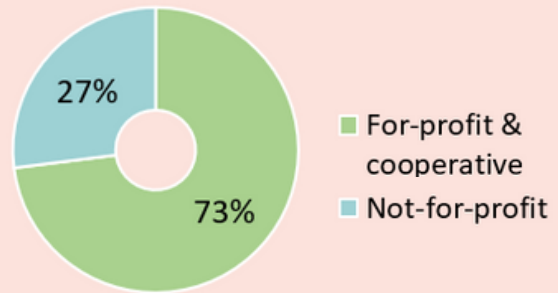
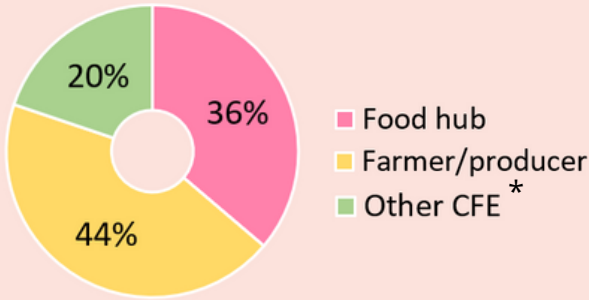
[Read the full report](#)

# Participants

The Open Food Network has undertaken a study of 75 Community Food Enterprises (CFEs) to better understand the sector, and what can be done to help them and advance the sector.

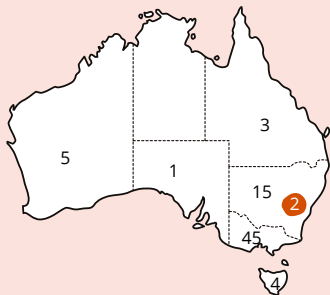


## Operating Models

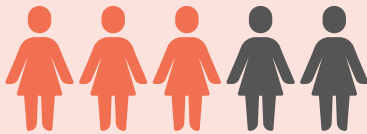


\*'Other CFE' includes food relief and community gardens.

## Location

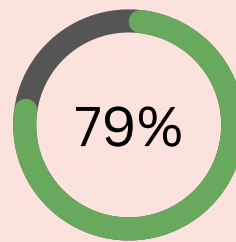


We received responses from every state and territory except the NT. 60% were from VIC.

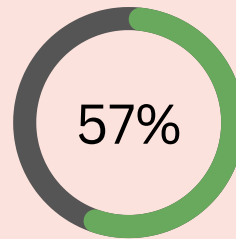


60% respondents were located in rural areas, 40% were located in metropolitan areas.

## Revenue



Of respondents generate revenues of less than \$250,000



Of respondents generate revenues of less than \$90,000



This was despite 55% of CFEs reporting increased revenue from the previous year.

## Staffing levels



47% employed between 1 - 4 Staff members



26% have 5+ staff



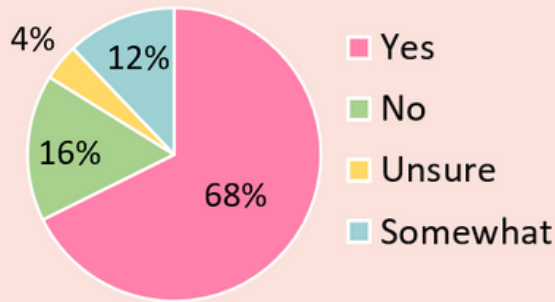
42% use volunteers



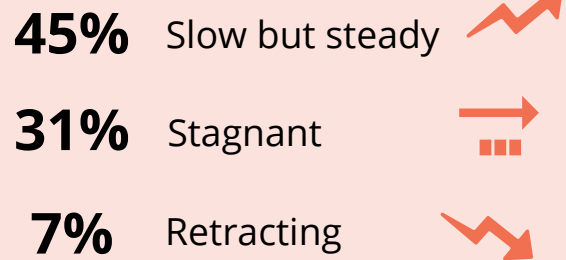
Only 3% use interns/ students and apprentices.

## Operation

Operating at desired scale:



Growth:



## Impact

Over the past year:

**53%**

have had a more significant impact on their areas of impact

Future impact:

**53%**

are positive that their impact will increase

## COVID-19

Despite the many challenges of the pandemic, it also presented opportunities for some CFEs:



**8%**

Opened a CFE



**17%**

Increased consumer base



**28%**

Increased sales



**17%**

Changed their operation model



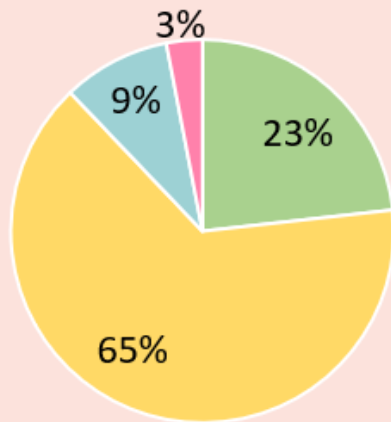
**12%**

Decreased sales

CFEs have demonstrated immense **resilience** during these challenging times


## Confidence


Confidence in capacity to remain operational:




■ Somewhat confident    ■ Neutral  
■ Highly confident    ■ Not very confident

Business outlook for the CFE sector:

**76%** are optimistic 

**11%** are unsure 

**11%** are pessimistic 

**Producers** demonstrate a higher level of confidence:



**76%** of producers are confident in the operation of their enterprise



**85%** of producers are optimistic about the business outlook of the CFE sector

Those able to secure funding demonstrate slightly more confidence:

**VS**

**70%** of those able to secure funding are highly confident in their enterprise operation

**58%** of those unable to secure funding

# Emerging themes summarised



## Impact

96% of CFEs were pursuing at least **three** forms of impact. These covered a range of areas including:

- Short supply chains
- Food access
- Community resilience
- Land protection and sustainability
- Education and skills.

## Food Justice

79% of CFEs were pursuing food justice. This took many forms including:

- Ensuring a fair price for farmers
- Tiered pricing models
- Ecological practices
- Contributions to local food movements

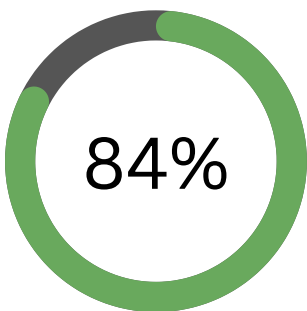


## The need for funding

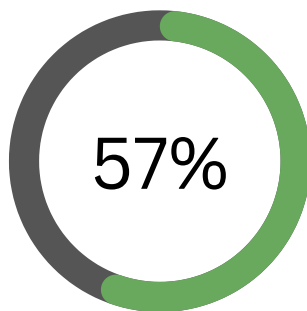
Funding was a consistent theme throughout the pulse check.

- 57% of CFEs generated revenues of less than \$90,000, despite 55% reporting that they had grown in the past year.
- 32% of CFEs were unable to access the funding they needed to operate.
- Participants who were able to secure funding were 1.5x more likely to assess themselves as having a significant impact on their impact areas than those who weren't.
- 35% of participants cited access to capital as a challenge.
- 65% stated they would like additional training in how to access grants and funding.
- Many CFEs operated in non traditional business models, which made it hard to access funding.

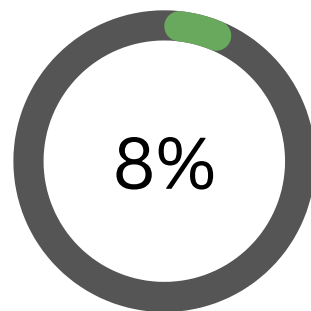
## Technology use



Of CFEs encountered problems with technology



Indicated that connection their systems would be useful



Just 8% of CFEs used third party integration tools like Zapier

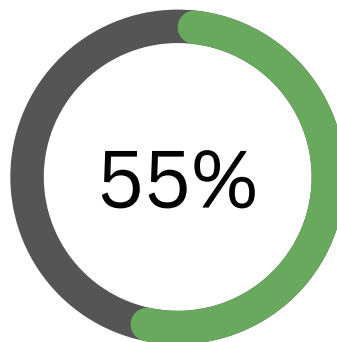
## CFE Needs

1. Balancing supply and demand (49% of respondents)
2. Building a customer/ membership base (37%)
3. Access to capital (35%)
4. Dependence on volunteer labour (35%)
5. Managing growth (24%)
6. Economic Conditions (23%)
7. Meeting food and safety requirements (20%)
8. Issues relating from a lack of ownership of infrastructure (20%)
9. Customer retention (19%)
10. Finding appropriate technology to manage operations (19%)

## Training & upskilling

6 areas that emerged when CFEs were asked what types of training they require.

1. Grants and Funding (65%)
2. Strategy and Governance (63%)
3. Decision Making (51%)
4. Marketing (48%)
5. New Product Development (40%)
6. Staffing and Resources (34%)



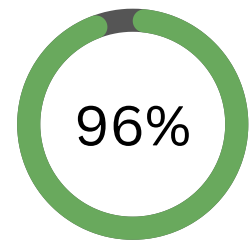
Of CFEs said funding would help them access training.

## Impact

### Priorities and outcomes

CFEs are focusing on 5 main areas of impact:

- 1 Low food miles/ short supply chains
- 2 Food access
- 3 Community resilience
- 4 Land protection and sustainability
- 5 Education and skills



Of CFEs were pursuing at least 3 areas of impact

### Trends among enterprise types



**87%**

of **other CFEs** pursue **food access**



**89%**

of **food hubs** pursue **community resilience**



**91%**

of **producers** pursue **land protection**



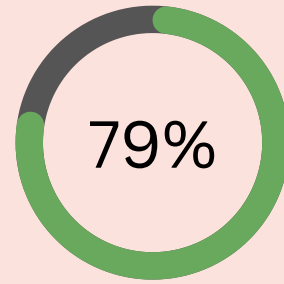
Access to funding has a direct correlation to a CFEs ability to affect it's impact areas.

**1.5x**

Participants who were able to secure funding were 1.5x more likely to assess themselves as having a significant impact on their impact areas than those who weren't able to secure funding.

## Food Justice

“  
*Food Justice is an approach to food that provides eaters **equitable access** to **culturally relevant, ecologically sustainable food**, in addition to supporting **food sovereignty** for **First Peoples** and paying a fair price to **farmers**.*  
”



of CFEs were pursuing food justice

## How CFEs are working towards Food Justice



### Ensuring a fair price for farmers

That reflects the true costs of producing food.

### Tiered pricing models

Where those who can pay more to subsidise those who would otherwise go without.



### Ecological practices

Including biodiversity, carbon sequestration, minimising the use of pesticides and fertilisers, no- and low-till methods and agroforestry.

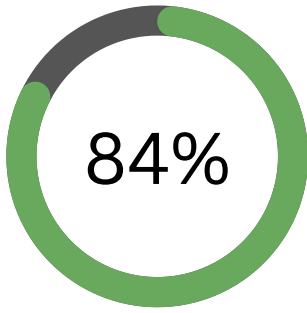
### Contributions to local food movements

Which give consumers greater control over and access to the food system. In fact, 93% of food hubs sourced from local farms.

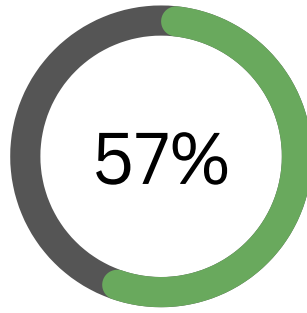




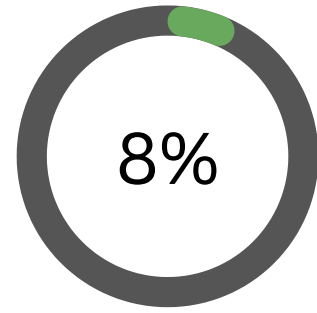
## Technology use



Of CFEs encountered problems with technology.



Indicated that connection their systems would be useful



Just 8% of CFEs used third party integration tools like Zapier

## Technology



**21%**

Feel unable to keep software skills up-to-date



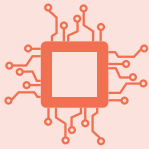
**21%**

Lack sufficient time to learn / use technology



**17%**

Find navigating different platforms difficult



**15%**

Struggle with integration



**13%**

Find platform and software fees too expensive



**12%**

Confidently use technology

## Data interoperability



**57%**

Indicated connecting systems would be useful



**31%**

Indicated it would streamline existing processes



**17%**

Indicated it would enhance time efficiency

*What areas would connecting systems benefit?*



**47%**

Indicated product and inventory management



**40%**

Indicated order management



**37%**

Indicated customer communications

“

We are doing more **manual checking** than ever, stepping around glitches in programs and them **not supplying what we need.**

*Food Coop, NSW*

”

“

It is **impossible to separate online from offline** when it comes to food services. You could have a well developed piece of logistics software, but it **does not help** you see that the strawberries you wanted yesterday were picked and will be delivered within 24hours so you get them at **peak eating.**

*Food Hub, NSW*

”

## Finance and funding



43% of CFEs studied generated revenues of more than \$90,000, despite the fact that 55% of CFEs saying their revenue had grown in the past year.



One in three CFEs surveyed were unable to access the funding they needed to operate.

Many CFEs operate on non-traditional business models which make funding difficult to attract from banks.



CFEs who received adequate access to funding were **1.5x more likely to assess themselves as having a significant impact on their impact areas than those who did not receive access to funding.**

*Funding streams that have been difficult to access:*

**Grants**

**Equity investment**

**Donations**

**Loan from a community development financial institution**

Funding was a central theme in many areas of the pulse check:

- The most requested form of training was for Grants and Fundraising.
- The most requested resource to access training was funding.
- The third most often cited CFE need was Access to Capital
- Licencing costs were also cited as a barrier to technology use and uptake.

# Opportunities

## Further research into the CFE sector

We know that CFEs play a vital role in the community, but very little research is being undertaken into the sector.

This research was funded by Open Food Network Australia, and we have identified further opportunities for research including:

- Establishing a definition of what a CFE is
- Sizing the CFE market in Australia (and internationally)
- Focusing on specific enterprise types (e.g. Food Hubs)
- Focusing on other regions
- Creating a bigger study
- Going deeper on specific topics.



## Amplify the impact of CFEs



CFEs need to be able to understand and communicate the impact of their programs, and to categorise them under commonly understood labels. This will help to:

- Attract funding
- Lobby for investment and support
- Inspire other CFEs to start in their local area
- Ensure their efforts have the maximum impact.

## Drive funding to the sector

Funding, or a lack of it, was a common theme throughout the results.

Many CFEs operating overseas have received targeted support from their governments, but this is not as prevalent in Australia.

Helping CFEs to quantify their impact, and establishing an industry body would help to attract investment from Government and Philanthropic bodies in the sector.

## Invest in technology

CFEs operate on extremely lean business models, and investment in technology and business process automation would help them to get the most out of every dollar.

Additionally, connecting the various technology platforms CFEs use, and data-interoperability would help CFEs to automate their processes, reduce the need for manual data entry and improve the effectiveness of customer acquisition and re-engagement strategies.

The 2022 Pulse Check was completed as part of Open Food Network's in-kind contribution to a project funded by our partner, Sustainable Table. Our motivation is to guide where our efforts can be most effective for the Community Food sector.

Please contact us to discuss partnerships that progress most (if not all) of these recommendations.

[Read the full report here](#)

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