

Notes from the Urban Agriculture Conference

November 19, 2016
 The London Public Library Central Branch
 Wolfe Performance Hall, 1:00PM to 2:00PM

Topic:

The Economics of Urban Agriculture

Speakers:

- Aaron Lawrence
 - Shared his experiences in London local food businesses such as On the Move Organics, The Root Cellar, and the London Brewing Company
- Robert Orland
 - Shared his business insights with examples and stories from his Guelph Urban Agriculture Business – Backyard Bounty

The main theme of this forum sets the stage for the two stories told of how they creatively addressed the basic economics rule and their successes growing a local food related businesses. The basic rule for the Economics of Urban Agriculture is the same any other business.

[*Revenue > Expenses*]

Each speaker outlined the personal interests and motivations for wishing to do business in this space. A range of current and past methods emerged to illustrate

- the small scale focused diversity of urban agricultural and local food and food system businesses
- local prosperity, conservation and systems supporting whole health.

As the discussion continued, examples of licensed or not-for-profit activities such as Spin farming and Food Not Lawns or businesses that blend approaches to redefine the meaning of local food delivery. Aaron included how supporting resilience in community and urban life drives his creativity and the desire to share grow and learn. He shared what he learned from to help him with his current Microbrewery.

- a car free food box service to crafting beer from locally sourced ingredients in the same property as warehousing the food box inventory and a restaurant.
- Collaborating with producers and suppliers to support a stronger foundation
 - Tailoring the local system to urban neighborhoods and geography either social or geographic for a strong collaborative, community driven system.

Through the stories, the speakers illustrated personal experiences with examples of opportunities to address some unique problems. The solutions and business opportunities helped us understand unique offerings or using local, small scale prosperity driven and ecologically conscious alternates. Growth and creativity is offered up in these examples in a large, vibrant, diverse Ontario urban environments (London and Guelph).

An ecologically driven and progressively defined economic ethic emerged where drivers for these two business owners includes satisfying personal interpretations of an ethic and implementing their solutions for providing alternatives that primarily benefit the local community and owners through

sourcing and acquiring local ingredients, the production, processing and distributing within Ontario's local food space and creating successes in the business.

The topics to address include:

- Diversify access and grow by working with one's ethic at the fore while building collaborative relationships, leveraging people, their skills and space.
- Urban Agriculture includes collaboration with the nearby organic or ecological farms and CSA to achieve resilience

Emerging main themes:

- Healthy, ethical, local food product and tuning into the market and unique customer service options.
- Original local concepts and reveling in the sweat equity that provides creative problem solutions.
- Growth by leveraging and integrating opportunities to expand method, supply and service choice that offers a balance for seasonal or environmental alternatives, blending supports and service methods.

Aaron's postsecondary education began with studying urban ag and permaculture in Cuba from an anthropology perspective. He learned about On the Move Organics and grew to commitment to have a door to door service using bicycles to deliver groceries and bridging local small scale rural suppliers to deliver local produce and eventually adding a storefront for off season opportunities. He also told us about how this group leveraged the produce, storage and retail opportunities into the Root Cellar restaurant.

- Existing barriers for small scale seasonal producers to enter the supermarket space
 - in a mainly seasonal production region for on ground producers -- both speakers mentioned
 - The largest barriers are
 - the incompatible scale sizes,
 - competing with different quality and standards expectations
 - variety of produce types expected by the food system part of supermarkets.
 - Small supplier, reliability of offering large lots of produce
 - accommodating various business models that include large and small scale business needs for assuring profitability.

Gaining intuition from sharing and learning exemplifies a sector that brings about ideas for exciting useful and productive ways of serving the interested populations who helps strengthen the business opportunities and support the an ecologically driven way of living in community, supporting the local economy using and giving back of local resources.

- Using the added space from an existing warehouse resource to begin an organic food restaurant was a wonderful local example.
 - *Restaurant math:* Adjusting the number of seats, size and cost of menu, and optimize turnover of clients and food availability
- Urban Agriculture: making your economics part of the ethic
 - Understanding resources market access (what, where)
 - True cost accounting to describe efficiency and cost effectiveness

- Infrastructure (land / roof or other 'land' opportunities), vegetable produce, compost and waste usages, meat source, breeding and product (revenue) resource use
 - The example was of the Cuban Urban ag activity where "land" vegetable production and small meat animals helped close a circle of production where most of the system worked as a collaborative low loss network that included guinea pigs an rabbit farmer and a restaurant client that worked collaboratively to optimize community resilience
- Materials cost and optimizing the inputs and outputs cost of production across the entire system

Detailing the value chains differently.

Robert introduced a more nuanced and perhaps more ecologically relevant manner of viewing economics of Urban Agriculture and incorporate mainstream concepts a little differently by describing mainstream evaluations, then presented more creative and relevant ways of evaluating costs.

Sustainability concepts allegedly use systems wide, full cost accounting. Adding ethical considerations of ecological conservation and the business of ecologically producing organic food with the effect on the environment as part of the entire cycle for our Urban Agriculture cost accounting.

The classic model (external and profit based costs):

Internal:

- Fuel / energy purchasing – cost to market production only
- Industrial fertilizer – cost to production (labour, supplies, storage, loss)
- Industrial pest control – cost of production (labour, supplies, storage, loss)
- Transport of goods (labour, supplies, storage, loss)
- Business and administration (labour, supplies, storage, loss)
 - Share holders

External:

- Fuel / energy production and transport (labour, supplies, storage, loss)
 - ecological and social short and long term costs
- Industrial fertilizer – cost to production (labour, supplies, storage, loss)
 - ecological and social short and long term costs earth inhabitants and biological /geological/geographic impacts
- Industrial pest control – cost of production (labour, supplies, storage, loss)
 - ecological and social short and long term costs earth inhabitants and biological /geological/geographic impacts
- Transport of goods (labour, supplies, storage, loss)
 - ecological and social short and long term costs earth inhabitants and biological /geological/geographic impacts
- Business development and administration (labour, financial loss)

- Distribution of wealth social impact definition of sustainability, prosperity and value to a person or a population

Robert used a creative cost accounting element as an numerical example using it to speak of simple production comparisons and examples of the scalability. This example can also be use to examine Total Energy cost accounting is one large element that relates to many of the others previously mentioned. Once the known inputs and outputs of the current business system is stable one can calculate:

- Caloric costs of food production elements
- Summarized from each cycle showing reliability within the system and compared to conventional economic cost accounting

Most conventionally measurable risks to each model (comparators)

Evaluating your plugins (causal relationships)

- Special vulnerable price fluctuations
- Energy
- Staffing costs and distributed models
- Diverse local systems drive the prosperity

Revenue must be more than expenses

- Difficult to make creative decisions when revenue too close to the expense margins
- Creative networks and mixed models for “community based gardening”
- Distributed CSA models who collaborate across the region to build capacity and resilience to challenges
- Includes supporting Food security by buying and selling produce --Cooperative partnerships.

Argument pro and con for capital and predictable risk management

- not-for-profit (externally dependent)
- Sponsorship (externally dependent)
- Reduce waste increase diversity of local product
- The more efficient and number of spaces stabilizes the revenue stream
 - Greater caloric payoff when a stable number of total distributed acres are secured year after year
- Building community citizenship
- Redefining “economies of scale”
- Growing *greens* is always good for stability

Audience highlight

Value added (stuff to do with the surplus)... how to make and capitalize on surplus

Big unanswered questions:

1. How does Urban Agriculture grow to become a day-to-day activity within cities able to prove prosperity and wellbeing and compete with conventional measures of growth and profit?
2. Navigation of the current Canadian, specifically Ontario Landscape regarding sponsorship, or Not for Profit systems rife with uncertainty that does not support or allow for the promise of the longevity and independence that strong resilient foundations and infrastructure need to assure resilience within local community. What sort of economic, funding options and administrative changes exists or can be built to support better options for the greater prosperity and health wellbeing offer through local Urban Agriculture systems?

Recorder's Notes:

The stories provided good examples for arguing more fully with the contemporary notions about corporate scalability and provide kernels to consider for substantive, prosperous alternatives to conventional structures and regulations. Integrating evidence based, community oriented evaluations for establishing and maintaining local resilience and driving our own prosperity should grow from many of the elements touched on, providing a richer picture that is useful in a continuous evaluation landscape toward strength.

The impression of a permaculture cycle in both speakers' thinking process allows for a greater depth of thought about understanding of the balance of an entire system thereby also allowing us to work toward a powerful, resilient community driven and supported local good food system.