



# What is Food Durham?

Food Durham Launch  
Town Hall - Durham City

25<sup>th</sup> October 2017

Keith Gill

# The Food Environment

## - The Real Cost of Food

### ► Social Costs

- Concentration of power in the food system (retailers, & global corporations) reduces choice for all
- Poor diets: malnutrition and obesity, leading to big increase in NCDs (estimated cost to NHS of treating the effects of poor diets £5bn/annum)
- Over reliance on processed food (tends to be high in salt, sugar and cals)
- Low wages in many levels of the food system, especially primary production and service

# Food Durham - The Hub

## - Identifying the Opportunity

- ▶ The problem: the local food economy operating at relatively low levels in Co Durham. Not many suppliers. How might we stimulate this local food sector?
- ▶ Feasibility Study and use of local assets led to the model we developed. Builds on previous collaboration between Durham University and JR Hollands.
- ▶ The Food Durham Hub strategic objectives have been clearly identified from that 'feasibility study'
- ▶ Stimulating the local food sector has many benefits:
  - Local food business growth and resilience
  - More money staying in the local area (Local Multiplier effect)
  - Tourism businesses benefit
  - Supporting more sustainable production practices and SME producers is good for the environment by minimising negatives
  - Increased availability of fresh and healthy foods
- Need to Find Management

# Durham Food Hub - Finding Management

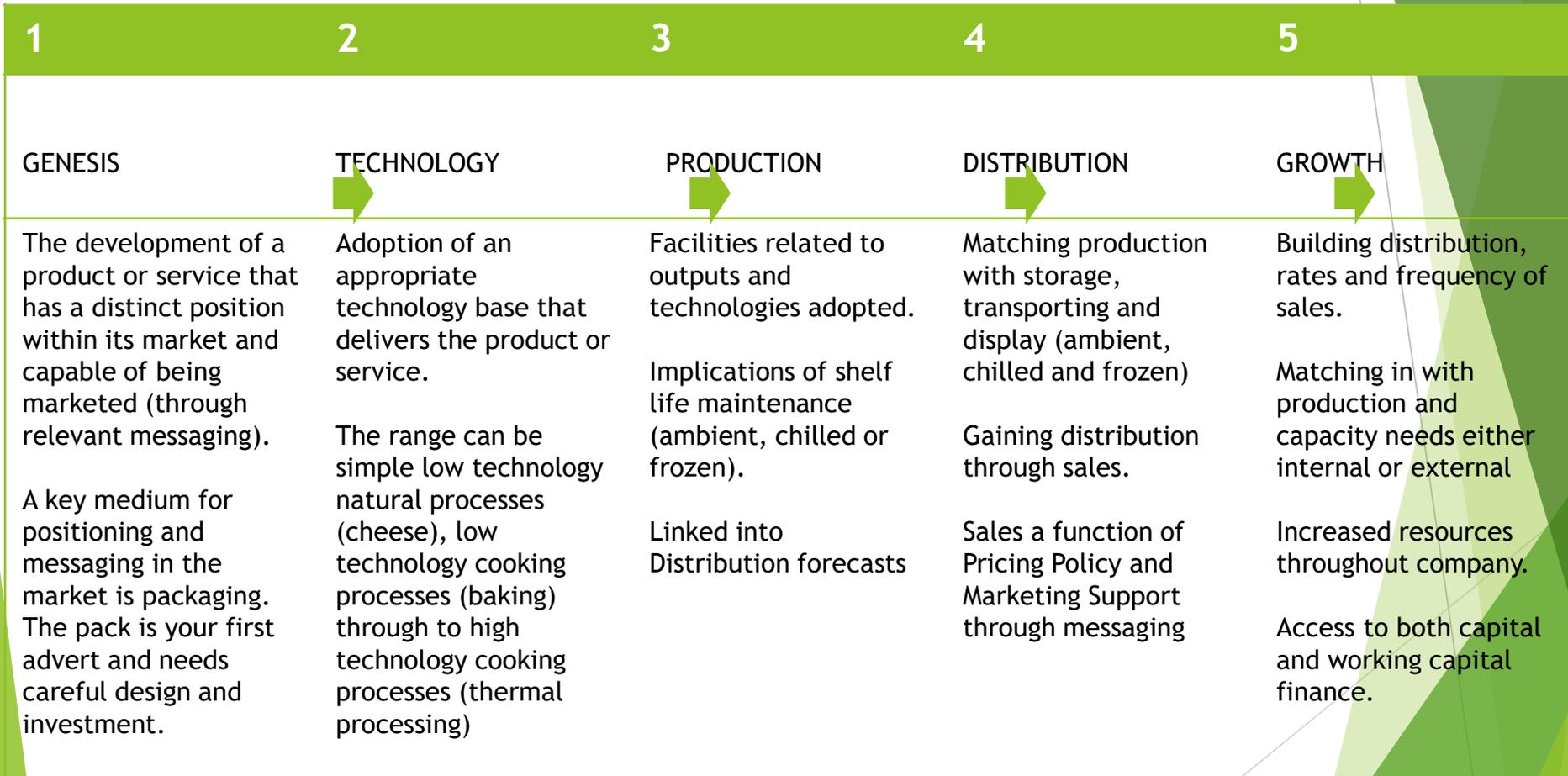
- ▶ Recruited a New Durham Food Hub Manager - Keith Gill, a seasoned professional, serial Entrepreneur and Pioneer in the Food Industry.
- ▶ Creating 2 companies in Consett, Co Durham in 30 years with 'Upmarket' Savoury Snacks aimed at Adults with the 'Phileas Fogg' brand and provenance proven, sustainable, low wastage, long life meals, soups and sauces under the 'Look What We Found' brand.
- ▶ Created products that worked in various categories and sales channels such as pioneered Adult Snacks, Gluten Free ranges, Portion controlled Dieting Food, Healthy Nutritional meal options, Provenance positioned ranges from sustainable sources sold into Major Retailers, Independent Retailers, Delicatessens, Farm Shops, Garden Centres, Food Service, Home Delivery, Travel outlets of Airlines & Trains and E-commerce.

# Durham Food Hub

## - Initial Strategy

- ▶ Create 'Distribution' and 'Sales Channels' first
- ▶ Adopt the concept of the 'Business Journey' to identify Support areas
- ▶ Support Local Producers to be 'fit' for the above by intervention in each element of their 'Business Journey'
- ▶ Capitalise on the experience of the New Durham Food Hub Manager

# The Business Journey



# Food Durham Hub

## Our Approach

- ▶ Adopt the Concept of 'The Business Journey'
- ▶ Food Durham support structures built around each element of that journey
- ▶ Support NPD, Product Development, Packaging Development, Commercial Assessment, Communications, Sales Development, Government Support, Compliance
- ▶ Food Durham Business Strategy - Build Distribution and Support Producers
  - ▶ Proper Contracts for both
  - ▶ Build our Income from their New Sales Development
  - ▶ Achieve Sustainability by Year 4
- ▶ Typical Regional Profile - Summary of products, pricing, positioning, product & suppliers stories
- ▶ Different Sales Channels - Distributors, Major Retailers, Airlines, Public Procurement
- ▶ Target Local Sales to maximise the Economic Multiplier Effect = £10 spend creates £25 for local economy

# Food Durham Hub - Challenges

## - Public Procurement

### Issues

- ▶ Policy bound to support as much local produce as possible
- ▶ Lack of awareness of breadth of local produce on offer by Procurement Teams
- ▶ Large Distribution Operators not sympathetic to small local producers
- ▶ Contract Catering a barrier for local produce to gain access to consumers
- ▶ NEPO electronic tender system works in principle but needs resources to review and manage

# Contact details

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# Case Study 1

**‘Taste Durham Welcome Pack’**

In Association with  
Visit County Durham

**25<sup>th</sup> October 2017**

**Keith Gill/Lucy Wearne**

# Visitor Opportunity - A Profile

- ▶ 19.25m visitors in 2016.
- ▶ Total visitor spent £806m
- ▶ 37% of which was spent on food and drink equating to almost £300m.
- ▶ Over 20,000 visitors per month to Food and drink information on the thisisdurham website - the highest category
- ▶ Top 4 'Visitor Attractions' have 1.7m visitors annually
- ▶ Food and Drink outlets are defined within (Pubs, Restaurants, Cafe's, Accommodation - Hotels, B&B's, Self-Catering)
  
- ▶ Retail and Public Procurement are separate markets

# Key Food Trends

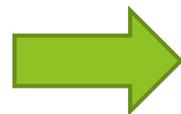
- ▶ Over the years TV Chefs have moved from food recipes to popular culture
- ▶ Local food and produce is sought out by more and more people who are looking for an authentic experience and who care where their food comes from
- ▶ The increasing vibrancy and range of farmers markets
- ▶ The emergence of more and more food festivals across the country
- ▶ The growing number of food tourists

# Strategic Alliance



- ▶ Taste Durham is the destination's food brand and celebrates the quality of the county's food and drink sector and brings local produce and quality establishments to the attention of more people.
- ▶ Food Durham - a 'Sustainable Local Food Strategy' was developed and launched in 2014. The Strategy supports "a move towards a more localised food system in County Durham that provides fresh, healthy, sustainable food for residents and visitors" - a healthier, fairer, greener food system.

LOCALISED FOOD SYSTEM  
& SUPPORT



SALES CHANNELS

# Strategic Objectives

- ▶ Raise the profile of the county both regionally and nationally
- ▶ Use 'Taste Durham' as an umbrella icon for related target areas
- ▶ Engage with the broad spectrum of outlet types to raise visibility and awareness with opportunity to trial local products
- ▶ Provide new sales channel opportunities through co-ordinated approach
- ▶ Capitalise on the distribution associations already developed
- ▶ Create a program of promotable food formats for target outlets
- ▶ Create support programs for participating outlet adopters to create pull through
- ▶ Create feedback loop with all stakeholders

# Phase 1

## Self-Catering Accommodation



- ▶ A number of self-catering properties offer their guests a welcome packs but it is a fragmented offer
- ▶ VCD and Food Durham Hub have produced a Taste Durham Welcome Hamper
- ▶ The hamper includes a number of tasty, fresh, local Durham produce and can be delivered directly to a property or to a location of choice
- ▶ The full pack is focused around breakfast and contains 17 products - 12 from County Durham

# Welcome Pack Contents



## Local Produce

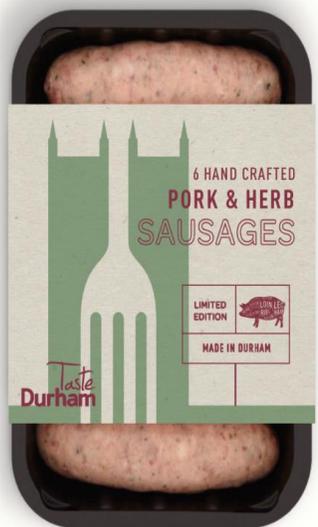
- ▶ Sausages Bacon Eggs
- ▶ Jam Marmalade Honey
- ▶ Coffee Bread
- ▶ Milk Yoghurt Butter
- ▶ Durham Cinder Toffee  
(Anytime treat)

## Other

- ▶ Tea
- ▶ Hot Chocolate
- ▶ Orange Juice
- ▶ Sugar
- ▶ Cereals

# Welcome Hamper ‘Look and Feel’

Taste Durham Hamper & Packaging



# Welcome Pack

## Key Features & Benefits

### Features

- ▶ Full Welcome Pack - £30 (All 17 items including delivery)
- ▶ Lighter Versions possible based on feedback
- ▶ Brochure of Durham Contents in each pack

### Benefits

- ▶ Single sourced purchase at Wholesale Prices
- ▶ Can be added to guests cost or used as promotional device
- ▶ Integrated sales and marketing support - internal brochure, VCD communications support linked to adopted outlets
- ▶ Builds Visitor links with Taste of Durham
- ▶ Local produce - new sales channel

# Welcome Pack Logistics



- ▶ Outlet can order weekly through J.R.Holland for delivery the following week
- ▶ Invoices created and processed by/with J.R.Holland
- ▶ Suppliers take orders either weekly or fortnightly from J.R.Holland
- ▶ Deliveries either weekly or fortnightly to single distribution point in Team Valley
- ▶ Invoices and payments arranged J.R.Holland
- ▶ Food Durham assist where needed.

# Welcome Pack Timings



- ▶ 'Soft Launches' today and Nov 2<sup>nd</sup> at 'Made in Durham' VCD Conference at CLS Cricket Club
- ▶ Self-Catering recruitment commences now until end Jan 2018
- ▶ 'Hard Launch' from 1<sup>st</sup> Feb 2018



# Case Study 2

**'Archers'**

Handmade Luxury Desserts

25<sup>th</sup> October 2017

Keith Gill/Sue Archer

# Archers - Jersey Ice Cream Brief History

- ▶ Farming at New Moor Farm, Walworth Gate since 1976
- ▶ The new Jersey Herd started in 2002 post F&M loss of Fresians
- ▶ First Ice Cream Parlour opened 2004, second 2008, third 2014
- ▶ Parlour Menu's include Award Winning Jersey Ice Creams (many flavours), crepes, waffles and sundaes
- ▶ Ice Cream Cakes introduced in 2014

# Archers

## Jersey Ice Cream Cakes



# Archers & Food Durham

## The Journey Starts

- ▶ Initial Review in Feb 17
- ▶ Review Assessment and Feedback Mar 17
- ▶ Key Questions - Can you make Ice Cream Cakes smaller for an individual portion and is there a gap in the market for these
- ▶ Create an Action Plan - June 17
  - ▶ Assess market potential, types of outlets and competitive matrix
  - ▶ Understand cost cards fully
  - ▶ Assess new packaging types suitable for target outlets - Smaller Multiple Retailers & FS
  - ▶ Understand new Margin Structure - (Cost Up and Market Down)
  - ▶ Finalise new Pricing Policy once all elements costed
- ▶ Assess and Create new communications and imagery aimed at target outlets

# Archers

## Market Assessment

### Store Survey - June 17

- ▶ Retail Store visits by Charlie, Emma and Keith w/c 12<sup>th</sup> to 20<sup>th</sup> June 2017
- ▶ Review of Packaging, Portions and Pricing
- ▶ Collective Review aimed for 21<sup>st</sup> June 2017

### Results - June 17

- ▶ No Ice cream Cakes in the ranges stocked
- ▶ Individual Portions in Chilled Desserts not Frozen - Between 79g to 113g
- ▶ 2 x Individual Portions as standard configuration - Between 158g to 225g
- ▶ No common packaging style
- ▶ Premium Chilled Desserts at £1.11 to £1.90 per 100g (GU promo at £1.33)
- ▶ Private Label Multi-portion Desserts only at between 58.5p to 65.0p per 100g
- ▶ Ice Cream standard 500g at 90.0p per 100g with deep discount or cheaper brands

# Archers

## Costs & Margin Structure

### Developing Sales Policy

- ▶ Find and Source suitable packaging aimed at target outlets
- ▶ Add to existing product cost cards
- ▶ Add Target Margin
- ▶ Work in Trade Margin required
- ▶ The net result is the possible Retail Selling Price
- ▶ Check this against research results
- ▶ Carry on doing cost up and market down that satisfies all expectation
- ▶ You now have your Sales Pricing and Gross Margin

# Archers

## Create New Design and Communication

### Elements of Design Brief

- ▶ **Key Description** - A range of 4 handmade varieties of luxurious semifreddo ice cream cakes using Jersey milk from the Archers Farm Herd
- ▶ **Range descriptions**
- ▶ **Style** - Rustic and Premium - Handmade, Own Farm Jersey Herd, Product is prominently displayed rather than photography
- ▶ **Tone** - Authoritative and Distinctive - Experienced Ice Cream makers for 14 years with extensive flavour developments, luxury Jersey dairy ice cream products made with Italian style semifreddo texture and taste, New and different

(Avoid clichés such as Black to illustrate premium )

- ▶ **Target Consumers** - Women 25+ ABC1
- ▶ **Trade Customers** - Booths and Waitrose
- ▶ **Pricing** - comparison to premium priced items

# Archers

## The Selling Journey Starts

### Sales Pitch

- ▶ We now have everything ready to present to outlet targets
- ▶ Create Sales Literature with all the salient elements of the product story, its positioning in the market, pricing policy and margin structure and your promotional support package
- ▶ Once a listing is agreed we complete 'new line forms' which include complete supply chain including warehousing details, dimensions, shelf lives and type of storage (frozen, chilled or ambient) as well as trading terms.
- ▶ Listing, distribution and sales commence