True Food Co-op
General Members Meeting 2nd March, Ways & Means Trust

Members Present: Alan Clark, Alessandro Novembre, Anna Batchelor, Annick Trepier, Beth Scott, Beth Timms, Bianca McHale, Carole Boudeau, Chris Aldridge, Ciaran McHale, Clive Tipler, Dianne Naden, Dorothy Davenhill, Gavin Parker, Helen Warren, Helen Wright, Janet Daabeck, Jens Daaback, Joanna MacDouall, John Best, John Notton, Judith King, Judith Peterson, Kumari Samarasinghe, Margaret Notton, Marisa Minunno, Magda Koc, Michael Bright, Nicola Tipler, Peter King, Rebecca Green, Rob White, Peter Wilkin, Robin Smith, Rupert Shute, Sam Wade, Sian Hooley, Susan Arstall, Toby McHale (child)

Guests: Tom Baker, Francis Hill

Apologies: Alison Smethurst, Rachel Chilton, Jean Hackett,Ornella Trevisan

Guest Speakers

Frances Hill, CEO at the Ways & Means Trust gave a brief introduction about the organisiation. It started 45 years ago to give work experience to people recovering from mental ill-health. Today beneficiaries include people with learning difficulties. The main work they do is contract packaging. Ways & Means already have strong links to True Food, the lorry and now trailer are parked here; they take delivery of our directly imported fruit orders and Greenshoots, one of our suppliers, are part of Ways & Means. Having the bakery here will potentially give opportunities for work experience for the trust's beneficiaries but Frances stressed this wouldn't happen until the project was running successfully.

Tom Baker spoke about the social enterprise, Loaf – a bakery and cookery school he set up in Birmingham. It started in his house making 50 loaves once a week for members of the 'bread club' who paid for 12 loaves in advance. They are now in new premises and sell 500 – 600 loaves a week. Recently had record weekly sales of £1,200. The bakery was financially sustainable after two months of moving to the new venue. Less than 10% of their bread is now sold through subscription.

Bread group presentation

Peter King introduced the bakery project and stressed that the four members of the bread group are ordinary members of True Food who responded to a request for volunteers to look into setting up a bakery. The proposal is to set up a commercial bakery as a subsidiary of TFC making real bread (i.e. no processing aids or any other artificial additives.) They want to use John Letts heritage variety flour possibly milled at Mapledurham so that the produce would be unique and local. This could increase TFC's profile and customer base.

Over 160 people have responded to the bread survey created by the bread group and the replies show that there is a demand. 90% said would be likely to buy, over 50% said it was very important to have no additives and over 50% said local flour was very important. Over 60% said they would be prepared to commit to paying for bread in advance. Some local business expressed an interest but would need to see the product and prices before committing.

Carole Boudeau talked about the work needed to set up the bakery. Ways & Means have agreed to sublet part of their premises, this will need fitting out. A proffessional baker has looked at the proposed premises and advised that they would be suitable. It is estimated that approximately £30,000 will be needed to carry out the work although still waiting for final quotes from builders. TFC has already purchased some equipment from a baker going out of business at a cost of £1,500 and we have a quote for further equipment of £15,120 plus estimate an additional £5000. £51,000 is requested to be released from loan stock. (We have obtained a grant of £10,000 towards fitting out the bakery but the bakery group suggests a contingcy of £10,000 is added to the amount requested)

The bakery will employ a proffessional baker who will also manage and market the project. We have obtained another grant of £9,495 revenue funding to support wages during the start up period.

Robin Smith presented some spreadsheets showing different possible scenarios. If half of the TFC membership buys two loaves a week and a pack of muffins the bakery would make £5000 profit a year paying back the loan (with interest) in 13 years. If third of the membership bought bread and we had two reasonable sized trade customers the bakery could pay back loan in six years. Robin stressed that these figures are not predictions but an attempt to get a feel for what level of sales would be needed.

Anna Batchelor from the floor asked how we would sell the benefits of real bread if only 50% of survey respondants thought additive free bread was important. Peter King said there was some education work to do but if you included those who said it was important or very important not to have additives it was over 90%.

Kumari Samarasinghe asked if there might be a problem with planning permission for the bakery. Rupert Shute replied that there was no issue as it would not be defined as a change of use.

Nicola Shute said that three years ago TFC bought bread from the Oxford Bread Group and the quality was inconsisent and she believed this was due to the difficulty of using the heritage flour. Peter King replied that Syd Ashton a proffessional baker has been using John Lett's heritage flour very successfully and has offered to share recipes and offer some training.

A member raised a concern about appearing to be too much of a 'clique' and said we should push the taste of our bread rather then that it is organic and local.

Sian Hooley finished off the bread group presentations by talking about how the bakery might sell the bread. A bread subscription scheme will be used as it is important to know they have a minimum number of orders each week. They are looking at trade customers while they don't want to be reliant on a few trade customers because of the risk it is good to have some. Bread will be sold through the TFC shop and markets. Bread hubs based at

local businesses and other organisations would be a good way of selling bread. Another bakery has been identified that could supply us at short notice to cover for sickness and holidays. Cookery classes are also a possible source of extra revenue.

Questions from members
Ciaran McHale thanked the bread group members for all their work. He asked how using loan stock money would work as that had to be paid back over two years. Rupert replied that the match funding half of the loan stock is more flexible and the payback period is negotiable.

Clive Tipler wondered if 50% of members buying bread was ambitious. Chris Aldridge estimated that of 60 customers at a market maybe 20 – 30 are members.

Anna Batchelor said she was supportive of the bakery in principle but was concerned to get details right. She asked when the baker is in position how will they fit in with other current members of staff and what will the role of the bakery group be. It was agreed that this was a question for the TFC committee to look at.

Margaret Notton thought that people would be enthusiastic about real bread when they had a chance to try it.

Michael Bright asked about finding a suitable baker, did the group have someone in mind or would they advertise. Peter replied that there was someone who had been recommended and was interested but the plan was to advertise and interview widely as the quality of the baker will be an important factor in the success of the project.

Tom Baker was asked about his experience of recruiting bakers. He employed a full time baker right from the beginning of his project. He had 4-5 applicants. He thought the figures presented for how much bread we would sell were conservative. He makes five doughs giving 15 varieties of bread (including different sizes of same loaf), with three different doughs you can easily make nine varieties without too much extra work. He started his bakery with twelve varieties.

Rob White commented that TFC is not making a profit, is the bakery considered to be the best use of limited funds? Gavin Parker (committee member) said that he hadn't heard of a better idea.

Anna Batchelor asked what the TFC's liabilities would be.

Chris Aldridge commented that he thought there would be lots of potential spinoffs for TFC in having a bakery.

Gavin Parker asked how many people who currently make their own bread would be persuaded to buy from our bakery. He said we need to get the governence of the bakery sorted and we need an exit plan.

Rupert Shute agreed that there are areas that need sorting out but recommended that members vote yes to going ahead with the bakery and then ask the committee to tie up the loose ends.

Sian Hooley pointed out that the bakery group know that it is not currently a water tight plan but it is now time to pass it back to TFC to take forward.

The motion put was proposed by Rupert Shute and seconded by Helen Warren
"We agree in principle to use £51,000 of loan stock to set up a bakery subject to final committee approval".

The motion was approved with one absention and none against.

It was agreed that the areas the committee should look into include :-

- Governance
- An exit strategy
- Liabilities to TFC as a whole
- Protection of TFC
- Operational management
- How profits will be used
- More detailed market research
- A strategy for TFC to sell more bread
- A pricing strategy

Making email the default communication method

Helen Wright introduced the proposal that all new members and existing members who have given us an email address will be assumed to be happy to receive official notices by emails unless they tell us otherwise or change their preference on the membership area of the website to 'post' . In order to comply with our constitution and implement this proposal we need to pass a motion allowing us to put up notices as a means of calling meetings.

Helen Wright proposed the motion and Rupert Shute seconded
"We agree that the formal method of notice of members' meeting will be notices conspicuously displayed at the registered office and in all other places of business of the Co-operative to which members have access. This will be backed up by emails to members. Notices will only be sent by post to those members who have indicated that they do not wish to receive notices by email."

The motion was approved with one absention and none against.

Loan stock spending

Rupert Shute gave a brief overview of how the loan stock released at the AGM has been spent so far.

Most of the £10,000 released for shop improvements has not been spent yet as getting advice about planning permission is proving to be a slow process. £2000 has been spent on improving the tills.

The trailer for the lorry has been purchased and the mover and ramp to go with them have been ordered. We received an unexpected £4000 from the Earley Trust to go towards transport.

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