

# **Student-Run Cafeteria**

**Includes:  
Research Report and Appendices**

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# **The Seasoned Spoon**

## **Business Plan Year One and Beyond August 2002**

*Scatter some seeds of thought, water with inspiration, fertilize with community involvement, and pluck your very own café off the tree come harvest time!*

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## Executive summary

## **Mission**

Serving Trent University and Peterborough communities, the café is an innovative business that goes beyond dishing out delicious meals. According to its mission statement, it seeks to:

Serve healthy, organic, locally grown, affordable food; be a student-run, co-operatively structured, not-for-profit organization; offer student learning opportunities through paid staff, volunteer work, and Community Based Education courses; encourage the diverse use of preexisting student space on campus; strengthen university links with the Peterborough community; and increase community awareness of food issues through educational outreach.

## **Rationale**

As an independent, non-profit, student-run business, the café has the strong position of being offered a prime location with no rent from Trent University's Otonabee College Cabinet. This generous donation, combined with technical and financial assistance from student groups and experience and resources from academic departments, gives the café a wide and strong background from which to start. It brings together a diverse group of partners, establishing a business founded upon innovative academic research and community engagement. These factors create an initiative with great potential, which will be fully self-sustaining once start-up costs and capital have been covered.

The cafe stems from Ontario Public Interest Group's (OPIRG)<sup>1</sup> Food Issues Group (FIG) Stone Soup Project, which provided local, organic soup by donation on campus during the 2002 spring semester. This has given invaluable experience in the logistics and regulations of food service to the café's founding members. It has also clearly demonstrated that there is an underserved niche market of students, faculty, and administrators who want high-quality, healthy food with environmentally and socially conscious standards.

There have been strong precedents set at a number of other universities, such as York and University of Toronto. These establishments have provided expertise and assistance. This places the business within a larger network of organizations, support, and history.

On a local level, there are a number of organic farms in the region, a thriving weekly farmer's market, and a recently started Community Shared Agriculture program, providing both summer and winter shares of organically grown produce. Supply, therefore, is readily available, and the café can develop in conjunction with Peterborough's strong agricultural sector.

**Benefits**

- *Build university and community links*

Peterborough has a strong agricultural community, and the cafe provides an ideal opportunity to integrate students with the community through the support of local farmers and businesses.

- *Create innovative research potentials*

The cafe has a broad range of relevant academic work, from environmental resource studies to community development to administrative studies. This will allow the café to broaden and strengthen academic opportunities for students with practical experience, research credits, business development, and potentially ‘for-credit’ employment.

- *Offer paid employment and career opportunities to students*

A number of part-time counter jobs and manager positions will allow students to work co-operatively with others in a socially conscious environment. This will increase job opportunities for students on campus, and offer practical experience for students wanting to apply their academic interests.

- *Model high environmental standards*

The café will also improve the university’s environmental standards on campus, by implementing the newly approved environmental policy of the university, adopted in the fall of 2001. Inherent to the project are environmental benefits derived from less waste, increased profile of environmental issues, and ecologically focused enterprise.

- *Renovate and revitalize student space*

The café will provide a centralized space for educational outreach and events on campus, raising awareness of food and health issues, and encouraging student initiatives.

<b>Funding</b>
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<b>Sources of Funding</b>	<b>Contribution</b>
Founding organizations	\$1,000
University donations	\$4,000
Private donations	\$3,000
Government grants	\$7,000
Total donated	\$15,000
<b>Usage</b>	<b>Amount Applied</b>
Purchase fixed assets	\$4,000
Start-up costs	\$500

Purchase supplies	\$500
Renovations and building	\$3,000
Maximum cash shortage	\$2,000
Operating subsidies	\$5,000
Total applied	\$15,000

**Founding organizations:** Ontario Public Interest Research Group, Food Issues Group

OPIRG Peterborough is a non-profit community organization promoting social justice and environmental issues which sponsors the Food Issues working group. For more information about OPIRG and FIG visit [www.opirg.org](http://www.opirg.org) or call 705-748-1767

**Potential university donors:**

- |                                     |                                   |
|-------------------------------------|-----------------------------------|
| Nind Fund                           | <u>Academic Departments</u>       |
| Academic Innovation Fund            | Administrative Studies            |
| Trent Central Students Association  | Cultural Studies                  |
| College Cabinets                    | Canadian Studies                  |
| International Students Associations | Environmental Resource Studies    |
| KWIC                                | International Development Studies |
| Frost Centre                        | Politics                          |
| Instruct                            | Women's Studies                   |

**Potential private donors:**

- Canadian Organic Growers
- Pro-Organics Foundation
- Credit Union Charitable Foundation

**Government grants:**

There are a variety of applicable government programs that have been researched to provide start-up costs and or operating costs for the café. The following two are currently being pursued for start-up and wages.<sup>2</sup>

The Trillium Foundation is the broadest government funding possibility, supporting diverse causes and outlining few restrictions. The two most applicable sectors to the café are Environment and Human and Social Services. The café's breadth and links between these two sectors are definite strengths in applying for funding. The café must have strong links with eligible recipients, since the foundation does not fund for-profit businesses or universities. Downplaying advocacy and political activity and emphasizing

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<sup>2</sup> For more information, and a complete list of funding options researched, see the appendix

local and community benefits will make the café's proposal more attractive.<sup>3</sup>

The Agricultural Adaptation Council oversees the CanAdapt Small Projects Initiative, which Ken Maltby, the regional Rural Business Consultant for the Ministry of Agriculture, thinks would be a good option for our project.<sup>4</sup> It is specifically targeted to small-scale agricultural projects in marketing and human resource development.

### ***The Great Money Search Escapade for Worthwhile and Socially Conscious Endeavors***

Possible funding options for the café fall into three major categories: private donations, government grants, and university support. Some are simple fundraising and donation requests, while others have more extensive applications, associated fees, and guidelines. These considerations make some options more applicable for start-up costs and others more attractive for future projects and expansion. Instead of outlining a three year plan for long term financing I've compiled a variety of possible choices; this allows flexibility in what direction the café chooses to take, whether it be towards education and outreach, agricultural development, or industrial exportation.<sup>5</sup> Therefore, this section is a basic framework for a number of options, creating a starting point from which to explore future financing. I've included a compilation of local, provincial, and national funding resources and contacts, though the list is by no means exhaustive.<sup>6</sup> Though all of the research is specific to the café at Trent, I hope the process is relevant and helpful on a general level as well.

#### **Private Partners**

Private donations are primarily based on a project's adherence to the stated goals and values of an association. The mandate of the corporation or organization usually specifies what these values are, and what type of project is eligible for funding. By searching for private companies that have values similar to the café's mission statement you can find a number of different charitable foundations and scholarships. Because the specifications for how money is to be used are fairly general, these private options are a

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<sup>3</sup> Telephone exchange, July 27<sup>th</sup>, 02

<sup>4</sup> Email reply, Ken Maltby, July 11<sup>th</sup>, 02

<sup>5</sup> I claim no personal responsibility should the café choose to develop in this direction.

<sup>6</sup> See compiled funding data in the appendix

strong possibility for start-up costs. Major areas to look for are organic agriculture, environmental sustainability, and community development.

Pro-Organics, a national handler and distribution of certified organic produce, provides funding to support a variety of projects, from building greenhouses to community development initiatives.<sup>7</sup> Having Pro-Organics as both a supplier and a sponsor could create a stable link between Ontario's organics industry and the café. The wide breadth of past projects is encouraging, especially because the foundation does not have guidelines as strict as the government in how money is to be used. It would be a good source for capital and renovation costs, then, that other funding options might not cover. Its scope is broad, and the café's values are squarely within the goals and missions of the foundation in terms of environmental sustainability and organic agriculture. This makes it a strong option in terms of ideals, flexibility, and applicability.

Ontario Credit Union's foundation is relevant to the other aspect of the café, in terms of community development through education and cooperation. These two funding sources complement each other well because of their contrasting missions. There's no danger of the programs being mutually exclusive or of being overly similar. The synthesis of education, community development, and food issues widens the private funding available without setting up conflicting interests. The café can therefore apply for specific funding from the relevant organization. For example, we could request funding to develop the administrative structure from the Ontario Credit Union and request funding for educational outreach about food issues from Pro-Organics. However, breaking down costs too much also has drawbacks in terms of limiting the café's ability to shift money to where it is most needed. The café will have to recognize and emphasize the values of the funding source without tying money too closely to particular usage. This is the benefit of more flexible private foundations, whereas government funding is much more detailed in terms of how it can and cannot be applied.

The other major category of private funding, which is not as value-based, is

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<sup>7</sup> [www.proorganics.com](http://www.proorganics.com)



economic development, in the context of normal business start-up and expansion. This is associated more with loans than with grants, and therefore has more financial implications down the road for the café. Having to payback loans plus interest adds a lot of financial responsibility to the café, and is therefore not as attractive for start-up costs. As well, it forces the café to consider profit as a major driving force until loans are repayed, instead of just financial stability or breaking even. However, if the café should choose to expand significantly in the future and is in a long term, stable situation, loans through Peterborough's Community Futures Development Corporation could be one possibility. The Business Advisory Centre is an excellent resource for linking with the local business community, as well as the Community Opportunity and Innovation Network (COIN).

### **University Support**

The other main source of non-government funding is university donations. The decentralized plethora of programs has benefits and hassles. It means that the café can draw from a larger pool, but also that there is more time involved in going through application processes and funding requests for each separate department or program. It is therefore one of the more labour-intensive sources, but has the potential to provide a significant amount of funding when all the donations are added up. The other main consideration in university funding is the café's eligibility for government funding if the university is seen as being the primary location and focus of the project. A number of government programs exclude universities from their list of eligible recipients. Having an independent entity, in partnership with the university, is essential in order to justify funding from both areas. For university funding, it can be divided into two broad categories of academic and student sources.

The academic innovation fund has the largest monetary value, but it is targeted towards departments and faculty for curriculum development and academic research. There is strong faculty support for the café, though, and a good case for why the café will

be a place for academic opportunities and innovation.<sup>8</sup> In conjunction with the academic innovation fund, the cafe can request donations from individual academic departments as well. The International Development Studies department has already expressed their support of the project and their hope to give a modest financial contribution to the effort. By getting the support, both financial and otherwise, of academic departments, the cafe's funding opportunities in the university will expand.

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<sup>8</sup> See Human Resources, Academic Research, and compiled funding data for more information

Student funding sources include the Trent Central Student's Association (TCSA), student levy groups, the student levy program, and the Nind Fund. The TCSA distributes money to student groups and endeavors from a variety of programs. By registering as a student group the café can request funding with a planned budget for the year.<sup>9</sup> In addition, the TCSA has a special projects fund, which had \$5,000 for the 2001-2002 school year. It may be slightly decreased this year, and it receives a large number of funding requests, but the café has a strong case as a special project worthy of funding.<sup>10</sup>

Student levy groups receive a direct levy from student fees which is not funneled through the TCSA. These include Ontario Public Interest Research Group, the College Cabinets, and Trent International Student's Association. With separate funding, they may be able to offer donations from their levy for the café. These are very attractive for covering preliminary start-up costs, because there is not a long application procedure, and the money will be immediately available and accessible with no strings attached. For example, each College Cabinet has a \$12.75 levy from students associated with the college, set up to provide money for college events and broader student events. In the long-term, the café may want to apply for its own separate student levy.<sup>11</sup> This campaign runs parallel to spring student elections, and has the potential to provide a permanent subsidy to the café. This would offer a strong, permanent financial stability to operations and allow the café to provide lower prices subsidized by the community as a whole.

Other long-term subsidies available are wages paid through Ontario Work-Study positions and the Trent International Program. The wage rates are regulated by the university's Financial Services, at \$6.85, \$7.25, and \$7.80.<sup>12</sup> This limits the café, since it does not have the authority to regulate its wages, but they are major subsidies for covering payroll. The reimbursement time is awkward for cash flow, since the money is

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<sup>9</sup> [www.trentu.ca/tcsa](http://www.trentu.ca/tcsa)

<sup>10</sup> Meeting with TCSA Vice President Finances, July 16<sup>th</sup>, 02

<sup>11</sup> See Finances, Supra-market Alternatives

<sup>12</sup> Meeting with Kim at Payroll Office, August 1<sup>st</sup>, 02

not credited until April for wages throughout the school year.<sup>13</sup> One possibility would be to apply the reimbursement to the following year's wages, or pre-pay suppliers for orders prior to the growing season, lowering the following year's supply costs.

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<sup>13</sup> Meeting with Julie at Trent International Program, July 18th

The main logistical concern with these and other university donations is how the money is transferred to the café. Most internal university transactions are credited through a university banking account. These accounts are automatically granted to levy groups, however there are not distributed to other student clubs. This is a logical procedure, since Financial Services requires long term accountability and does not want to be left with a deficit once individual students leave. However, if the café has a permanent university liason, for example the Office of Student Affairs or an academic department, Financial Services will consider granting a university account to the café.<sup>14</sup> A university account would make internal university finances efficient and easy, in contrast to trying to negotiate payments to an outside banking account. The café will need to have an outside bank account also for chequing and savings, though, and could require a chartered accountant for independent audits due to government grant programs requirements.

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<sup>14</sup> Meeting with Donna Horde, Financial Services, August 1<sup>st</sup>, 02

## **Government Funding**

Government funding has the most detail in regards to how money can and cannot be used. Many programs do not offer funding for capital expenses or normal business operations, therefore they are not a good source for business start-up. However, if we apply for government funding as a supplement to private and university donations, the café will be able to create more active community programs and have paid staff who can participate on the board of directors. This would be mutually beneficial in allowing the café to develop and implement outreach programs that would work in conjunction with the café. For example, continuing the Stone Soup initiative using the café's resources and kitchen area would allow the project to expand and grow because of the café's supplies and capital. At the same time, it would decrease the café's food wastage, because extra food at the end of the week could be used by the project, and be good publicity and outreach for the café. The danger lies in being able to have the infrastructure to coordinate separate projects. Clear delineation of what food and money is tagged for which programs is essential for good bookkeeping and financial clarity.

The amount of funding available is considerable, though, and independent audits and structural support usually fall under eligible expenses as well. By applying to one or two complementary government programs, the café has the potential to get considerable funding for community development, education, and outreach. In the proposals, the café must make the case for how these projects will be sustainable into the future, without government funding, unless we apply for more long-term funding for specific programs. Work-study positions for wages, a student levy, and surplus money being channeled into outreach programs should be legitimate replacements for government funding. As well, if the government funding is requested for designing and implementing programs, then we can argue that costs will decrease once the programs are set up and have an active volunteer base. Possible projects could include: nutrition and cooking workshops, farm tours, research and development of health food tours, coordinating supermarket tours, organizing conferences, and updating a regional organic growers directory in conjunction

with Canadian Organic Grower's Kawartha chapter. The Agricultural Adaptation Council's Small Projects Initiative is well suited for these possibilities, in combining agriculture, innovation, and community development. For an overview and discussion of the applicability of government programs, please refer to compiled funding data in the appendix.

### Company Profile

**Company Name:** The Patch

**Form of ownership:** Non-profit no-gains  
co-operative corporation

**Address:**

currently established at OPIRG  
Peter Robinson College  
Trent University  
Peterborough, ON  
K9J 7B8

**Governance:** Voluntary board of directors

**Business Number:** not yet registered

**Phone:** OPIRG, 705-748-1767

**Retail Sales Tax:** becomes  
applicable once sales are over  
\$30,000 for any 12 month period

**Fax:** OPIRG, 705-748-1795

**Email:** foodissues@canada.com

**Regulatory Requirements:**

- Proper certification from the Peterborough Health Unit to operate a food service. The health unit offers a free assessment of the planned location, prior to construction and renovation, in order to go over possible problems. Once the space is ready, a health inspector, John Keller is the one designated for Trent University, will do an inspection and certify that the space is safe and meets all requirements.

Primary concerns for the café are:<sup>15</sup>

- Proper ventilation

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<sup>15</sup> Provincial health regulations for a food service operation

- sufficient storage space (off the ground, secure, refrigerated)
- Double basin sink and cleaning equipment

- \_ Registration of the business:
  - receiving a business number
  - registering with Revenue Canada for a tax account
  - filing as a small corporation, eligible for tax breaks and quarterly filing

***Why incorporate? options, opportunities, and obstacles***

**Options,**

- Non-profit corporation<sup>16</sup> (\$155 fee)
- Non-profit (no-gains, no share-capital) co-operative corporation:<sup>17</sup> (\$135 fee)
- For-profit corporation (expense fee)
- For-profit co-operative corporation, with share capital (\$285 fee)
- Not incorporating (no immediate fee, but long-term implications)

<b>Opportunities</b>	<b>Obstacles</b>
Limited liability	The incorporation process
Legal non-profit status	Writing the articles of incorporation
Eligibility for funding options	ourselves versus paying for professional
Recognized and written legal structure	help
Tax and regulation agreements	Governance and legal requirements

<sup>16</sup> A guide to government services for business in Ontario

<sup>17</sup> A guide to incorporating cooperatives, Ontario Financial Services Commission of Ontario



In order to incorporate as a co-operative, there must be at least five persons to sign the articles of incorporation and act as the first directors.<sup>18</sup> A name search and consent to act as the first directors must accompany the articles. Processing time is 2-4 weeks.<sup>19</sup> The non-profit, no-gains co-operative incorporation is the most attractive option, as the cheapest and simplest type of incorporation available. The primary implications are an elected, voluntary board of directors, also necessary for a non-profit corporation, and proper recordkeeping as set out in the Co-operatives Corporations Act. All co-ops are required to file financial statements audited by a chartered accountant, unless membership is under 50 and the board passes a resolution for an exemption. In this case, an Audit Exemption Resolution Form must be filed with Ontario Financial Services.<sup>20</sup>

These legal restrictions are the most limiting and time-consuming implications of incorporation. Working in conjunction with other community groups and using resources of local centres is one way to defray some of the costs and work with others. For example, OPIRG-Peterborough could give tax-deductible charitable receipts in exchange for an assessment of its articles of incorporation. The café can work under the wing of organizations like OPIRG and COIN and also develop its own capacities, such as offering catering in exchange for accounting services through the Peterborough LETS system. Creative solutions do exist for legal and financial barriers, as long as the café remains innovative in searching out alternatives. In this scenario, the benefits of incorporation can be achieved without major financial consequence.

## **Administrative Structure**

### **Cooperative Principles**

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<sup>18</sup> [www.cbcs.org](http://www.cbcs.org)

<sup>19</sup> Telephone conversation with Ontario Financial Services representative, August 6th

<sup>20</sup> p.3, Co-operatives in Ontario, filing requirements and record-keeping, Financial Services Commission

Co-operatives are based on principles of voluntary and open membership, democratic control through a one-member, one vote system, distribution of surplus to members, limited interest in share capital, co-operative education, and cooperation among co-operatives.<sup>21</sup> Designed for the mutual benefit of its members, co-operatives can also provide services for non-members, with different conditions or pricing criteria in place.<sup>22</sup> Types of co-operatives vary from supply co-ops, for example farmers purchasing seed and equipment, to marketing co-ops, housing co-ops, worker co-ops, and consumer co-ops. The café will be a combination of a standard consumer/user co-op, where the people who use the co-op for services constitute its membership, and a worker co-op, where the workers and employees are active members and elect their governing board themselves.<sup>23</sup>

Another alternative for a co-operative structure is the multi-stakeholder co-operative, defined as a second-tier co-operative in Jack Quarter's Social Democracy in Canada.<sup>24</sup> Where two or more co-operatives join together as individual stakeholders in an organization, for example in the supply and marketing sectors, the two co-ops form a "second-tier" co-operative recognized legally as one legal entity, with multiple stakeholders.

All of these options could be applicable solely to the café, or could be registered in combination with Peterborough's Big Cedar Cooperative. This option, of incorporating as one business, could lower registration and legal costs for the business. However, the legalities of dissolution, governance, and separate finances and accounting would become much more significant. One option would be to register as a multi-stakeholder cooperative, which legally recognizes distinct entities within the corporation as a whole.

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<sup>21</sup> Co-ops are people, The Ontario Co-operative Development Association

<sup>22</sup> Food Coops, an alternative to shopping in supermarkets, William Ronco, Beacon Press, Concord, Mass., 1974

<sup>23</sup> p17, Canada's Social Economy, Jack Quarter, J. Lorimer, Toronto, ON, 1992: henceforth denoted by CSE

<sup>24</sup> p.22, CSE

Incorporating together, in conjunction with the Community Opportunity and Innovation Centre (COIN), would provide expertise and long-term community input to the café, while considerably expanding the scope of the business. It is a decision that requires clarity and consensus, and the Food Issues Group and Big Cedar have not yet reached agreement about the nature and extent of their relationship.

It is clear that the two organizations, both in seminal stages, can have a strong mutually beneficial relationship, but whether it is an economic relationship of supply and market or a legal relationship of shared incorporation remains to be seen.<sup>25</sup> If it were one legal entity, it would still have to have separate books and accounting, and the priorities and goals of each group would require a measure of autonomy from each other. This throws into question whether joining together legally is worth the benefits when weighed against the governance, liability, and logistical structures which would have to be developed for it. The major benefit would be in gaining long-term community involvement and input, which would counteract the transience of the university's student body. Other implications would include more extensive legal contracts and agreements concerning dissolution, governance authority, and separate and joint accounts and endeavors.

### *Analysis of Administrative Systems*

Management, administration, and social movements. Though they sometimes seem an unlikely mix, a fundamental understanding of how and why an organization is put together the way it is is essential for a clear and functional operating system. Because of the small size of the café starting at Trent, organizational structure can seem more of a hindrance than an aid to five employees cooking lunch three days a week. It is better to have a structure from which to build, though, than to evolve with no sense of past or purpose. What structures work? How does one put them together? What's the value of democracy when an organization is small enough to be run by a core group of people? Following is an overview of theoretical backgrounds to organizational structure, followed by recommendations for the café's specific board structure.

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<sup>25</sup> Big Cedar and Food Issues Meeting, August 15th

Looking at the grand scheme of things, the author of Management and Complex Organizations<sup>26</sup> explores the historical shift towards large, bureaucratic organizations, providing a socio-historical context for the importance of participatory democracy in management systems. Participation in decision-making is hypothesized as a “remedy against marketization” and estrangement.<sup>27</sup> The trend towards marketization is expressed as a community restructuring that Tonnies names “gesellschaft” versus the earlier “gemeinschaft” structures. This is a move from particularistic relationships towards impersonal relations based on individual rational choice.<sup>28</sup> The need for participatory democracy in large corporations in these systems is clear, otherwise the voices, skills, and needs of the majority become subservient to a centralized power and management that is not accountable to its constituents. However, the value of participatory democracy also translates into small structures such as the cafe, as an alternative to insular status-based social groupings.

The café, as a small community-oriented structure, could easily base its membership and jobs upon personal relationships and social circles, in keeping with the traditional structure of a Gemeinschaft community. Especially because of the café’s clearly defined goals and values, it is easy to appeal primarily to specific subsections and communities. This is a strength for building links between circles for social change, but it is a weakness in outreach and accessibility to wider university and local communities. If the café does not reach out to wider groups, its base for staff, governance, volunteers, and consumers is limited by the reach of personal and social relationships. Consequentially, there would not be equal access for involvement or opportunities to all persons. A participatory, democratic structure cannot guarantee diversity, but it opens an organization to wider communities.

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<sup>26</sup> Management and Complex Organizations in Comparative Perspective, edited by Raj P. Mohan, Greenwood Press, Westport, Conn., 1979, henceforth denoted by MCO

<sup>1</sup> p.41, “Bureaucracy to Participation,” MCO

<sup>28</sup> p.xix, “Introduction,” MCO

The authors of Grassroots and Nonprofit Leadership<sup>29</sup> reaffirm the need for open access as providing growth potential for organizations. They contend that most social movements stem from social circles, and the growth of a group is limited once recruitment from easily available members is exhausted.<sup>30</sup> By reaching out to more diverse social circles, a group will not be constrained or burnt out by a closed membership. This necessitates a management structure that is democratic, open to all individuals, and not based upon class, social grouping, or other personalistic relations. Therefore the café needs to avoid both the hierarchy of industrial, bureaucratic structures and the insularity of personalistic, social relations. By doing so, the structure will reaffirm a commitment against discrimination and inaccessibility.

The specific manifestations of participatory democracy still encompass a broad spectrum of structures. In Canada's Social Democracy Jack Quarter analyses the 'social economy' sector through the categories of co-operatives, mutual insurances, non-profit corporations, and unincorporated associations.<sup>31</sup> Participatory democracy is one of the fundamental attributes he associates with the social economy, in accordance with developing an organization's services for the benefits of its constituents, and not for personal self-benefit.<sup>32</sup> The café's goals to encourage community involvement and operate as a non-profit endeavor fit well within this definition of the social economy, and suggest that a board structure is the best choice for transparent and clear management of the organization.

The three major governance structures highlighted in Grassroots and Non-profit Leadership are a traditional hierarchy, a board of directors, and a collective.<sup>33</sup> The hierarchical structure places the most authority with individuals: the CEO, the director, and the top management personnel. This also places the most responsibility and knowledge upon a few key people. With a transient student management base, there is an

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<sup>29</sup> Grassroots and nonprofit leadership : a guide for organizations in changing times, by Berit M. Lakey [et al.], New Society Publishers, New Haven, CT, 1995, henceforth denoted by GNL

<sup>30</sup> p.49, "Gathering the Rafting Party," GNL

<sup>31</sup> p.1, CSE

<sup>32</sup> p.2, CSE

<sup>33</sup> p.37, GNL

inherent risk in depending upon one or two people. When they leave, there is no overlap with incoming management, and institutional memory is lost. Co-directors, with alternating two-year terms, could remedy some of the memory loss, but would not be feasible in terms of costs or legalities. Paying for director and management positions would be a significant additional expense in the operating budget, and would not be legal under regulations for any type of non-profit. Relying on a volunteer governance structure has its risks, but it also guarantees members who are engaged and passionate about what they're doing.

The two other options, a board of directors and a collective, offer more flexibility, and a wider base for participatory democracy. For the café, a board structure, with defined duties and positions, creates more continuity and transparency of expectations and duties. By having clearly defined board positions such as secretary and treasurer, the café can emphasize accountability and necessary board duties that can be passed down as individual board members change. This also actively encourages representation and diversity of skills, rather than a passive, egalitarian structure that expects all board members to be responsible for all tasks. Some of the concerns of the Food Issues Group have been making sure that the board is involved in store operations, aware of what's going on, and having staff involved in the governance structure.<sup>34</sup> A board with representation and specified duties can make this accountability an integral part of the governance structure.

The possible division between staff and board, noted by Jack Quarter as a tension between official authority and technical competence,<sup>35</sup> can be remedied by having the staff actively involved on the board. With five employees, the managers will have an active role on the board in the areas of finance and supply. The cooks/counter staff will have more experience in the day-to-day operations, and will have valuable insight on volunteer coordination, products and pricing, and hours of operation. Based on these considerations, here is a suggested board timeline and structure from which to develop:

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<sup>34</sup> Food Issues Café meeting, August 4th

## Board Structure

Board duties will wax and wane throughout the year, and the board does not need to be an unwieldy large organization overwhelmed by too many projects on its plate. Instead of thinking of board duties as constantly requiring attention, here is a tentative timeline for when and what the board may be responsible for throughout the year:

- *Late Summer: education, board training, developing a plan for the year*  
This will create consistency, provide background and history, orient new board members, and make sure that the board has clear goals and shared vision.
- *Fall: providing a framework and forum for volunteers and outreach programs*  
This builds community trust, involves people in the café, and encourages participation
- *Winter: assess supply and store operations, midyear reports and evaluation*  
This creates accountability, makes the café and board evaluate itself, and creates the opportunities for brainstorming about future supply and the café's direction.
- *Early spring: hiring committee, interviews, new staff orientation*  
This creates a transition season for overlap between years, providing continuity and training for the future.
- *Late spring: prepare year end financial reports, look at projections for the future*  
This guarantees an assessment of the café's financial health and sustainability and for predictions and plans for the coming year.

This timeline is an example of how the board can divide its time and duties in order to be efficient and productive within a community environment. Three of the key areas that come up are the people, the finance, and the supply facets of the café's operations. These could be designated by positions, subcommittees, or even as tasks to be done. Think of the board as a tricycle, with financial brakes balanced by the supply's gears and ideals, powered and steered by the community of people involved.

Possible breakdowns:

- facilitator: organizing meeting times, communication, publicity
- secretary : documenting a written history for the café
- staff representative: providing clear input about day-to-day operations
- community liason: organizing volunteers and community contacts
- treasurer: assisting the financial manager with accounting and bookkeeping

In order to accomplish these tasks and roles, the board will need enough people, but not so many that it will be unwieldy. The minimum legal number of board members is five; nine will provide a strong enough base while still being a manageable number.

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<sup>35</sup> p.10, CSE

- Six board positions elected by the general membership at annual meetings, according to the co-operative definition of open, voluntary membership with one-vote per member.
- Three employees of the store: supply manager, finance manager, and staff representative, hired the previous year by the board.

Further considerations include community representation, for example maintaining a position for an OPIRG member, or an academic representative. By drawing from other community groups and university sectors, the café can cooperate with other endeavors as well.

Nine is a small enough number to be efficient, with a good balance between employees and other members. It can be defined as a flat hierarchy, with considerable input and involvement in governance by the employees of the organization.<sup>36</sup> It also has many similarities with the worker-coop system, where the workers vote directly for board members and are actively involved in governance. For the size of the café, this is a viable arrangement that creates strong links between daily operations and governance.

These board duties and staff-board relations fit well into a consumer, worker-coop model. The co-operative model also provides a language and structure for community involvement through membership, and social benefits that are in accordance with the café's goals and mission statement. The following staff and volunteer positions give further support for having a membership structure in place to increase the café's services and opportunities.

### **Store Personnel**

The café will employ five students, a supply manager, a finances manager, and three cooks and store personnel. This will be supplemented by volunteer work done by members of the café's cooperative system.

### **Managers**

By having two managers, important store decisions can be discussed and made jointly by two people. Responsibility will not rest solely on one person, and managers can be hired for particular skills, such as accounting and bookkeeping versus planning menus and overseeing inventory. Good communication will be essential for this to work; having managers overlap some of their working hours would be one way to make sure that they are always on the same page. A good working relationship is also essential for consensus-based decision making and efficiency.

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<sup>36</sup> GNL



Finance manager:

-responsible for bookkeeping and accounting, payroll, tax and financial regulations, and monitoring the financial health of the business.

Supply manager:

-responsible for ordering and picking up supplies, planning weekly menus, and keeping track of inventory

These positions will be set at 5 hrs/week to begin with, allowing for flexibility in work-schedules and hours as the café develops.

### **Cooks/counter staff (3)**

Three paid staff is a good number for encouraging responsibility and accountability. These positions will be responsible for all the daily store operations: cooking, customer service, and cleaning. As well, they will oversee volunteer duties and scheduling.

Each working 9 hours, totaling 27 per week could create a potential conflict between management and staff, because the cooks will be much more familiar with store operations than the managers. However, if it is clear that it is not a hierarchical structure, and that all staff are hired and governed by the board, the group should be small enough to coordinate together rather than separating into divisive camps.

### **Volunteers**

Volunteers will supplement waged labour with work in exchange for meal discounts. This can be coordinated either by a set number of volunteer hours for a set number of meals, for example 10 volunteer hours for 10 meals per semester, or a more demanding position with more perks, of working a set shift once every week. This allows for flexibility in pricing, accessibility, and levels of involvement according to people's schedules and commitment. The most important considerations are in consistency and accountability. Schedules must be clear, as well as disincentives for missing one's shift.<sup>37</sup>

<b>Sales and Marketing</b>
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<sup>37</sup>See membership in the finances section, break-even analysis for more information

## Industry Profile

Glutton, pig, connoisseur, or bottomless pit, no matter how much one enjoys food, there is only so much of it that one can eat. One of the primary factors in the food industry's production and marketing is this inelasticity of food as a commodity. New technology and major shifts in agricultural practice have drastically changed how food is processed, marketed, and eaten in the past one hundred years. With plummeting prices due to a flooded market, adding 'value' both in processing and advertising, has become an increasing focus of the food industry. The market must be convinced that the same food is somehow newer, more innovative, or better quality. However, the food industry is paradoxically beginning to fail at providing good food because of their profit motivation. The mainstream food industry is run primarily by a small number of multi-national corporations that control many food goods from seed to table.<sup>38</sup> This kind of vertical integration has made companies less accountable to consumers and more accountable to their profit margins. Increasing use of pesticides, herbicides, genetic engineering, antibiotics, and preservatives have saturated our food supply with chemicals and disease.<sup>39</sup>

The backlash to the food industry has been in socially responsible and healthy consumption patterns, such as buying organic and environmentally friendly foods and fair trade products. This is now a rapidly expanding sector in the food economy. The number of certified organic producers in Canada grew by 34% between 1999 and 2000, and the industry is expected to increase by 20% each year, reaching \$3.1 billion by 2005.<sup>40</sup> This is matched with a growing interest in health, nutrition, and consumer rights, as people become more concerned about the impacts of unhealthy additives and modifications to our food supply.

The same inelasticity, price volatility, and susceptibility to weather still apply to these food alternatives, as well as more vulnerability to pests and weeds in organic production techniques. This can lead to higher prices for organic and local produce, which is a determining consideration in the accessibility of healthy food alternatives. Nonetheless, the national growth of sustainable agriculture is mirrored in Peterborough and at Trent, offering a niche market with a high growth potential. The inelasticity of food, which is such a limitation to large agri-business, is actually a benefit to a marginal business at Trent.

## Trent Market

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<sup>38</sup> p.158, *Fast Food Nation*, Eric Schlosser, Harper Collins Press, New York, NY 2001

<sup>39</sup> OPIRG Supermarket tour guide, 2001

<sup>40</sup> <http://atn-riae.agr.ca/supply/e3313.htm>

Trent’s isolation from downtown Peterborough provides a stable, fixed market of people who have few eating options on campus. As much as there is a limitation to how much people can eat, there is also a minimum, and Trent University has over 6,000 staff, faculty, and students working and studying on campus; all looking for something to eat an one time or another.<sup>41</sup> This market can be subdivided a number of ways- into student demographics of graduate, undergraduate, on campus, and off campus, and also into financial demographics. For example, Trent faculty only constitute a small minority of the population, at 340, but their purchasing ability is most likely high relative to the student body. Having variable pricing, according to membership fees and volunteer participation, creates flexibility in appealing to the most diverse market groupings.

<b>Market Demographics,<sup>1</sup></b>	
<b>STUDENTS</b>	<b>EMPLOYEES</b>
Enrolment, November 2001	Faculty Full-time 240
Full-time undergraduate 4,063	Part-time 100
Full- and part-time graduate 206	Staff Full-time 310
Part-time students 1,295	Part-time 69

The increasing number of university students, both nationally and at Trent, the double cohort blip in the café’s second year of operations, and Trent’s major construction of new residences and academic facilities on the eastern side of campus are all potential growth factors for the café as well. With growing enrolment the university will be hard-pressed to accommodate the eating needs of all of its students, therefore a niche market, accountable to its customers, should have great appeal. The construction will bring more people to the eastern side of campus, close to the cafe. Otanabee College is already the largest residence and has the most classroom facilities, with new buildings being built around it, it could become an even more central hub for student activity.

A possible drawback to these market shifts is a larger market capacity than the café can handle. Though the eating area is large, the kitchen and preparation facilities are fairly small for serving large numbers. If demand is too high and the café is unable to satisfy the number of customers, it puts the café at risk in being able to provide quality service.

### **Target Market**

Instead of attempting to appeal to the whole Trent market, the café plans to specifically target the niche market of those interested in sustainable food alternatives. Sourcing bioregionally will not always provide foods with the highest demand; few people wake up craving beets and potatoes in February. Cooking high-quality food with opportunities

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<sup>41</sup> <http://www.trentu.ca/admin/trentfacts.html>

for community involvement and feedback will target the market interested in socially responsible consumption. The success of the Stone Soup Project, with over 50 people served each time, clearly demonstrates that there is an underserved market of people willing to pay for healthy and socially conscious food alternatives on campus. Local and organic baked goods and fair-trade coffee will supplement the core lunch service and draw a wider variety of customers for smaller purchases.

### Market Research

Research shows that these are reasonable market predictions, and that the café appeals to a wide variety of the student, staff, and faculty at the university. Out of a sample of 100 students, there was a unanimous response of interest and enthusiasm about the prospect of a student-run, organic café on campus.

Food Issues Café Survey, April 2002, Sample Size 100, <sup>42</sup>

Question	Highest Interest	Medium Interest	Little Interest
Would you eat there	Yes: 96	Maybe: 3	No: 0
How often	Daily: 18	Weekly: 66	Monthly: 13
Would you prefer local/organic	Yes: 75%	Neutral: 25%	No: 0
Would you support student run?	Yes: 97%	Maybe: 3%	No: 0

#### Demographics of Respondents:

First Year: 57%  
 Second Year: 13%  
 Third Year: 10%  
 Fourth Year: 7%  
 Grad Students: 8%  
 Staff: 3%  
 Alum: 2%  
 Currently on Aramark's meal plan: 51%

The data compiled from a Food Issues survey taken in April 2002 reaffirms the interest and enthusiasm surrounding the café. Out of the sample of 100 students 96 said they would eat at the café and 3 said they might. Almost a fifth of those said they would eat at the café daily, and two thirds said they would eat there weekly. This is an overwhelming response considering the small size of the sample. If it were fully representative of the student body, that would translate into almost 346 daily and weekly customers. This number is a more than sufficient customer base to make the café a viable and sustainable project, and to show the widespread interest and need for food alternatives on campus.

<sup>42</sup> Chris Eckley, Food Issues Records, April 2002

Support for the objectives of the café is strong as well, with ¾ of the respondents preferring to see local and organic products, and 97% supporting the café as a student-run initiative. This shows that customer support goes deeper than just an economic transaction. Students are interested in the café in more ways than just as a business providing a desired service. This is a major comparative strength against Aramark, because many customers will be loyal to the values and goals of the café, whereas students' relationship with Aramark is based only on convenience and availability. A closer relationship with customers, encouraged by the small size of the café and student staffing, will create an accountable and mutually beneficial structure that goes beyond the consumer/producer mindset. This bodes well for both sales and for the higher objectives of cultivating community and engaging students in a learning environment.

The demographics of the survey are weighted towards first years, possibly because surveys were taken at final examinations, some of which were introductory courses. This is a source of error, in that the survey is not equally representative of each year of study. However, it is a positive sign of sustainability and viability for the café that there is widespread interest from students who will be around for a while, providing long-term support. It is also significant in that 51% of the respondents were on the Aramark mealplan at the time of the survey. With 84% of the sample expecting to eat at the café daily or weekly, this is a significant switch from eating primarily from the main food service to eating regularly at a student café.

The other major factor in students' support of the café is price. Student comments included that price would have to be comparable to Aramark, how often they ate would depend upon the expense, and money would be a significant reason that they wouldn't eat at the café more often. This is a legitimate concern, that the café must be prepared to take into consideration. Accessibility is an issue the café is aware of and is ready to find creative solutions for, such as volunteer positions, the continuation of the by donation Stone Soup Project once a week, and labour and expense subsidies.

These survey results are not fully representative, and do not take into account the significant market segment of faculty and staff, which will hopefully provide another long-term consumer base for the café. Nonetheless, it is clear that a market exists and that enthusiasm and interest in the project are high. The time is ripe for harvesting!

## Competition

According to Aramark, the secret to successful food services is “convenience oriented retail services” providing a “diverse array of innovative dining programs and culinary expertise” and “choice”<sup>43</sup> Aramark is indeed a diverse business, with reported sales of

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<sup>43</sup> Aramark website, [http://media.corporate-ir.net/media\\_files/nys/rmk/index.html](http://media.corporate-ir.net/media_files/nys/rmk/index.html)

approximately \$7.8 billion and a net income of approximately \$176.5 million in 2001.<sup>44</sup> It's a company engaged in a broad spectrum of products and services to "businesses, education, healthcare, and government institutions, and sports, entertainment, and recreation facilities, food and support services, childcare and early education, and uniforms and career apparel services."<sup>45</sup>

For the purpose of this business plan, I will concentrate on its food service sector, though it would be a fascinating peek into the vertical and horizontal integration of multi-national corporations affecting the mainstream food industry. For example, Aramark receives over 55% of its food supply from one distributor.

Aramark is the primary food service at Trent University, and has an exclusivity agreement guaranteeing sole rights to all commercial food operations on campus. They oversee a wide range of food services on campus, from full meal plans to snack items and coffee.

The two meal plan options, board and flex, serve students living on campus and in residence, primarily in their first year. The University offered 1,122 residential spaces in 2001, with 783 spaces on the Symons campus. Numbers are supposed to be significantly higher this coming year, continuing to rise in the future. Of these students, 473 are on the flex plan, and 649 are on the board plan. The board meal plan provides a full meal program to students, and is a significant deterrent to eating in the student café, since it is already pre-paid. The locations for board plans, in Lady Eaton, Champlain, and Trill Colleges, are not nearby, though, and they serve only the on-campus segment of the student body. The flex option is a smaller option, totalling \$1,500, so students on the flex plan could easily supplement their mealplan by eating at the café. Since the majority of students on the flex plan live in Otonabee College, they are placed near both the café and the Otonabee Market Place, which is the primary flex plan option. The Market Place is the most significant competition, providing full lunches, snacks, and meal items at fairly reasonable prices.

Other eating options on campus are PizzaPizza, Mr Sub, and Tim Horton's. All of these have locations that are closer to the University's main entrance and library, however the majority of classes and residence are in and around Otonabee College. With new dormitory and science building construction near Otonabee, there will be an even bigger shift towards the eastern side of campus, near the café.

Student food service initiatives are marginal, such as bakesales and snack items. These represent little competition in terms of scale, and as student-run, non-profit endeavors the cafe will seek to partner with these student groups and encourage the use of a centralized student space. Rather than being competition, these groups will strengthen the café's

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<sup>44</sup> Aramark website, [www.aramark.com](http://www.aramark.com)

<sup>45</sup> [http://media.corporate-ir.net/media\\_files/nys/rmk/index.html](http://media.corporate-ir.net/media_files/nys/rmk/index.html)

appeal to the wider student body and create opportunities for cooperation and joint-initiatives. The only other aspect of student food services on campus are the pub operations, which are currently under negotiation, and operate on a very infrequent basis, opening only 4-5 times per year. There is no overlap between the hours of operations and products sold by the pubs and the café.

**Sample prices for food services on campus**

Mr. Sub			PizzaPizza	
Product	Small Price	Large Price		
Vegetarian Sub	\$2.99	\$4.69	Personal Pizzas	\$3.10
Special	\$3.99	\$5.69	Slice of pizza	\$2.80
Premium	\$3.99	\$5.99	Cheese Bread	\$1.99
Vegetarian Wraps	\$3.59	\$4.59	Weekly Feature	\$3.00
			Combo	\$4.75

With labour subsidies and local supply, the café will be able to offer comparable prices with a higher quality of healthy and socially conscious food alternatives. The café’s relative advantages and disadvantages are outlined in the following SWOT table.

<p><b>Tim Hortons</b>          Coffee: \$1.00-\$1.89          Subs: \$3.79          Sandwiches: \$4.50          Muffins: \$0.99</p>
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<p><b>Otanabee Market Place</b></p> <p><b>Sandwiches</b>          Vegetarian: \$2.10          Meat: \$2.65          Club: \$3.80          Extra Cheese: \$0.50          Specialty bread: \$0.30</p>
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<p><b>Strengths</b>          Local agricultural community          no niche market competition          high student interest          community support          high quality products</p>	<p><b>Weaknesses</b>          unpredictable supply, volatile markets          perishability of products          inelastic good          high consumer/institutional turnover</p>
<p><b>Opportunities</b>          academic innovation          community outreach          employment training          cooperative development</p>	<p><b>Threats</b>          barriers to entering market          Aramark exclusivity agreement          insufficient funding          insufficient facilities</p>

One of the most significant advantages is the student interest and community support. As a student-run non-profit, the café already has a name for itself as a valuable and worthwhile project. The contrast is striking in comparison with Aramark’s reputation as an institutional business with mandatory plans for students in residence. Public opinion is a strong force, and the café has a definite edge in its ability to promote itself.

Academic and outreach aspects are another natural promotion advantage, because students have the opportunities to be involved in the café in a variety of ways. Instead of a consumer-retailer relationship, the café will be able to reach out to the community and get feedback and insight.

Ways to lessen the weaknesses and threats are primarily in establishing the café’s permanence and sustainability. Structural strength is a necessity, and securing a permanent exemption from the exclusivity agreement would give the café much more freedom in relation to the primary food service.

**Product**

Menu items throughout the year will depend upon seasonal availability and supply of local and organic items. Each day, the café plans to offer one main lunch dish with the choice of a complementary side or snack item, as well as beverages. The key factor is simplicity: one main item, and a variety of side options. Open during lunch hours, this caters primarily to a niche market of people looking for organic, socially conscious food alternatives at accessible prices.

Main Dish: soup, casserole, stir fry, sandwiches, etc.

Side: salad, bread, soup cup

Snack: muffins, baked goods, desserts

Beverages: coffee and tea

**Sample Menus**

Potato vegetable soup Organic bread Fresh organic salad Organic muffins	Sandwich supplies Organic bread Cup of Soup cookies
Baked potatoes with toppings Organic bread Cabbage-Carrot Coleslaw Apple Crisp	Pasta with fresh tomato-herb sauce Organic bread Fresh organic salad Slice of pie

**Pricing**

Specific items will have variable prices, however a full lunch should fall within the \$3-\$5 range. For more extensive pricing information, including rationale and calculations, refer to the finances section.

Individual items, such as local baked goods, will be slightly higher, from \$.50-\$1.00 for



tarts, scones, and cookies.<sup>46</sup>

### **Promotion**

The most valuable promotion technique is simple word of mouth, in conjunction with student publications, special events, and community outreach. The SWOT analysis demonstrates that the café's natural promotion potential is strong.

Possible publicity and outreach could include:

- postering
- fundraising events
- pub/café joint opening
- outreach/promotion: cooking classes, speakers, community forums
- advertising in local papers: the Arthur, Peterborough This Week, Snap

### ***Supply Analysis***

With a mission statement to provide local and organic food, supply is a major consideration in terms of abiding by the café's mandate while providing food at an accessible cost. The four major determinants are bioregionality, cost, size and quantity, and logistics.

Sourcing food locally and bioregionally has significant environmental benefits in terms of transportation and health. The fuel and energy expended in shipping, refrigerating, and preserving foods across great distances is drastically reduced. Food is also fresher when it reaches the consumer, with greater nutritional value. Using food from this bioregion supports a more sustainable structure of small-scale agriculture, building links between communities and creating accountability between consumers and producers. However, there are constraints in sourcing locally, such as seasonal availability, supply quantities, and the range of organics.

The café will be open during the academic year, while most fresh produce is available during the summer months. This is an inevitable structural weakness in the café, since our growing and selling seasons don't have a large overlap. Most fresh local produce is available through frost, or until the end of December, at the latest. This limits

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<sup>46</sup> See Hileswood Farms, compiled supply data

the range of products that the café can source locally, but does not necessarily prohibit it. Future planning, such as buying a winter share in the local Community Shared Agriculture (CSA) or freezing and preserving seasonal foods for future use could allow the café to offer more local produce throughout the year.

Depending upon the definition of “local” or “bioregional,” the quantity of supply will be limited. Sourcing from smaller, local farmers could strain the supply. For example, some farmers in the region turned down the offer to provide food for the café because the current market is large enough to support them already. It is not guaranteed that local production has the capacity to provide enough quantity for a café relying solely on this area. One way to guarantee a supply would be to order food before planting for the following year. The first year of operations will be fundamental in estimating supply quantities and working with farmers to develop this system. As well, the possibility of creating new supplies on campus with the development of rooftop gardens or greenhouses could expand available products as well.

Another geographical consideration is the range of organic food available. By sourcing locally, we are choosing to buy within the community rather than from industrial organic agriculture. This limits the choice of organic foods available. However, by building relationships with individual farmers, the café may be able to create a long-term market for organic produce, and contributing to the growth of organic agriculture in this region.

Dealing with small scale, local agriculture has environmental benefits, but also some associated financial costs. In trying to support local agriculture and pay a fair price for goods, the question of what is a fair cost is inherent to the values upon which the café is based. If the café lowers the price it pays for produce below retail market prices then it provides a market for goods, but does not necessarily sustain the small, local agricultural community at a fair level. The cost of food has been driven down considerably in the last fifty years due to developments such as large-scale export-oriented agri-businesses, increased pesticide use, the Green Revolution, and genetically engineered products. The consequences have environmental impacts, but also human ones. It has become much

more difficult to make a living in small-scale farming. If the café is to support agriculture at a fair cost, it must balance its sourcing between larger companies that can offer wholesale prices because of their size and quantity, and smaller farmers that cannot offer artificially low prices for their products.

Creating a financial system that is not completely determined by market prices and values is a significant challenge, but a possible one. Instead of trying to cut costs in supply, the café can explore other options for making up the difference. For example, if the onus were placed upon the consumer instead of the producer, the café could run for a student levy to subsidize costs and provide food at an accessible price. Grants, labour subsidies, and volunteer work are other options that can be explored. Suffice to say, the cost of supply does not have to be the only factor in the price of products.

The size of the supplier has other implications also, over and above pricing. It partially determines the flexibility, efficiency, and number of suppliers needed as well. A smaller supplier may have more flexibility in being able to offer specific products or catering to our needs, but will not have the same quantity levels as a large-scale distributor. Supporting smaller size operations means that the café will have to source from a larger number of suppliers. This could become inefficient in keeping track of accounts for a large number of different suppliers, but it is at the essence of supporting a local agricultural market.

The inefficiency of sourcing from a large number of farmers can be counteracted by centralised pick-up systems. Instead of dealing separately with all the individual farmers, one supply manager could be responsible for going to the Peterborough farmer's market each Saturday to pick up all the local supplies for the week. A week by week system would allow for flexibility in menu options, and be complemented by monthly orders for staples from larger distributors. For example, ordering from Ontario Natural Foods Co-operative, Pro-Organics, and Stickling's through a local buying club and picking up these bulk orders monthly would allow the café to balance large and small suppliers while assuring a complete inventory at all times. The infrequency of regional distribution is a definite deterrent to sourcing primarily from large suppliers. It

necessitates meticulous planning of inventory and menus, as well as adequate storage space to keep foods properly in the long term. Proper storage, though, is also a prerequisite to preserving and keeping bioregional foods throughout the winter. Therefore, once logistics and storage space are in place, there should be a variety of options available in sourcing from local and regional suppliers on a regular basis, with room to expand and develop these systems in coming years.<sup>47</sup>

## Store Operations

### **Location**

The café will be situated on the campus of Trent University, in the Otonabee College junior common room and student pub. The space is currently equipped as a lounge area with couches and a television. It has ample room for tables and chairs to be added, and a small kitchen area with refrigerators, sinks, and some cupboards already in place.

### **Hours of Operation**

Prep time: 8:30-11am  
Store hours: 10 or 11am to 2pm  
Closing: 2-2:30pm

3 days/week of normal operations, one day a week with a volunteer, by-donation Stone Soup Project

25 weeks/year, taking into account academic holidays and breaks  
total days open: 75 days normal operations, 100 days total

### **Accounting**

The finance and supply manager are responsible for keeping appropriate books and accounting, with the help of counter personnel.

These include: cash register z-strips  
nightly sheets of money in the cash register  
daily sheets of cash shortage/surplus  
weekly or fortnightly payroll calculations  
up-to-date accounts receivable and payable  
membership fees and records  
supplier accounts

Eventually, the café will have to decide whether to invest in a computer and accounting

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<sup>47</sup> For an overview of the benefits and drawbacks of each supplier, refer to the supply data in the appendix.

software to keep track of records electronically. As long as the information is properly backed up, electronic accounting has many benefits in terms of saving space and paper.

Another accounting consideration will be in keeping financial information correctly divided between outreach, the stone soup project, and daily operations. Though there will be some overlap, the accounting manager will need to strive for clarity in what finances belong where. One option would be to involve an administrative studies student to work on financial planning and organizing for the café as part of their class work.<sup>48</sup>

<b>Finances</b>
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**Break-down of start-up and operating costs**

<p><b>Appliances:</b></p> <p>Chest freezer, used: \$100-\$300</p> <p>Refrigerator, used: \$200-\$400          Refrigerator, new: \$600-\$700          (Commercial refrigerator: \$2,200)</p> <p>Refrigerator lifetimes are 10-15 years</p> <p>Oven/stove, used: \$200-\$300          Oven/stove, new: \$500  <b>Total cost of Appliances: \$500-\$1,500</b></p>	<p><b>Other equipment:</b></p> <p>telephone: \$20</p> <p>pots and pans: \$250</p> <p>containers: \$150</p> <p>cutlery: \$40</p> <p>office supplies: \$40  <b>equipment cost: \$500</b></p>
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**Total capital costs: \$1,000-\$2,000**

**Licensing costs**

<p>Business registration: \$70</p> <p>Name Search: \$15</p> <p>Non-profit, no-gains co-operative incorporation: \$135</p> <p>For profit co-operative incorporation: \$285</p> <p>Employment Standards Act booklet: \$5.35 or \$19.26 bilingual</p> <p>Govt. funding applications: \$50-\$100</p> <p><b>Total licensing costs: \$239.26-\$624.26</b></p>
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<sup>48</sup>More discussion of academic possibilities is available in the Human Resources section

## **Total start-up costs: \$1,240-\$2,625**

### **Capital already acquired**

20 spoons  
30 assorted mugs and bowls  
2 plastic tubs  
Antibacterial soap, towels and rags  
two large soup pots

Other possible start-up costs include accounting fees and maintenance and renovation work. Therefore, in applying for and calculating funding needed, I've been overly generous in costs, in order to expect the unexpected.

### **Operating costs**

#### **Payroll**

37 labour hours/wk @ \$7.80/hr : \$288.60 per week

Annual labour costs: \$7,215

*(plus education and stone soup coordinator wages, separately calculated but equivalent to \$975 each)*

The \$7.80 wage rate is determined by Trent's financial services, for work-study and student positions. Wages start at \$6.85, and \$7.80 is the highest possible wage available.<sup>49</sup> At this wage, counter staff would receive \$1,755 annually, while managers would each earn \$975.

There is a definite benefit, within such a small organization, to pay all the employees equally. This values their jobs and skills equally, and also makes all the positions open for the same labour subsidies. The major hesitation is in the market values placed on different skills, such as higher wages for accounting versus cooking. As well, the question of responsibility is important. If wages are a reflection of a person's responsibility levels in an organization, then banking or inventory could be seen as more important or worthy positions. However, the current size of the café makes it fully dependent on each and every employee, therefore equal wage rates are a sensible starting point for the café.

One option for uniformly increasing the wage rate would be to provide a lump sum bonus at the end of the year, equivalent to a wage increase to \$9 per hour. This would put managerial wages up to \$1,125 each, counter wages to \$2,025 annually, and total labour costs to \$8,325.

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<sup>49</sup> Conversation with Kim at Financial Services, August 1st

Labour subsidies available for the first year of operations include government grants and the Trent International Program (TIP.) TIP grants subsidies worth 50% of wages for international student job positions. This would dramatically decrease operating expenses, covering \$462.50 to \$872.50 for counter and managerial positions, respectively. The money is provided in a lump sum in April, though, so re-imburement for wage rates comes late in the year in terms of cash flow.<sup>50</sup>

Future labour subsidies could be applied for through work-study positions, which pay 75% of wages, also credited to university accounts in the spring. Applications for positions for the following year are due in May.

### **Business Insurance**

The Trent Central Student's Association, starting this year, will be responsible for providing insurance covering all student clubs and groups activities.<sup>51</sup> The café should therefore be eligible under this plan; more information pending from the vice-president of finances. The café will need insurance covering:

- General liabilities
- Inventory and assets
- Personal injury
- Possibly vehicle

### **Banking**

The local credit union waives the monthly fee for registered non-profits. The only expenses will be night deposit bags (\$2 monthly), cheques (\$.40 each after the first 75) and deposit books (\$2.75 each)

Total banking costs will not exceed \$4 per month.

### **Other costs**

Office supplies: \$10-\$20/month

Telephone: \$20-\$30/month

### **Costs conditional on revenue**

Sales Revenue over \$30,000 in a twelve month period: pay 7% GST

Sales Revenue over \$400,000 in a twelve month period: pay employer health tax

### **Fixed Expenses**

3 week month: \$865.80 labour

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<sup>50</sup> For more information, and a discussion of possible usages of this money, see university donations in the compiled funding data

<sup>51</sup> Meeting with vice president finances, July 16th

4 week month: \$1154.30 labour  
\$44 in operations

**\$900-\$1,200 fixed expenses/month**

**Further break-down of funding sources and usage**

**Collective Owners** **\$1,000**

Ontario Public Interest Research Group  
Food Issues Action Group

**University Donations** **\$4,000**

Nind Fund \$ 500  
Academic Innovation Fund \$1,000  
Trent Central Students Association \$1,000  
College Cabinets \$ 500

International Students Associations  
Kawartha World Issues Centre  
Frost Centre  
Women's Centre  
Arthur  
Instruct

Academic Departments \$1,000  
Administrative Studies \$ 150  
Cultural Studies \$ 150  
Canadian Studies \$ 150  
Environmental Resource Studies \$ 150  
International Development Studies \$ 150  
Politics \$ 150  
Women's Studies \$ 150

**Private Partners** **\$3,000**

Pro-Organics \$1,500  
Credit Union Charitable Foundation \$1,500

**Government Funding** **\$7,000**

Trillium \$4,250  
CanAdapt Small Projects \$2,750

**Possible operating subsidies** **\$5,000**

Managerial wages: \$2,250  
Stone Soup Project: \$1,500



Education Coordinator: \$1,250

Accounting and supply managerial wages: \$1,125 ea at \$9/hr

If a government grant of \$2,250 covers managerial wages for the first year, it can easily be replaced with work-study or student levy fees in the following year, this has the potential to be a viable and sustainable system. If government grants do not come through, some wage subsidization is still available through the Trent International Program for the coming year.

### Cost and Profitability Assessment of Past Soup Projects

Soups: made primarily with local, organic ingredients, bought at retail cost on an ad hoc basis and cooked with volunteer labour.

The following tables calculate both the cost of the product per serving based solely on food costs, and the predicted cost of the product adding in estimated labour expenses.

#### Stop The War Rally, December

Veggie Vegan Soup, made with organic onions, organic potatoes, organic kale, carrots, spices. All food was bought at retail cost at the Peterborough Farmer's market during the winter season.

Servings (cups)	cost of food (\$)	cost per cup (\$)	prep time, # of cooks	labour cost (@ \$8/hr)	total cost	break-even cost/cup
65 pp	\$22.45	\$0.37	2.5 hrs, 2 p	\$40	\$62.45	\$1.04

This was our first cooking experience; we overestimated the quantity of potatoes needed and underestimated the amount of prep time, but overall the event was a success. Food costs were probably lower and labour costs were probably higher.

#### OPIRG Event, February

Two types of soup, primarily bought at the local farmer's market, but with little organic component. Organic beans and side ingredients were bought at the local health food store.

Squash Sweet Potato: squash, onions, green onions, sweet potatoes, ginger, garlic, spices

Lentil Stew: lentils, potato, onions, carrots

Servings	cost of	cost per	prep	labour	total cost	break-
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(cups)	food (\$)	cup (\$)	time, # of cooks	cost (@ \$8/hr)		even cost/cup
100	\$35	\$0.35	3 hrs, 4 p	\$96	\$131	\$1.31

### OPIRG Event, March

Split Pea Soup: split peas, carrots, onions, garlic, spices

Servings (cups)	cost of food (\$)	cost per cup (\$)	prep time, # of cooks	labour cost (@ \$8/hr)	total cost	break-even cost/cup
100	\$15	\$0.15	2 hrs, 3 p	\$48	\$63	\$0.63

The only organic component of the soup was onions, which drastically lowered the food costs, but at the expense of ethical food choices.

### Stone Soup Project

Potatoes and soybeans were donated from a local organic farmer, while most other products were bought at the local farmer's market. Soup was served by donation, and the unerring accuracy of \$1 per serving is an average of a wide range of donations, from free to \$5. Because of donations from farmers, personal donations, and a number of people buying and collecting ingredients, it's difficult to estimate the cost of food items. To give an idea of the range of input costs, the events are calculated from minimum to maximum possible costs of food. As well, the amount of labour hours are uncertain. These calculations are estimations that should give a general bracket for possible costs and profits of serving soup.

### February 7<sup>th</sup>

**Revenue: \$55**

Potato Tomato Stew: organic potatoes, stewed tomatoes, rice, onions, celery

Servings (cups)	cost of food (\$)	cost per cup (\$)	prep time, # of cooks	labour cost (@ \$8/hr)	total cost	break-even cost/cup
50 pp	\$10	\$0.20	2.5 hrs, 2 p	\$40	\$50	\$1.00

**March 7<sup>th</sup>****Revenue: \$55**

Soybean Stew: soybeans, potatoes, tomatoes, onions, garlic, spices

Servings (cups)	cost of food (\$)	cost per cup (\$)	prep time, # of cooks	labour cost (@ \$8/hr)	total cost	break-even cost/cup
50 pp	\$15	\$0.30	2.5hrs, 3 p	\$60	\$75	\$1.50

**March 21<sup>st</sup>****Revenue: \$50.83**

Servings (cups)	cost of food (\$)	cost per cup (\$)	prep time, # of cooks	labour cost (@ \$8/hr)	total cost	break-even cost/cup
50 pp	\$20	\$0.40	3 hrs, 3 p	\$72	\$92	\$1.84

**April 5<sup>th</sup>****Revenue: \$48.21**

Carrot Ginger Spice Soup: Carrots, potatoes, ginger, green onions, onions

Servings (cups)	cost of food (\$)	cost per cup (\$)	prep time, # of cooks	labour cost (@ \$8/hr)	total cost	break-even cost/cup
50 pp	\$25	\$0.50	3 hrs, 3 p	\$72	\$97	\$1.94

With labour costs and no mark-up, prices are reasonable, considering that people have been willing to pay on average at least \$1 per cup of soup. Averaging the break-even cost of all the events, the cost plus labour comes to \$1.32 per cup, which is not much higher than the voluntary donations. However, this is a break-even cost that does not take into account additional expenses such as management pay, pick up and delivery, general maintenance, cleaning, or capital acquisition.

This is just an estimate of possible costs and profits, that provides a sketch of what is involved in serving soup. If anything, it errs on the moderate side, considering the level of volunteer labour, personal contributions, and other additional expenses that are not calculated into it. Nonetheless, these events provide a firm foundation of experience and knowledge that has been built up about what large-scale food services will entail. Though the figures are rough, they give a good estimate of some of the café's expected costs will

be in terms of quantity, prep time, and labour costs.

Even with subsidies for labour and expected financial contributions for capital acquisition, the café will have to have sales revenue large enough to support basic store operations. When we've cooked a larger quantity, it's been more efficient and profitable, because of the minimum level of time and costs that go into preparing soup and collecting supplies. With possible labour subsidies through work-study or grants, the project becomes considerably more viable.

**Financial considerations: supra-market alternatives to the super-market**

The following are topics that that financial manager, students doing academic research, and the board will want to consider, explore, develop, critique, reject, embrace, ponder, mull, and chew on:

<b>Issues, Whys, Considerations</b>	<b>Possible models</b>	<b>Concrete possibilities</b>
-accessibility -supplier-consumer-onus -equitable prices -stable financial health -dealing with debt/surplus	-mealplan -covering costs -subsidies -volunteer labour -producing vs. purchasing -profit motivation	LETS Student levies Donations Continuing grant programs Market pricing Work for academic credit

**Break-Even Analysis**

**Fixed costs**

**Labour costs**

3 paid staff at 9 hrs each per week, waged at \$7.80 per hour = \$210 per week  
 two managers at 5 hrs each per week, waged at \$7.80 per hour = \$78 per week

monthly labour costs

4 wk month = \$1155  
 3 wk month = \$866

**other operating costs (transportation, banking, telephone, office expenses)**  
 \$45 monthly

**Total fixed costs per month**

4 wk month: \$1200  
 3 wk month: \$900

**Variable costs**

**Supply costs**

**mark-up                      price**

Soup/main dish supply costs: \$0.10 to \$0.60 per serving <i>assume average cost is \$0.62</i>	100%	\$1.25
Drink: \$0.25 to \$0.40 per serving <i>assume average cost is \$0.33</i>	130%	\$0.75
Side/Baked good: \$0.40 to \$0.90 per serving <i>assume average cost is \$0.65</i>	50%	\$1

*assume sales will be equally divided into each type*

$$.62x + .33x + .65x = \text{supply cost}$$

$$\text{Total supply cost: } \$1.60(\# \text{ of purchases}) \qquad \text{Total revenue: } \$3(\# \text{ of full purchases})$$

**Break-even number of purchases (x)**

$$3x = 1.6x + \text{fixed costs}$$

$$3x - 1.6x = \text{fixed costs}$$

$$1.4x = \text{fixed costs}$$

4 wk fixed costs = \$1200	✂	x = 857 purchases/month = \$ 2571 sales revenue, \$215 daily
3 wk fixed costs = \$900	✂	x = 642 purchases/month = \$1927 sales revenue, \$215 daily

averaging 63 full lunches per day, or 189 total purchases divided equally between beverages, sides, and main dishes

$$4 \text{ wk supply costs} = \$1372$$

$$3 \text{ wk supply costs} = \$900$$

$$\text{gross yearly sales} = \$13,481$$

**Assumptions, analysis, addenda**

The input price for main dishes seems unusually cheap, and is limited to the category of soups, for which financial information is available from previous events. The input cost for different main dishes will likely vary substantially. However, since the café will be opening serving primarily soup, the calculations provide a reasonable estimate for at least the starting inventory. Buying bulk inventory at start-up for kitchen staples like cooking oil, spices, and baking supplies will be an additional expense. However, if it is bought with start-up donations it won't figure greatly into the operating costs.

This is nonetheless a possible source of error, because most supply costs are based upon buying raw materials only for the main meal component. The cost of beverages and side

dishes are primarily pre-made costs, and not home-baked alternatives. The cost analysis of cookies and muffins is a generally equivalent price in terms of buying supplies versus buying a retail product. Goods baked on the premises will include additional labour costs as well, and could be more expensive than pre-bought side options.

The major distortion is in the percentage of sales distribution. Expecting equal sales between main dishes, beverages, and sides may be more in line with the café's goals than with consumer demand. The café's mandate is to serve full lunches, and to provide healthy meals rather than emphasizing snacks and coffee. Consumer demand may skew the café's actual sales, though, by buying coffee and side dishes more frequently than a full meal option. If these two items represent a larger percentage of sales, the cost difference will even out somewhat, though, since the profit margin is higher for beverages and slightly lower for side dishes.

These expected sales do not give a clear picture of how much people will actually buy, but they do outline a general minimum purchase amount necessary for the café to break-even in its costs. The break-even point seems on the high end of possibility, and the hours of operation are a definite weakness in reaching it. Having such marginal hours, in the context of university schedules and class times, means that the café is not able to be conveniently accessible to all customers at all times. The benefits of starting with a small operation, though, do balance the drawbacks somewhat, because of the simplicity gained from starting at a manageable size. The best expansion would not be in hours per day, but days per week. Being open four days rather than three would substantially cut the number of sales per day. Continuing negotiations with the foodservice will hopefully resolve this limitation.

Price calculations represent the minimum possible price that would be paid for items. Since non-members and non-working members will be paying an additional surcharge on goods, the café can expect higher sales revenues than the cash flow predicts. This will help to cover unexpected costs and to take food wastage into account as well. This means that the break-even point is at its maximum, and is realistically significantly lower because of non-member and non-working member purchases.

### **Membership**

Working members volunteer one hour per week. This is the easiest schedule for promoting consistency and accountability. If each volunteer has a set, regular shift, and missing a shift results in forfeiting a meal, there will be a strong incentive to be responsible and not to miss any work-days. If each hour were to be filled by one person, it would require only eighteen shifts per week. The number of potential working members is possibly considerably higher, therefore the volunteer base for the café should be sufficient to supplement waged staff. The financial equivalent would be at least \$126 per week in wages, therefore it is a significant reduction in labour costs.

Risks include dealing with volunteers who don't take responsibility, are inefficient, or miss their shifts. With one two paid staff always present, though, there should be a stable system in place to coordinate and organize volunteer labour.

Working member prices: pre-bought mealplan booklets: 5,10, and 15 meal coupons (buying main dish or beverage booklets could be another option also)

\$1.25 main dish	5 meals: \$15	beverage book: \$15 per 20
\$1 side dish	10 meals: \$30	sides book: \$10 per 10
\$0.75 beverage	15 meals: \$45	

Non-working member prices: sliding scale membership fee, \$10 donation and up

\$1.50 main dish

\$1.25 side dish

\$1.00 beverage

Non-member prices:

\$2 main dish

\$1.50 side dish

\$1 beverage

The two options for charging variable prices are:

- using fixed prices for all products

-entering % discounts or mark-ups into the cash register

Fixed prices may be the easiest option, where non-member prices are the listed price, and when someone shows their membership card, marked with working or non-working status, they receive the appropriate discount.

### **Cash flow**

Donations may not be processed by the end of September, therefore additional money may arrive in the following months. This would be helpful in covering unexpected expenses, however it may also translate into being unable to pay for all the start-up costs up-front. Large capital purchases can be paid for with monthly installments if necessary, bringing operating costs slightly higher, but start-up costs lower. The cash flow is unpredictable due to this uncertainty in start-up donations.

The major lump sum in the year's finances is the wage re-imbusement in April. It's financial value has been calculated at 50% of one manager's wages and 50% of one store personnel's wages. Having calculated the break-even point without taking this subsidy into account, it represents a significant financial benefit for the following year. Ending with a surplus, which can be forwarded to the next year and used for wages or other expenses, puts the café in a strong position for starting smoothly in the second year of

operations and beyond. Someday it could even be used to pay summer wages for staff hired to harvest and preserve in-season fresh fruits and vegetables for the following year, or to buy shares in the Community Shared Agriculture (CSA) program or other local farms.<sup>52</sup>

Two smaller lump sums will come at the beginning of each semester as people pay membership fees and pre-bought mealplan booklets. These have not been calculated into the cash flow statement, so the café's operations are not solely dependent upon membership fees. This means that membership fees can potentially be used to develop the café's infrastructure, buy more capital and supplies, and lower prices for members if the café is in good financial shape. As well, the lump sums at the beginning of each semester will offer flexibility in stocking bulk items at the beginning and guarantee a set number of sales. This will help in budgeting money appropriately for the year, and in providing a cushion in case the café does not reach its break-even point. Membership money could also be set aside in savings for back-up funds and special occasions.

### **Conclusion**

Though input costs may be low for main dishes, most costs and pricing have been generously calculated. All costs have been rounded up and the sales revenue represents the lowest possible pricing system, with the assumption that everyone is paying working-member prices. This means that the café should be in good financial shape even if it doesn't reach the projected break-even sales point.

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<sup>52</sup>See cash flow statement, month 8, "other assets"



A major strength is the excellent pricing. With these calculations, the café would easily be providing the cheapest food on campus.<sup>53</sup> This makes it both accessible and attractive. Rather than basing its operations and prices in the context of a restaurant, the café can offer good meals at the price of eating at home. This means that students who would be deterred from eating at the café because of a cheaper alternative have little reason not to eat there regularly since prices are comparable to packing one's own lunch.

In conclusion, the café is set to operate with a viable and stable financial cash flow, which should only be improved in future years, when more subsidies and grants become available. Membership revenue will come at the beginning of the financial year, and job subsidies will be collected at the end of the financial year, meaning that accounts receivable will be well-balanced, and operating expenses will be bracketed by additional funding sources at the beginning and end. If year one operations do generally follow these predictions, the possibilities of increasing wages, expanding services and hours of operation, and developing the business in the future are very likely.

## **Human Resources**

### **Experience**

The Stone Soup Project has been an invaluable experience, giving us expertise, human resource development, and a context for working in food services.<sup>54</sup> Additional human resources, skills, and experience being brought to the café include:

- starting and running a children's clothing business in Toronto
- government position interviewing farmers and assessing agricultural change
- managing a food co-operative at another university
- environmental resources knowledge and background
- running workshops, conferences, and supermarket tours
- and most importantly a passion, talent, and taste for cooking and eating good foods

### **Employment opportunities**

In accordance with the café's mission statement, rationale, and benefits, employment opportunities will be available in a safe and open work environment. Students will be able to apply their skills and develop new ones in a variety of areas, such as accounting, organization, and time-management. The co-operative structure encourages involvement, feedback, and innovation. The wage rate and minimal management hours are drawbacks to the job descriptions. As part-time student work, though, the positions are attractive, and will offer good skill-development experiences.

### **Academic research**

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<sup>53</sup>Non-member prices are comparable or lower to competition on campus- see competition section

<sup>54</sup> See Chris Eckley's Stone Soup Project Overview in the appendix for more information

A determining factor in the university setting is the academic environment in which the café situates itself. At Trent, a movement towards sustainable agriculture is surfacing with the development of a Special Emphasis in Food and Agriculture. The interdisciplinary nature of the program, with faculty involved from Environmental Resource Studies and Sciences, Biology, and Geography, demonstrates widespread interest in food and agriculture at the University. This creates strong potential opportunities in the café's involvement in course work. Possible future projects could include expanding Trent's rooftop gardens and greenhouses and incorporating the café into academic curricula. Faculty have been very supportive in a number of departments, and the chairs of Environmental Resource Studies, Political Science, and International Development Studies all strongly endorse the project. Putting together a proposal through the academic innovation fund is another resource for developing curricula and research capacities for the café. Choices include offering Trent Centre for community-based education projects through OPIRG or academic departments, doing independent reading courses with individual professors, creating an interdisciplinary academic committee of students doing research on the café, and integrating special projects into existing courses. International Development Studies has already provided a list of relevant courses for café work, and other departments have been supportive as well. This academic facet of the café is mutually beneficial, in strengthening the café's operations with involved students, and in offering innovative academic opportunities for students.

### **Education and outreach**

The café, in accordance with its mission statement, wants to continue doing and sponsoring educational and outreach oriented events in cooperation with other community organizations. These will strengthen the café's community links and offer free publicity and marketing to wider audiences. Simultaneously, it will encourage student and community involvement and awareness about food issues. The café's roots in and relationship with OPIRG and other community groups such as Peterborough Green-Up and Big Cedar Coop are strong partners to have in education and outreach. OPIRG can provide information and support for education and outreach endeavors, as well as offering administrative expertise and organizational background. The café will have a broad and diverse group of community resources to draw upon, and will be able to use its own background of previous educational endeavors to offer services back to these organizations and the wider community. Following are two potential positions which could be applied for through government grant programs. They are primarily to sketch out what is possible, and how it can be achieved.

**Stone soup coordinator:** providing soup by donation at the local farmers market with locally grown, fresh produce- thrice weekly. Proceeds could go towards: soup kitchen/field kitchen programs of John Howard Society, Youth Emergency Shelter, and Peterborough Coalition Against Poverty.

Using the cafe's facilities and equipment, doing outreach and promotion through the cafe

5 hrs. per week, \$9/hr, 25 wks, = \$1,125  
buy transportable stove so we can cook on site: \$100  
outreach and publicity: \$175  
build collapsable stand and soup compartments: \$100  
total: \$1,500

timeline

october: outreach, publicity, promotion  
begin stone soup on campus to widen support, get students involved, raise money  
november: collect supplies, build stand, organize volunteers  
december: start serving weekly at the saturday market,  
january: expand operation to bi-weekly, adding wed. market as well  
continue project through April

benefits: support local farmers  
          increase community awareness  
          improve food accessibility

**education coordinator:** outreach for supermarket tours, community workshops, cooking classes, special events

5 hrs. per week \$9/hr, 25 wks, \$1,125  
materials for workshops, classes: \$125  
\$1,500 total

-providing supermarket tours for Peterborough Green-Up, the New Canadians Centre, local highschoools, university students, and community members  
-working in conjunction with local community groups such as Canadian Organic Growers Kawartha chapter and Green-Up  
-organizing food awareness events

benefits: skills development  
          food and nutritional information  
          networking with local resource centres

<b>Appendix</b>
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## **Overview of the Stone Soup Project**

Met with Maryanne Thomas of Aramark in early November to discuss our soup project. We were informed that if The Office of Student Affairs (OSA) approved our proposal, she would endorse it, on a per event basis.

Met with OSA in November: primary concerns were health and liability.

In early December, after consulting with OPIRG to confirm that we were covered by their insurance, reviewing the Food Premises section of the Health Protection and Promotion Act, and consulting with John Keller, a food inspector at the Peterborough County City Health Unit, we submitted a proposal for our soup project to the OSA addressing each of their concerns.

Later in December, we received written approval for our soup project from the OSA on a per trial basis. The agreement included attendance of a food preparation training session with Aramark, inspection of our kitchen performed by John Keller in February, as well as stipulations on what and where we could serve. We have abided by our end of the agreement informing TCSA of each soup serving we have provided.

- On Feb 7th we cooked soup for around 50 people, and earning around \$50 in about an hour and a half. John Keller inspected our project and gave us a written approval for meeting the health codes.
- On March 7th, soup was cooked again, and again served around 50 people earning approximately \$50. Most recently on March 21st a similarly successful Stone Soup serving occurred.<sup>55</sup>
- A local farmer, Peter Leahy, donated the bulk of the food for the soup. The money earned went back to the farmer and is being put into a café fund. The remaining ingredients in the soup have been purchased directly from farmers at the farmer's market. Our soups have been almost entirely from local sources, and have been mostly organic.

## **Compiled funding data**

I've written a brief overview and discussion of benefits and drawbacks to introduce each program and analyse the applicability to the café. I then categorize each option into program goals, sectors, funding available, application processes, assessment criteria, and eligibility. This information is compiled primarily from the websites listed. Additional

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<sup>55</sup> Two more soup servings happened post the writing of this document, see Stone Soup in Finances

information and feedback received from representatives is referenced in the footnotes. Research into programs that are not currently relevant or accessible to the café are at the end of the government grant section. Hopefully, they provide a sketch of what other options exist, as well as possible future developments as the café expands or changes focus.

### **Government Grants**

Trillium Foundation

CARCI

EcoAction

Adaptation Council

Small Projects Initiative

Environmental Stewardship Initiative

CanAdapt

Rural Development Initiative

Agri-Fund Trade Program (AFTP)

Environmental/Youth Links

Currently inapplicable programs:

Federal Science and Technology for Sustainable Development

Red Ostar

C-ORDP

Natural Resources Canada

### **Private Funding**

Pro-Organics

Credit Union

Community Futures Corporation

Business Advisory Centre

### **University Funding**

Nind Fund

Academic Innovation Fund

TCSA

Work-study

College Cabinets

TISA

TIP

### **GOVERNMENT**

Trillium Foundation: 1-800-263-2887, [www.trilliumfoundation.org](http://www.trilliumfoundation.org)

Program manager for region:

Jaclyn Powell, 705-743-1520 Peterborough Trillium Foundation Centre

The regional program coordinator recommends that applications be sent in sooner rather

than later because there is a set amount of money available. As well, the café must have strong links with eligible recipients, since the Foundation does not fund businesses or universities. Downplaying advocacy and political activity and emphasizing local and community benefits will make the café's proposal more attractive.<sup>56</sup> The application is available online at the Trillium website.

The Trillium Foundation is the broadest government funding possibility, supporting diverse causes and outlining few restrictions. Though they do not give funding directly to universities, projects that have partners in universities are still eligible. The two most applicable sectors to the café are Environment and Human and Social Services. The café's breadth and links between these two sectors is a definite strength in applying for funding. In terms of applying for operating expenses, such as wages, the café can demonstrate that other grants and subsidies, and the business's profits, will be able to sustain operating costs in the future. Funding can also be requested for time-limited projects, such as workshops, conferences, and outreach, which would not have to be proven to be sustainable in the long term.

#### Program Goals

1. Create Economic Opportunities
2. Contribute to Community Vitality
3. Increase Access
4. Enhance Volunteerism
5. Foster Community Harmony and Safety
6. Find Community Solutions
7. Make Better Use of Community Facilities or Land
8. Increase the Effectiveness of Organizations

#### Sectors

Arts and Culture

Sports and Recreation

Environment : Supports efforts to protect, restore, and promote the benefits of a clean environment

Human and Social Services: meeting people's immediate needs

-developing skills and confidence that break cycles of poverty and isolation

#### Funding Available

- Single or multi-year grants of up to \$75,000/year for up to five years.
- Project funding is usually aimed at work that has a defined beginning and end, and may be an addition to your regular activities.
- funding for operating costs must show how Trillium money will be replaced after the grant ends. Space must be owned or leased by group, and new construction must be to increase accessibility.

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<sup>56</sup> Telephone exchange, July 27<sup>th</sup>, 02

### Application Process

Provincial funds are distributed regionally

Kawartha has \$5.1 million

Regions can create guidelines for specific emphasis, deadlines, and restrictions upon money given out.

Applications accepted on an ongoing basis

### Assessment Criteria

Sustainability, multiple partners, private funding, stable organizational structure in place, need for project (for example, it wouldn't start otherwise) inclusivity, accessibility, benefits to community

### Eligibility

a. Registered charities.

b. Organizations incorporated as not-for-profits in a Canadian jurisdiction.

c. Unincorporated branches or chapters of charitable or incorporated not-for-profit organizations.

f. Collaboratives of organizations, containing at least one eligible member. A collaborative is a group of two or more organizations working to achieve a common goal. There must be mutual benefit, shared decision-making, and accountability among members and to the community they serve. Collaborative members will demonstrate how they will work together as part of their application. For Trillium application purposes, one incorporated or otherwise eligible organization must take the lead as the applicant on behalf of the collaborative. Collaboratives may include unincorporated groups.

### Ineligible Recipients:

d. Municipalities, universities/colleges, schools, hospitals and their agencies, unless they are part of a community collaborative that involves eligible organizations.

### Canadian Agricultural Rural Communities Initiative

[http://www.agr.gc.ca/carci/carci\\_e.html](http://www.agr.gc.ca/carci/carci_e.html)

Senior Policy Advisor for Rural Secretariat, P. Siraraj, 519-837-5855

CARD [www.agr.gc.ca/progsen/aft200\\_e.phtml](http://www.agr.gc.ca/progsen/aft200_e.phtml)

This was recommended as being a good option by Allen McGuire, the program coordinator for the Rural Secretariat. For more information about it we can contact the Senior Policy Advisor for the Rural Secretariat, P. Siraraj.<sup>57</sup> The sector of Partnership Projects seems the most appropriate type of project to apply for funding. A project cannot receive CARCI funding in addition to funding from another Agriculture or Agri-Canada source such as CanAdapt or CARD programs.

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<sup>57</sup> Email reply, Allen McGuire, July 10<sup>th</sup>, 02

## Program Goals

CARCI's objective is to enhance the viability of agricultural rural communities, particularly those communities undergoing change as a result of adjustment in the agricultural sector.

CARCI-assisted projects will complement other CARD-funded projects which respond to the needs of the agriculture and agri-food sector in such areas as agricultural production, marketing of agricultural products, food safety, research and development of new products and processes, and farm management.

## Sectors

### Rural Coordination Organizations:

Enhance the capacity of regional rural organizations to develop responses to agricultural rural community issues. Support will be provided to further the work of existing and new provincial and territorial rural coordinating organizations which contribute to building a community of non-government organizations, focused on agricultural community development. These projects must be time-limited and results-based.

### Partnership Projects:

Empowering agricultural rural communities through networking, business alliances and community coaching; the development of new approaches to doing business such as cooperatives or new models of business practices; the development of "action plans" for community development and sustainability; and identifying new economic activities contributing to the sustainability of agricultural rural communities.

Projects should demonstrate that they are innovative and will result in local impact.

Preference will be given to projects which promote networks with more than one partner. Benefits must be in the public domain, i.e., not accrue to individuals or private businesses.

### Workshops, Conferences, Seminars:

identify rural needs, program and service gaps, and ways to overcome the challenges facing agricultural rural communities.

### Socio-economic Research:

CARCI assists in funding socio-economic research on the issues faced by agricultural rural communities. A socio-economic research project gathers and analyses information and factors concerning issues that the community is facing as a result of changes in the agricultural sector. These changes in the sector have impacted the community and the project being proposed would assist the community to address these issues.

## Funding available

The normal maximum level of support is 50% of the eligible costs, to a maximum of \$60,000-\$80,000.

For workshops and conferences the normal maximum level of support is 50% of eligible costs to a maximum of \$20,000

For socio-economic research the cost is 50% up to \$50,000

Funding or resources leveraged from other sources will ensure that AAFC is only one of the partners and that other sectors and rural stakeholders play a significant role.



#### Application process

Accepts ongoing applications. The Partnership Projects are received at the end of each month. The last deadline date is January 31, 2003. Research proposals are accepted at the end of June, September, and December 2002.

Projects under CARCI shall be approved by March 31, 2003. All projects must be completed by December 31, 2003 with all payments made by March 31, 2004.

#### Assessment criteria

Projects must demonstrate the following:

recognize and respond to local/regional agricultural rural community priorities, assist in adaptation of the agricultural sector, propose innovative or original approaches to issues; contribute to the socio-economic sustainability of rural communities, respond to one or more of the rural priorities under the Federal Framework for Action in Rural Canada; and, where applicable, work with multiple partners in implementing projects

Support will be provided based on the degree to which the applicant represents agricultural rural communities within the province or region, the capability of the organization to implement the proposed project and the reach of the project.

#### Eligibility

Rural coordination organizations and NGO development

Canadian individuals and organizations including: rural groups, associations and corporations; municipal governments or their agencies; aboriginal and Métis groups; women's and youth groups; farm, agri-food and rural organizations; and educational institutions.

Up to 50% of eligible costs: nothing to do with ongoing business operations, capital acquisition.

EcoAction, [http://www.ec.gc.ca/ecoaction/index\\_e.htm](http://www.ec.gc.ca/ecoaction/index_e.htm)

Ontario Region: 1-800-661-7785, [ecoaction.on@ec.gc.ca](mailto:ecoaction.on@ec.gc.ca)

#### Program Goals

The EcoAction Community Funding Program is an Environment Canada program that provides financial support to community groups for projects that have measurable, positive impacts on the environment. EcoAction encourages projects that protect, rehabilitate or enhance the natural environment, and builds the capacity of communities to sustain these activities into the future. Projects require matching funds or in-kind support from other sponsors..

#### Sectors

Priority for funding is given to projects that will achieve results in the following areas: Clean Air and Climate Change, Clean Water, and Nature.

#### Funding available

Funding is available up to a maximum of \$100 000; however, the average amount is \$25 000. Projects are two years maximum. Every dollar of government funding must be matched by a non-government sponsor.

#### Application process

Submission deadlines to the Funding Program are February 1<sup>st</sup> and October 1<sup>st</sup> annually

#### Assessment criteria

Supports projects that protect, rehabilitate or enhance the natural environment and build the capacity of communities to sustain activities into the future.

#### Eligibility

Non-profit groups and organizations are eligible to apply to the Funding Program. This includes, but is not limited to: community groups, environmental groups, aboriginal groups and First Nations councils, service clubs, associations and youth and seniors' organizations.

#### Ontario Agricultural Adaptation Council

Telephone: (519) 822-7554

FAX: (519) 822-6248

Email: [canadapt@adaptcouncil.org](mailto:canadapt@adaptcouncil.org)

Internet: [www.adaptcouncil.orgwww.agr.gc.ca/policy/adapt/information/cardopc.phtml](http://www.adaptcouncil.orgwww.agr.gc.ca/policy/adapt/information/cardopc.phtml)

Adaptation councils in each province and territory give industry a greater role in deciding how CARD funds may be used to respond to rapidly changing Canadian and world economies. While these councils have the flexibility within the CARD framework to set industry priorities and decide how they are best addressed, they are also accountable for funding decisions and the viability of projects. The councils are encouraged to share information with one another and, where appropriate, collaborate on adaptation projects, to optimize benefits from the money allocated.

A Board of Directors, made up of industry representatives across the food chain, decide which projects to fund. Decisions are made based on federal adaptation principles and guidelines, as well as specific criteria established by each council. Funding is allocated based on a formula that reflects the size and value of the sector in each province and territory. Since 1995, councils have used about \$150M in CARD funding to select, fund and manage viable projects to help producers and processors.

“The Agricultural Adaptation Council's mission is to be a catalyst for adaptation and innovation within the agricultural and rural community. AAC administers and delivers funding that assists Ontario's agri-food sector and rural communities to remain competitive, grow and maintain their economic strength.”

#### Program Goals

Food Safety, Confidence and Quality

Environmental Sustainability

Marketing and Competitiveness

Human Resources and Rural Development

Innovation and Adaptation

The Adaptation Council oversees the following CanAdapt Small Projects Initiative, which Ken Maltby, the regional Rural Business Consultant for the Ministry of Agriculture, thinks would be a good option for our project.<sup>58</sup> However, a representative from the Agricultural Adaptation Council cautioned that it is important to demonstrate widespread community support and that the project is often used for one-time community events such as conferences.<sup>59</sup>

#### CanAdapt Small Projects Initiative

<http://www.adaptcouncil.org/programs/index.cfm?fuseAction=drillDown&itemID=11>

#### Program Goals

The CanAdapt Small Projects Initiative is specifically targeted to small-scale agricultural projects in marketing and human resource development.

Funding available

The Agricultural Adaptation Council, which administers the CanAdapt program, has earmarked a portion of the CanAdapt funding to the Small Projects Initiative. Under this program, projects are eligible for grants of up to \$30,000 to cover capital expenses on approved projects.

Application process

How to Apply:

Submit a one-page pre-proposal that includes:

- A brief description of the project
- Project partners
- Need for the project
- Funding being requested
- How the project meets the eligibility criteria of the Small Project Initiative

Staff from the Agricultural Adaptation Council will provide feedback and comments before you proceed with the full application. Staff may recommend that you conduct a feasibility study before embarking on the project. Funding assistance for a feasibility study may be available. The formal application for funding must be submitted on a Small Projects Initiative application form and be accompanied by a \$50 non-refundable application fee. An application form and guideline is available online. Please allow about five weeks for processing.

Assessment criteria

Project is innovative

Significant benefits will result for Ontario agriculture

Costs are reasonable given the expected benefits

Applicant has made a strong financial commitment

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<sup>58</sup> Email reply, Ken Maltby, July 11<sup>th</sup>, 02

<sup>59</sup> Telephone exchange, July 8<sup>th</sup>, 02

Results can be measured  
Project is sustainable  
Application is well organized and presented

#### Agricultural Environmental Stewardship Initiative

Agriculture and Agri-Food Canada (AAFC) is providing \$2.475 million for environmental sustainability in Ontario's agriculture and agri-food sector from this \$10 million, 3-year national program. AESI promotes innovative projects that contribute in practical ways to the conservation and enhancement of Ontario's natural resources. AESI focuses on water quality, soil health, wildlife habitat and biodiversity, and greenhouse gas emissions. AESI funds are derived from AAFC's Canadian Adaptation and Rural Development fund and are administered cooperatively by AAC and the Ontario Farm Environmental Coalition.

#### Program Goals:

To support Ontario's agriculture and agri-food industry through education and awareness, technology transfer, and the adoption of innovative best management practices.

By accelerating the adoption of sound environmental practices on the farm, AESI will play a key role in a national action plan to make Canada a world leader in food safety, innovation and environmental protection.

- AESI will disseminate findings and recommended practices from completed environmental research.

#### CanAdapt, run through the Agricultural Adaptation Council

#### Program Goals

CanAdapt projects are innovative, have benefits beyond the applicant, include a strong financial commitment from the private sector, and will have measurable results

Food safety, confidence, and quality

Environmental Sustainability

Marketing competitiveness

Human Resource and rural development

Innovation and adaptation

Funding available

grant of up to 50% of projects eligible costs, funded by Ontario's Card program

Application process

Applicants are encouraged to seek partnerships with agricultural organizations.

\$100 non-refundable application fee

Letters of support from stakeholders should accompany application. Projects have included feasibility studies, pilot projects, new technology development, environmental initiatives, product commercialization, and community partnerships.

Assessment Criteria

Explores and develops new markets for Ontario-grown or processed agricultural products

Promotes innovative technologies  
Applies research results  
Diversifies production  
Develops new uses for existing commodities  
Addresses environmental sustainability in agriculture  
Contributes to the long-term economic health of rural communities  
Encourages partnerships within or across sectors  
Leads to long-term competitiveness for the agri-food sector  
Eligibility  
Legally recognized commercial or non-profit organizations may apply.

Rural Development Initiative, [crp-rural-dev@agr.gc.ca](mailto:crp-rural-dev@agr.gc.ca)  
Rick Kush , Tel.: (519) 826-2029, Fax: (519) 826-2342, E-mail:[Kushr@agr.gc.ca](mailto:Kushr@agr.gc.ca)

#### The Rural Development Initiative Program Goals

-respond to the immediate needs of rural and remote communities and allowed them to develop local solutions to local challenges. -"Strengthening rural community capacity building, leadership, and skills development".

sub-objectives are

To assist communities to take advantage of opportunities and maximize their developmental potential through community planning, promote citizen engagement within rural/remote communities promote sustainable development that balances economic, social, cultural and environmental issues.

The results of these projects should support community learning, problem solving and shared discovery within the community of what works for rural development.

#### Sectors

##### Community Development:

A plan for the economic, social, environmental and/or cultural growth of the community, which may include, but is not limited to roads and infrastructure, tourism, business development, health and community services etc.

.-Implementation of a Plan

-Carrying out a project which is part of a community plan.

-An asset identification project would produce a quantitative and qualitative list of resources available to, or found within the community, which may become an integral part of the community development plan.

#### Research

Academic institutions in conjunction with rural residents, NGOs

New knowledge, statistics or other information which contribute to the overall understanding of rural and remote community development.

#### Funding available

Applicants must provide evidence of financial and/or in-kind partnerships. Total assistance from all levels of government will not exceed 75% of total project costs.

Community Development component:

single community proposals may normally receive up to one-third of their total project costs to a maximum of \$50,000.

Research projects may normally receive up to one-third of their total project costs to a maximum of \$50,000.

#### Application process

Applications will be accepted on an ongoing basis until October 31, 2002.

Eligible activities must be forecasted to be carried out after notification of approval, and prior to March 31, 2003.

#### Assessment criteria

Activities eligible for funding must meet the overall objectives and sub-objectives of the Rural Development Initiative and must be in the context of developing or implementing a community plan.

Applicants must provide evidence of appropriate community support.

Activities must be incremental to ongoing business, or to previous community development plans. In other words, funding will not be provided for activities which are part of the regular business of the organization.

#### Eligibility

rural and remote residents

local, municipal, provincial or national rural stakeholder organizations and/or associations (other federal departments and provincial governments are encouraged to be partners but cannot be recipients) community development associations, not for profit organizations

All proposals must have appropriate support of rural residents.

Eligible recipients for Research projects include:

academic institutions in conjunction with rural residents, researchers associated with provincial or national rural stakeholder, organizations and associations and/or not for profit organizations with appropriate community support

Eligible expenditures include:

-Costs for labour, salaried services and related employment expenses, incremental to ongoing business of the organization

-Consultants who generally provide expertise

-Direct materials and supplies related to the project. Costs associated with printing, information technology and communication services.

Ineligible expenditures:

Capital expenditures related to the construction/renovation of structures and/or buildings, including the purchases of furniture and furnishings.

acquisition and/or development and preparation of land for any

Regular on-going operational activities of the institution or organization.

Costs related to the development and testing of commercial products for private benefit.

Legal fees associated with the incorporation of an organization.

Costs being reimbursed under an existing federal or provincial program

### Agri-food Trade Program

Sandi Greyell, [greyells@em.agr.ca](mailto:greyells@em.agr.ca)

#### Program goals

- supports canadian agri-food (in market access, development, investment
- maintains/increases sales of agri-food and beverages therefore increasing investment and employment in the industry

objectives: market development

funding available

covers 50% of eligible costs

up to 75% in combination with other provincial govt. programs

eligibility

- targets ngo's, coops, universities

ineligible recipients include publicly funded institutions

assessment criteria

- short term projects

- requires verification of expenditures (independent certified accounting for eligible expenditures) and the right to audit

Environmental orgs, contacts, etc:

What you can do: Down to earth choices for sustainable living,

[http://www.ec.gc.ca/eco/main\\_e.htm](http://www.ec.gc.ca/eco/main_e.htm)

[http://www.youth.gc.ca/index\\_e.shtml](http://www.youth.gc.ca/index_e.shtml), Government Youth Employment Opportunities

[http://www.youth.gc.ca/youthprog\\_e.shtml](http://www.youth.gc.ca/youthprog_e.shtml), youth programs and services

Environment Canada, [http://www.ec.gc.ca/introec/index\\_e.htm](http://www.ec.gc.ca/introec/index_e.htm)

Ontario Environment Canada, <http://www.on.ec.gc.ca/or-home.html>

Young Canadian Leaders for a Sustainable Future

Overview: A funding program designed to promote youth participation in sustainable development.

Eligibility: Youth between 19-30.

### Currently Inapplicable Programs

Federal science and technology for Sustainable Development

Awards grants to graduate students in science working on sustainable development.

[www.durable.gc.ca/communication/long-brochure/index\\_e.phtml](http://www.durable.gc.ca/communication/long-brochure/index_e.phtml)

Call or e-mail the contacts below to find out more about federal science and technology that supports sustainable development.

Agriculture and Agri-Food Canada, (613) 759-1754, [chadwicks@em.agr.ca](mailto:chadwicks@em.agr.ca)

Environment Canada, (819) 994-6433, [chantal.hunter@ec.gc.ca](mailto:chantal.hunter@ec.gc.ca)

Fisheries and Oceans Canada, (613) 993-0996, [henhoeffera@dfo-mpo.gc.ca](mailto:henhoeffera@dfo-mpo.gc.ca)

Health Canada, (613) 957-2983, Franca\_Gatto@hc-sc.gc.ca

Natural Resources Canada, (613) 947-3160, lfrieday@nrcan.gc.ca

### Canada-Ontario Research & Development Program

This is a fascinating glimpse into the influence of industry on both research and government results. The café is not quite in the same ballpark of corporate influence and power, but it's an interesting contrast to the café's goals.

The Canada-Ontario Research & Development Program (C-ORDP) is designed to encourage a close working relationship between the agricultural industry and the research community by providing direct industry input into research priorities

Research and development funding decisions are based on the recommendations of commodity sector review committees representing field crops, red meats, horticulture and cross-sectoral projects.

The program is financed by Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs through the Safety Net fund. AAC and the Ontario Agricultural Commodity Council administer the program, which supports research and development projects for non-supply-managed farm groups.

Canadian Rural Partnerships RED OSTAR, [http://www.rural.gc.ca/home\\_e.phtml](http://www.rural.gc.ca/home_e.phtml), 1-877-295-7160.

Provides funding for rural economic and business development.

The program is not recommended by Ken Maltby, Rural Business Consultant for the Ministry of Agriculture because it requires solid partnerships, all partners must contribute funds to finance project, and they match funds for eligible purchases only.<sup>60</sup>

Natural Resources Canada (613) 992-1832, <http://www.nrcan.gc.ca/es/etb/cetc/>  
Roy Prokopuk, Senior Business Development, Marketing & Communications Officer  
Tel: (613) 996-8693, E-mail: [prokopuk@nrcan.gc.ca](mailto:prokopuk@nrcan.gc.ca) <mailto:prokopuk@nrcan.gc.ca>

Though it focuses on energy efficiency and the development of alternatives energy sources, the program is primarily linked with big industry endeavors and private corporations.

#### Program Goals

Community Energy Systems helps Canadian communities meet their energy needs by identifying and developing opportunities for the use of district heating and cooling, combined heat and power(cogeneration), waste heat recovery, thermal storage and local sources of renewable energy particularly biomass.

CETC develops a wide range of environmental energy technologies, including: renewable energy, including solar, wind, small hydro and bioenergy; energy-efficient technologies for industry, communities and buildings; alternative transportation fuels,

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<sup>60</sup> Telephone reply, Ken Maltby, July 13<sup>th</sup>, 02



including natural gas, propane, ethanol, methanol, hydrogen and electric and hybrid vehicles;

CETC's objectives are to secure environmental, economic and social benefits while fostering the wise use of conventional energy and the increased use of renewable energy and alternative fuels. As a contractor to its clients and partners, CETC's goal is to help them meet their own business objectives.

#### Sectors

CETC's five (5) contract funding programs are:

Buildings Energy Technologies Program: development and commercialization of energy-efficient and environmentally responsible technologies for residential and large buildings

Emerging Technologies Program

Industry Energy & Research Development Program

Renewable Energy Technologies Program: (RETP)

supports efforts by Canadian industry to develop and commercialize advanced renewable energy technologies, such as active solar, wind power, bioenergy and small hydro with industry that can serve as cost-effective and environmentally responsible alternatives to conventional energy generation.

Transportation Energy Technologies Program

#### PRIVATE FUNDING

Canadian Organic Growers

Pro-Organics Foundation

Credit Union Charitable Foundation

Community Futures Development Corporation

Business Advisory Centre

CANADIAN ORGANIC GROWERS (COG) [www.cog.ca](http://www.cog.ca)

This is a reference for future years, since we're past the deadline for the current year.

Applications due June, 30th

Mary Perlmutter Scholarship

The annual scholarship is named after COG past-president and long-time organic grower Mary Perlmutter. The intent of the award is to promote and encourage research of benefit to organic growers.

In 2002, the \$3,000 scholarship will be awarded competitively to eligible students on the basis of academic standing and on demonstrated interest to pursue research related to organic food production.

Eligible students: Canadian graduate students or undergraduates in their final year at a Canadian college or university.

Pro-Organics Foundation, [www.proorganics.com](http://www.proorganics.com)

The website has more information about previous projects, and Pro-Organics also has a toll-free number that you can call. What we need now is the application for the foundation. I emailed a while back and asked for it, and haven't gotten a reply, so telephoning and asking them to fax it might be more efficient. OPIRG's fax number is

705-748-1795. Pro-organics number is 1-888-874-2360

Ontario Credit Union Charitable Foundation, <http://www.ccaont.on.ca/starting/ocucf.htm>

Contact: Laura Stephens, lstephens@cuco.on.ca

In partnership with the Ontario credit union system, the Foundation's mission is to help people, credit unions and communities improve themselves through cooperation, education and personal development. Approximately 2/3rds of the Foundations resources and efforts are directed towards projects of benefit to Ontarians.

On an annual basis the level of donations is between \$70,000.00 and \$90,000.00. Credit unions and other organizations in the credit union system are encouraged to partner with the Foundation by submitting proposals for additional funding by the Foundation to the local community initiatives. *We could consider trying to get the support of our local credit union, at least in principle if not with a financial contribution.*

Community Futures Development Corporation, 351 Charlotte St. 705-745-5434

private organization, in partnership with Industry Canada

considered a lender of last resort

submit the business plan and application for a loan

reviewed by a representative (Judy Heffernan) and then submitted to a voluntary board which meets monthly.<sup>61</sup>

Economic Development Corporation

Lance Sherk, Manager, Business Retention and Expansion, 705-743-0777, Ext. 227

Has information on private community funding options

### University Funding

#### \_ Nind Fund

-distributed through the President's office

-maximum monetary value per project is \$500, usually as a one-time event

-focuses on engaging the community and building university/ptbo links

#### \_ Academic Innovation Fund

-for curriculum development, new projects, resources

-good to have departmental agreement and initiatives

-ongoing applications for under \$1,500

-annual applications for over \$1,500

-usually one-time grant, however money can be given in some cases for up to three years

#### \_ TCSA

-Special Projects Funding

had \$5 000 in it last year, may be only \$3 500 or \$4 000 now

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<sup>61</sup> Telephone conversation with CDFC representative, July 31<sup>st</sup>, 02

- will take requests in September once the whole Board is around  
receives a lot of funding requests
- Supplementary Levy Funding
    - exists for levy groups as additional money (associated with OPIRG)
    - probably not the best option
  - Work-Study Positions
    - TCSA applied for nine, usually only has five. There's a possibility for sharing one work-study position with the TCSA, VP Finances will know in August
  - College Cabinets
    - Receive \$12.75 levy each from college members
    - Most have one funding night to apply and make a presentation
    - PR accepts applications ongoing at Cabinet meetings
  - TISA: has a separate levy, will support it, particularly if jobs are available for international students

## **Compiled supply data**

Following is an overview of the main potential suppliers, with the main benefits and drawbacks of sourcing from each. It is divided into local farmers, local businesses, and regional distributors as a way to categorize sourcing options in terms of geography and size.

### **Local Farmers**

Local farmers have expressed interest in supplying produce for the café. The main producers interested are Kawartha's Own, Rockhaven Farm, Hileswood Farm, Merryland Farm, Landroutes, Brenda Coons, and Diana Farms. John Howard Society's YouthBuild program plans on donating produce from their community garden as well. Local options are broadened by the weekly farmer's market, where the café can buy from a greater number of local farmers and producers on an ad hoc basis. Much of this produce is not organic, but sourcing locally has consistently been a higher priority than sourcing organically. This has the potential for building more direct relationships with producers and creating mutually beneficial and accountable systems between consumers and suppliers. Supporting local agriculture economically creates community and enacts change on a local level in a way that is more difficult to achieve with large scale suppliers. The main considerations on a local level are seasonality and availability.

### Vegetables

Bill Vanderpluym: certified organic vegetables and potatoes, cutting back supply, not as large a quantity, has to sell at cost, no wholesale prices

Brenda Coons: supply available through winter, organic, a couple hundred plants  
\$1 per 4 heads, (mild) elephant and (strong) purple skinned garlic

Ross, Diana Farms, just starting out, not certified organic, doesn't use any pesticides -store bought fertilizer right now, but has a couple of cows so he should be able to transition, currently one acre, planning on expanding next year, but keeping it a small family farm: spinach, greens, carrots, peas, potatoes, onions

Wendy and Ken Chaput. Rockhaven Farms  
available into fall, starting again in spring, no guarantees on quantity (could arrange wholesale) certified organic mescalene, greens, sprouts, herbs

YouthBuild program, John Howard Society (via Donald @ Green-Up)  
-organic veggies in community, planning on donating to us as well as PCAP  
tomatoes, okra, herbs, peppers, etc...

Hileswood Farm, maple syrup producers, plus baked goods  
cookies: \$5.75/baker's dozen (\$4.50 by the end of market) \$0.44/cookie  
ginger, chocolate chip, oatmeal raisin, peanut butter, molasses (up to eight or more kinds)  
tea biscuits: \$5.50, 12 pc (vegan) \$0.46 each  
date squares: \$3.75/tray, 6 pc. \$0.63 each  
butter tarts: \$4.50/tray, 6 pc, \$0.75 each

carrot loaves, carrot muffins: \$4/loaf, 8 pc. \$0.50 each

bread:

basic white, organic, 1 kilo, \$3

costs range per weight (2.50-\$4)

ezekial, seven grain, whole wheat, white, spelt, no wheat

pies: \$8, not necessarily local nor organic

Hileswood Farm offers a range of baked goods and desserts, including organic, wheat-free, whole grain, and vegan options. It is mainly non-organic goods, but all of it is basic ingredients, with no additives or preservatives. Most products are baked with butter, flours, and sometimes their own maple syrup as sweetener. Some products come pre-packaged, such as butter tarts, so disposable waste is another environmental issues for sourcing from them. As well, they offer a small variety of organic breads, and are flexible in what they make. They are willing to bake pre-ordered goods on a weekly basis. Therefore, we would easily be able to set our own terms for buying in bulk, re-using packaging, and requesting mainly organic ingredients.

This would be one way of influencing local producers to stock more organic and local products, by providing a market for their goods and encouraging environmentally sound practices. Working with small, independent producers is a bonus in this case, because there is more flexibility in negotiating with them on a personal level and knowing exactly what goes into the goods. Larger producers are less likely to alter their selection of goods for us, and will have less centralised knowledge on their sources for each item. For example, we could request that they use Gay Lea butter, an Ontario co-operatively owned dairy business, for items, or try sourcing from Merryland Farms for local, organic grains and flours. One consideration, though, is what kind of products we want to offer. Many of Hileswood's products are desserts, which would probably be popular and sell well. It's a question of how much we want to offer healthy foods versus more expensive "unnecessary" items. How much do we want to promote healthy eating as a way to actively contribute to more sustainable food practices?

Pick-up could be weekly, at the local farmer's market, and we could negotiate a regular discount for larger quantity orders. As well, going at the end of the market, cheaper prices would be offered to sell out whatever is left over. This is a good option in supporting a small producer, being able to buy goods on a weekly basis, and pushing towards more local, organic options.

#### Bill Vanderpluym

Product	Quantity	Seasonality	cost/quantity
Organic lettuce	Head	available til frost	\$1

Organic carrots	Bunch Quart 4 litres	usually runs out by the end of feb	\$1.25 \$2 \$3.50
Organic kale	Bunch	oct-dec, after frost	\$2
Organic beets	Bunch	available thru winter	\$1.50
Org spanish onions	Individual Bag	thru winter	\$0.75 \$3
Org squash	Ind	thru winter	depends on crop
Org tomatoes	per lb	August-frost	\$4 maximum
Org herbs: parsley, thyme, basil	Bunch	Til frost	\$1.25

#### LOCAL BUSINESSES

**Big Cedars Buying Club Co-operative**, contact: Derek Pinto, derekpinto@yahoo.com

Membership to the buying club is rated at a \$5 fee per month, though this can be re-imbursed by volunteering an hour and earning \$5 credit per month, subtracted from one's next order. The buying club operates mainly out of one housing co-op, where order forms are dropped off, and orders are distributed on the third Wednesday of each month.

The buying club is an attractive sourcing option in that it would allow the café to order and pick up products from three different suppliers at one time. It would also allow the café to buy smaller amounts, without being under a minimum order cost. For

example, Stickling's has a minimum of \$150 for wholesale prices, which would be covered by the number of people ordering through the buying club, but would be a large expense for the café to cover by itself.

There are, however, drawbacks to this option. There is no guarantee of a local supply from any of the producers, and the buying club is one more process to go through in the food system. Since it relies heavily on volunteer labour there are risks of inefficiency and mistakes. Orders are pre-paid, but sometime products don't arrive, or replacements are sent instead. Since the system in place is not firmly cemented, it might take a commitment to working closely with the co-op to develop the café's ordering process. For example, volunteering, helping sort orders, and ensuring that the co-op has the capacity for sourcing for the café might be necessary in creating a sustainable and mutually beneficial relationship.

As a co-operative, non-profit group dedicated to "decreasing [their] negative impacts on the earth by sharing and buying more sustainably produced products"<sup>62</sup> the buying club represents the kind of organisation the café might like to support economically. The similar focus on sustainable foods and environmental impact has the potential for the café and the co-op to work together on mutually beneficial projects. Possibilities in the future could include marketing and assisting customers with bulk orders at the café, coordinating bulk buying between individuals, and acting as a resource centre in providing education and awareness about alternative food choices people can make.

For wholesale goods and large quantities, Big Cedars Co-op is the most accessible and available means through which to supplement the café with organic products that cannot be bought locally. The fact that the orders are monthly is a minor drawback, since the café would have to buy large quantities and store them. Especially with Stickling's, we would need to have a freezer to keep breads fresh, and we might want to explore sourcing from them directly on a more frequent basis for products like muffins.

**Stickling's Bakery:** Michael Walter, Manager

Sticklings is a local bakery with an international distribution of breads, muffins, pastas, and baked goods. All of their products are made with certified organic grains, some of which are from Merryland Farms, a local organic farm. The main ingredient is always organic, but there is no guarantee for items like carrots, fruits, and nuts that are added into the products. Open since 1939, Stickling's is a predictable and sustainable source of high quality organic foods. Prices are comparable to Hileswood Farms for most products, but are significantly higher than Ontario Natural Foods Cooperative for items like pasta products

REGIONAL (Wholesale), available through Big Cedars Co-op Buying Club:

**Ontario Natural Foods Co-operative**, 1-800-387-0354, [www.onfc.ca](http://www.onfc.ca)

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<sup>62</sup> Big Cedar Co-op, the Buyin' 'n Sharin' Club

Ontario Natural Foods Co-operative (ONFC) supplies regular and organic bulk items, pre-packaged fresh and frozen foods, juices, and some non-food items. Based upon co-operative principles, it is a member-owned and operated business that supplies at buying club and wholesale quantities and prices. They source from most major organic and natural foods companies, many of which have international distribution and are part of the mainstream food system's niche market for gourmet and organic foods. Consequently, there is little information available on the geographical location of most products, and each supplier would have to be individually researched to find out their practices, location, and sourcing policies.

A majority of ONFC's products are geared towards resale versus bulk or food services. For example, organic oils come in a maximum 1litre quantity. Buying cases of products lowers the financial cost, but there is still excess packaging since items are individually packed. Foods that are available in bulk quantities include rices, pastas, and granola. As there is no regional organic food services provider, ONFC represents the best available option for some goods at this time, such as cooking supplies that cannot be sourced locally.

Jo-Anne's finds ONFC dependable and hassle-free, with minimal mistakes in orders. ONFC delivers to Peterborough every two weeks.<sup>63</sup> ONFC also has monthly sales on some items, with discounts from 10% to 50%. Sale lists are available online, with many staple items periodically going on sale.

Sample Prices, all products chosen are organic

Product	Product Quantity (number)	Price
Price Cheeses	2.27 kg (4)	\$34-\$38
Frozen beans	400 g (12)	\$18.81
Granola	5 kg (1)	\$37
Pastas	5 kg (1)	\$18- \$25

<sup>63</sup> Conversation with co-manager of Jo-Annes, July 2<sup>nd</sup>, 02



Rices	11.4 kg (1)	\$32-\$47
Oils:		
Canola	750 ml (6)	\$9.81 ea
Olive	1 litre (6)	\$18.88 ea

**Pro-Organics**, 1-888-874-2360, [www.proorganics.com](http://www.proorganics.com)

Pro-Organics is a regional wholesaler of organic fresh produce. They carry about 200 items per week, at an average cost of \$1 per pound, though prices vary weekly and seasonally. Their commitment to seasonality is through sourcing as close to home as possible, and then branching outward to carry a full selection of goods.<sup>64</sup> However, this information is not provided on the price lists, so there is no guarantee of regional or local sourcing. The company deals with over 500 certified organic farms, has over 1,00 accounts, and is also certified organic handler of products. Pro-Organics also oversees the funding and distribution of their foundation, used to support community projects and organic agriculture. In the past projects have included funding for community garden programs, \$2,500 for green house construction at St. Catherine’s School, and regularly donated food for soup kitchens.<sup>65</sup>

**Algonquin Tea Co.** <http://www.algonquintea.com/>

Algonquin Tea Co. has a wide range of bulk herbs and spices, as well as a number of prepackaged herbal teas. They use all recycled, Canadian-made, non-bleached packaging and ship their products at relatively low prices if you buy in quantity. Though they don’t have a diverse range of products, the company has high environmental standards and practices for their completely organic products. Based in northern Ontario, this is an attractive regional option for products that cannot be found locally.

Product, quantity	Price
Teas, 6 boxes	\$4/box, \$24 total
Bulk herbs, 100 grams	\$5-\$10
Bulk herbs, 1 kg	\$25-\$50

Other suppliers contacted:

Deva Gardens (no longer active)

Dreams and Beans, Kelly Harris (hasn’t responded yet)

Douma Farms (only has produce during summer months)

Hillview Organic Farm, Joan and John Smith (weren’t very active last year)

<sup>64</sup>Telephone exchange, Pro-Organics Rep, July 8<sup>th</sup>, 02

<sup>65</sup>Pro-organics Foundation, [www.proorganics.com](http://www.proorganics.com)

Jackson Farme, Cindy and Doug Jackson  
Ken and Mildred O'Brien: (not farming this year, will be next year)  
Landroutes (Miriam Stucky, Cathy Hooper)  
McLean's Berry Farm (didn't respond)  
Meadow View Farm (farmer's market keeps them busy)  
Merryland Farms (Peter Leahy)  
Wednesday Ptbo Market Farmers  
Winged-Spur Farm, Denise and Walter Johnstone (didn't respond)

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<sup>1</sup> <http://www.trentu.ca/admin/trentfacts.html>