

## **Case study: Trevalon Organic Cooperative, Herodsfoot, SE Cornwall**

### **Summary**

Mark Simon is growing 3 acres of vegetables on 18 acres of organic land and is supplying 95 weekly organic vegetable boxes. The CSA, Trevalon Organic Cooperative Ltd, rents the land from the Orchard Land Trust.

### **Land**

The land was originally purchased in 2005 by Mark and five other people and was set up as the Orchard Land Trust Ltd. The 18 acres of land are south facing and consist of arable and pasture farm land. There are 11 acres of gently sloping land, 5 acres steep grazing meadow, a fresh water spring and a river at bottom. Eight of the acres are flat enough for intensive horticulture crops with 5 acres of it available for growing.

### **Background**

Since 1998, the members of the Orchard Land Trust Ltd explored the concept of joint land ownership. A concept inspired by low carbon settlements like 'Tinkers Bubble'. Mark also developed his business model of growing and selling crops through a vegetable box scheme, whilst working on an organic farm in Hampshire. In 2001 he attended a Community Supported Agriculture (CSA) event in Stroud with Soil Association staff, which helped to develop the community involvement aspect.

The current group of people who now make up 'Orchard Land Trust Ltd', came together in 2002, looking to purchase a farmhouse in south east Cornwall in 2002. The original aim of living on the land fell through, however they kept to the original aims of purchasing land for joint ownership, environmental education, community involvement and production for a box scheme. This concept was firmly established in June 2005 when the Trust purchased 'Trevalon'.

Since 2006 Mark has been renting the land from Orchard Land Trust Ltd and running the box scheme as a sole trader.

In November 2009 a public meeting launched the idea of a CSA and in November 2010 'Trevalon Organic Cooperative Ltd' was incorporated as an IPS with the aim of taking over the rent of the land and the running of the box scheme. The Cooperative is owned by the members who consist of consumers, employees, volunteers, growers, allotment holders, supporters and producers growing on their own land who supply the box scheme.

### **Structure and stakeholders**

Orchard Land Trust is a not-for profit company limited by shares that was set up by six members in 2005, with the intention of purchasing land to be held for the community, to benefit present and future generations.

Several people have lent the Orchard Land Trust money so that the original shareholders can withdraw their investment. Lenders are paid 4% interest. This money derives from rent of the land.

Three of the original members have been refunded by lenders (who do not have votes) leaving 3 remaining shareholders who each have one vote. One of the remaining members is Mark Simon, the main grower.

Each member has one vote. At the moment only 30 of the box scheme customers have become CSA members. The CSA will have a 10 year farm business tenancy agreement from Orchard Land Trust.

The original value of the land was £48,000. With the planning permission and other developments on the land, it is now valued at £110 - £250,000. The share holders may withdraw the same amount

of money as they contributed, but no more. They cannot be paid dividends. Increases in the value of the land are asset locked and can only be used to further the principles of the trust.

### **Production**

Mark supplies and delivers 95 vegetable boxes each week.

The boxes are supplied with on average 50% own produce and 50% bought in from local wholesalers including Riverford. Mark is currently producing about £20k worth of vegetables from the 3 acres of land.

There is also much potential for top and soft fruit, inter-grazing with pigs and sheep but this requires further investment of time and money.

### **Finances**

The Land Trust has had community investment as loans totalling £48,000.

However, the CSA enterprise would benefit from capital investment. To establish the box scheme Mark has borrowed from friends, family and banks and has current outstanding debts of £14 000. Mark has estimated that building to 180 box scheme customers would be ideal financially. At the current rate of trading there is an annual surplus of £5,000 and a turnover of £52,000.

Out of the 95 customers, five regularly work for their weekly box doing two hours work in return for one veg box (eg £5/6 p/hr) however people normally stay on and work for longer. Within the customer base there are a variety of skills eg. growing, marketing, fundraising.

There is a cash flow difficulty for the enterprise across the season, with most expenditure at the start of the year but most income towards the end of the year leading to an overdraft at the beginning of the year. Some customers do pay up front for the season and this helps.

### **Planning permission**

The planning process for residential use and a packing facility was a drain on the business and very stressful for over a year until August 2008. Permission was initially blocked by the senior planning officer and fears of some local neighbours but permission was eventually given at a public enquiry. It took £7.5K to fight the appeal. During this time Mark received 50 letters of support from his customers which helped considerably with the appeal result. It is vital to get the support of the senior planning officer from the outset and this they did, but unfortunately he left and the new officer was unsupportive. However, it was argued that it was essential for the proper running of the business that Mark should be present onsite at most times of day to carry out routine tasks and to be on hand in case of emergencies such as the failure of automatic heating for the propagation tunnels and to water the propagation tunnels (which raise £3/4 K worth seedlings) this was accepted in appeal at a public inquiry.

### **Labour**

Mark works full-time and employs one part time person for packing and deliveries. In summer he employs casual labour for planting and weeding, through students and word of mouth. One day a week is provided by a work placement from Duchy College. Mark would be interested in having an apprentice placement through the Soil Association's popular 2 year apprenticeship scheme. Some customers come and help on 'activity days' to get involved eg. setting up wind breaks.

### **Organic certification**

Trevalon has been certified organic by the Soil Association since February 2006 as this was a stipulation of the Trust in order to ensure that the land is managed according to their principles.

The growers are both employed by the CSA or self employed selling produce to the CSA. Vegetables and meat are produced either directly by the coop or on land that the coop rents to self employed producer members. The Coop would like to purchase more produce from local growers some of which are not currently certified organic. One local grower has become a member of the

coop and is being brought under their organic certification. The Coop also rents organic allotments on the site.

The Coop has asked the Soil Association to certify all these growers under one licence so that they do not all need to pay for certification separately. Soil Association Certification have agreed to do this as long as there is a single named responsible person.

Mark Simon

<http://www.trevalon.co.uk/csa.html>

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