

Hello, and this is a podcast about Nylands Mat, a local food hub that connects local farmers, fishermen, bakers with consumers. And we are students at Hanken School of Economics, Cyriam, Linda and me Janina, and today we have the honor to learn more about Nylands Mat with Rikard Korkman, who is their chairman.

Welcome, Rikard. Thank you for taking your valuable time to participate. It's valuable both to us and everyone else in the course. We're looking forward to learning about the food hub and everything around it today. But before we start, could you start by telling us a little bit about yourself?

Okay, thanks. It's very nice to be part of this project. Yeah, my name is, as you said, Rikard Kirkman and my education is agronomist from Helsinki University. I work for the Swedish Speaking Farmers Union, Svenska Lantbruksproducenternas Centralförbund as a senior advisor. I'm also a farmer close to Helsinki, and my farm is close to Helsinki in Espoo and Kirkkonummi, where I have a farm about 80 hectares, mainly grain. But also I have a small, small apple orchard, which really is the connection through this team today because we developed on the farm a community supported agriculture model orchard, which means that people are renting and I have a 1100 apple trees in about one hectare and people can rent these apple trees and, and then like they would own our own tree. And, and then I tried to be the farmer and farmer in as good as possible.

But of course, you know, there can be something, you know, we work with nature in the same way as is you plant an old apple tree so that the harvest can vary a bit, but those who rent, they come in with a fixed sum. It's minimum is two or three a year and that's €50. So that's the investment and it's in a way like an investment because we can not 100% say what the harvest will be depends on, you know, the year and so on. So that's in short.

And then I am, as you said, I'm the chairman for the the food hub with a Uudenmaan Ruoka - Nylands Mat in Swedish - Uudenmaan Ruoka in Finnish and we were really proud of establishing a Finland's first consumer and producer cooperative in the end of October last year ,so but we are starting a face it's very exciting but also challenging because it's a new model and we need to have a certain amount of people using our service, so we can survive in the long and so we're working on that. So thanks.

Thank you. So interesting. Yes. So thank you, Richard. And now that we know a little bit about you, we will start to discuss food hub. So you told us already a little bit about food hub, but could you like start from the beginning? What is it?

Well, food habits, it's of course a little bit funny, too, in a word in Finland, because it's English food hub. But the idea is coming from the United States. If you Google on food hub, you run into a lot of different type of food habits in the U.S.? I think there are about 380. I think last I checked and very different kind of food hub hubs and I, I took part in a education and got the many it was a certificate of management of food hubs or something. I went I took a one year course at the university in Vermont. It was really inspiring.

And then then for about three years ago, we established the first steps like a project where we started to build up this, but in very short words, you can find a definition on the from the USDA, It's the American Agricultural Department they have define what the food hub is but it's, we want to make market access for smaller farmers easier in this case we are a producer a consumer food hub. So we want to reach out to the consumers.

But there are different types of food hubs. They can also reach out to restaurants or to retail and so on. But the market access and our task is to sort of collect the products from the farmers and distribute them to the consumer and also work with the marketing, of course, of these products. That's the food. So there are really three central parts they are. I don't know is the right word in English in Finnish You talk about keräily or collect, I find the right word and then to distribute it in this case to the end user. So the consumer who is interested in the local food and it's a regional food hub. So mainly we want to reach out to or we reach out to producers in the Usimaa region, you know, it's a region around Helsinki. So that's our definition of local food. But we are not very strict because we also we value all kind of artisan food.

So, if we don't have a certain product in our region, we might also reach out to other regions. But the main thing is that, it's a so-called small producer, yeah, it's something that somebody has developed to themselves and so on. So we are not the distribution in the sort of big industrial products that they are coming from farmers and bakers and fishermen and, different producers through the food hub to the consumer. I don't know if I answered your question.

Yes, you did. Thank you. Thank you for your clarification and for allowing our listeners to understand the main lines of food hub, which has a very optimistic vision in the food sectors, as you say, to develop the local food market by creating a close relationship between consumers and farmers. But if we have to see the situation, there are like so many buyers, And so I would like to ask you, what are the main problems you have encountered in recent years that lead you to food hub and what is the consumption with regard to daily consumer consumption?

Well, I think the main challenge is that the small producers are very weak in this the conventional food chain. And as you know, when you are studying economics in Finland, we have, in fact too big a change in food who are sort of dominating the whole market and of course, they have a lot of products. It's really big. Everything is really big. And so it's not so easy for smaller producers to reach out and also to get places in the shops.

And this is one thing, this market access. But the other thing is also that because of the conventional food retail is still strong. So they can also dominate a lot the pricing and they of course want to. Well, it's really perhaps not very nice to say like this, but of course, they want to buy it as cheap as possible and sell it as expensive as possible. And because they are in that consumer. In Swedish, you call it Gränssnitt, Rajapinta, in English what we use for it, you know what I mean? In the interface with the consumer.

So they can sort of decide the price for the farmers products. In the food hub is totally different because in the food hub, the the producer is pricing the products themselves on this platform. And it's we have open pricing. So we take, as you know in food, we have a added value tax of 14%. So then from the total price, the added value tax is 12.3% and the food hub takes 20% for expenses, you know, rents for these pick up points and so on. And the rest goes to the farmer.

And so we regard ourself as a cost effective model for the producer, but especially I think it's important that the producer can impact on the pricing themselves. It's not possible in the in other models. Of course, this open pricing is also a little bit you know, you cannot really compare because nobody else does it. But we want to do it to show others that, and we know that the consumers value of this part of the service that we are going in head of opening the pricing.

But this is one of the challenges. But did you also ask about challenges in the food hub? Yeah. So the challenges is, of course, to reach out to people with a new model and it might seem a little bit complicated when you have the conventional retailer is open 24 seven in a way in Finland especially. So now in our model, you are ordering in advance. It works like this, that we sell products every week. But for this coming week that the possibility to buy was closed in the last night in fact, Tuesday evening. And then people have paid in advance and ordered. And then the order goes to the producer who brings these products to the pick up points where you can flexibly pick them up on Thursday, Friday. But we have had a lot of work with developing the model and perhaps not money for marketing and so on.

So I would say a big challenge is to do get people to test the service and in first it might be a little bit complicated because it's a new way. But after you're done it and I'm using it myself all the time, so I think it's really simple and very easy and it doesn't take many minutes to order. And I I don't think it's very problematic to go and pick up your, you know, what you bought. You know, it's it works. But we are struggling a little bit with this that we need to get more users. And also, of course, a challenge is to have interesting products because we also see and good example is that we have a fisherman providing fish, and for example, last week he wasn't there with his products and people might get disappointed, you know, hey, why we don't have fish today and so on. So it's also a lot of how we communicate.

And it's a way it's a challenging thing to be able to communicate to the consumers these things that small producers perhaps they didn't get fish this week. So it's not like going in a shop, but you get everything you have to do a little bit, adjust to that.

Yes, we completely understand. And as you all know, farmers have to compete against the big giants in defence. We just want to focus on profitability and it doesn't really matter for them if consumers eat in a healthy manner or not. So we don't pay attention where the elements are coming from. And I think it can have a negative impact on the food chain because of, as you said, of the overproduction. You know, the shops are open 24 seven. So how can your food project can reverse the trend and overcome the situation?

Of course it's difficult, but we reach out to the consumers who are our forerunners and want to change because this there's a group I don't know how big it is. It's interesting question, but I think for a lot of people, the local food is really important, and also a lot of consumers are very aware of this war situation for the producers in a way. And it's really weak in this chain. So there is a group, who wants changed and is willing to do it.

But, of course, Let's say we might start something here. It will take you know, everything takes a long time. But through this platform, really, because as a part of, you know, we have these pick up points and this way how we work. But we have developed the really the platform where you order and work on it. We are really proud of that. It's really advanced. And, you know, we are also, it's used already in Turku.

Yeah. And then we have a guy it's really interesting, you know, it was a guy who contacted us from Kuopio. It's in Savo region and it a region said he wants to do something. So he started to use this platform as a person, you know, just him. And so this is really encouraging that there are people wants to do things and of course young people are really, I think in central position here because you are the ones who can change things. And the older people, they were doing so earlier.

But I have to say, we have a lot I would say if I look at our customers, but are a lot of women and especially a little bit sort of middle aged women who are using this service are are interested in this. So it's you cannot categorise. We have a lot of different people using using this. Yeah.

Yes. Thank you. We would also like to know what feedback have you gotten like from farmers and customers?

Yeah. After we got it, we stuck with the producers. So you probably all know about this REKO system. You know, we have a system that is run through Facebook that you can order from farmers, and then they come to some place and you pick it up. And the producers who are just have been from the start in this project, they like the flexibility in this model that, you know, they have about one and a half day to come and get the orders through this food, have these pick up points and that gives them flexibility compared to the REKO model where you have to be at a certain place.

You know, and it's a little bit crazy, in fact because farmers are driving after each other through this parking lots, and it's really crazy because farmers have a lot of work to do on the farm. So that's an example that the farmers value the model for that, and of course I would say that they also like this model that they can decide how they priced the products of course.

And then from the consumer side, we get the feedback, it's really interesting. We could have more users or customers, but we have a lot of really loyal customers that they are coming week after week. And I think they somehow they, probably it's a little bit too personal question also for who this type of system, you know, works.

But, then we also, in fact, at the moment we have only two pick up points because we are a little bit in the middle phase now because we are starting the new cooperative and so on. We had as at most we have had five pick up points, I think.

But we have also home deliveries and that's something that in Espoo, and Helsinki, and that's something that a certain type of customers really value a lot the possibility to get their orders home home delivered.

So I would say we had got very positive feedback, but as I started, we could have more people using it than we have today. We are working on that, we need to, we have now about 50 perhaps orders a week and we should come up to 200 orders a week to to get it on a stable, stable ground. Yes.

Thank you. And that was also the next question raised a little bit, the future. Well, from 50 orders to 200, that's a really concrete thing what is your time line for it?

Well, I would say it's during this year. During this year. Yeah.

Great.

Yeah. So that means that if we put it also to turnover we calculate. And it's easy to for you also to calculate what it means. But we aim at the turnover of a half a million euros. And, and I would say that's sort of the minimum that you need to be able to develop this, model. And. Yeah. So that means that it leaves about €100,000 to the food hub because 20%, as I said. so it's left to the. And that's sales included tax. €500,000.

Yeah. And with this leftover, what would you like to develop in a food hub?

Well, of course we want to develop, of course, the platform probably put some money. Okay. We need also some personnel would be able to pay decent salaries to people. And probably also in marketing, we would need to put some. Yes. Yeah.

And one more question. When you said you would like to have 200 orders a week, do you still or would you wish some growth in the farmers network or if that's quite established already?

No, that's a good question. I try to explain it because, when it comes to the producer side here, we want to have an interesting offer to the consumer, but we don't want to have ten honey producers. We want to have one, because then it's interesting for the producer, and of course, if the market grows, we can. And the product is that the food producers don't have product enough, then we can in the board of the co-operative, we can decide that. Okay, we take somebody else on board also.

But at this stage, we want do we want to have an interesting assortment of products, because we can really see and this is something that we knew was starting to follow a little bit closer that we see very clearly that as I said earlier already, that if you are out of eggs or something, which is really important for people, that means they buy less, so and also we calculate with this 200 customers with an average that they buy for average €50, you know a week, so that's €10,000 a week income or turnover, through the food hub.

So, yes, and we are following that also closely. So it's about 50 €60 is the average purchase for per customer. And then, of course it's really important to say that we are now establishing a cooperative, so we are also seeking members in the co-operative and we really we strongly believe that with two. In the first phase, we have a goal of 100 consumers and ten producers, and we think with a group of owners like this, we can reach out, you know, much more to new people.

So, a lot of I would say the co-operative, the thinking is that we really want to activate people or the owners, because if we don't activate the owners, we won't have this cooperative in the future. We need to make sure that we can provide this service. And then we have this certain growth that I tried to describe to you.

Yes, so interesting. Okay, Thank you. Thank you, Rick for all the elements considering food hub from its origin to its challenging and also the perspectives of evolution. So now we are coming to the last part of this exchange with you. And I think it's important that the division and the desire that you have, I think you can you can increase the the importance of changing certain details in our lives that can have a considerable impact on our planet. So I would like to ask you, what advice or sorts would you give to people who want to have a positive impact at their scale and haven't yet taken the first steps?

Very good. I like that question. Yeah, I think it's good to remember that every time you make a decision, you know, it's a little bit like voting in an election. You know, it might feel that it doesn't make any difference. But in fact, you know, every decision makes a difference. And of course, if you also influence your surrounding, then very quickly, we can do a lot of difference.

So, of course important is to because it's not so always so of course easy to understand what is a sustainable development, so that needs of course discussion and what is fair and what is right and what kind of society do we had. But if we talk about the food sector, I think we need some new models and they need support, so I think I hope that there are enough people who want to have these changes and support new ideas because we need new ideas, of course, the old ideas are working in a certain way no problem, but if we want to have an impact on society and change certain things, then we have to start to think in a little bit to new ways, I think. I don't know a little bit. I don't know if you got my point, but.

Yeah, I think we've got your point. Yeah. This was really inspiring.

Yeah, I can tell you so much that it really started for me, you know, it took quite a long for me before I started to do these changes myself. So, I really, I put forward to you that don't wait too long because you get older all the time and time runs really quickly, you know, in a certain when you get kids and so on 20 years, you know, they it goes like this and then you get then 40, 50. So be brave and try to, if you're disappointed in something around you, try to find out the new way to do something, you know, and try to develop, and then you also need to have other people, you have to find the right people, you're not doing anything yourself.

In this also project, there's certain key players, so key person so without, you know, you're not doing yourself, you are lying to yourself. If you think usually there are some people who are standing up and presenting something. But there's a lot of people around, you know, have been part of that and also, you know, very many challenges along the way, you know, with financing and stuff like that, you know.

So I think we are in a way, we are a Start-Up, you know, still, but when we are not a company in a traditional way, you know, it's not so easy to get financing because this is not something where you can get an exit on a corporate. The cooperative is more the people that it's the people who want a change together. Yeah. Okay.

And a few more. I was thinking when you said it was quite hard to get funding. I really want to ask this question, even if we are in the end. Have you gotten any funding from the Finnish government or from outside investors?

Yes, the really thing that got us going was that we got the discussion, you know Sitra, it's a foundation for Finnish independence, something like that, and they have a quite a lot of money and they want to promote new ideas in different sectors and so on.

And we had a discussion with them three years ago, I think, and we got some money from them in the start, but, you know, at things like this, they take at least I would say, three years. So you have to just keep on going and trying to get money from different.

And we got also, because farmers have this common agricultural policy, and we could get some money from this EU rural development fund from Ely-Keskus. So we got two years, first for one year and then for the second year we got funding from them. And also from private funds, that's foundations who are close to the agricultural sector. They wanted to fund us.

So, but it takes a lot of work and you are only a little bit nervous all the time that how can we go on the next year as on. But we are now here and and it's looking so far far good, but I have to say that we will have a lot of challenges yet, but let's hope the best. And if we don't manage, somebody else will take it then forward after. Yeah.

Yeah, okay, and the end with, is there anything that you'd like to add or something we did not ask.

No, I think we have a really good discussion and gone to the most important or the central things about this.

Yeah. Great. I think we will then wrap up and there is a lot of learning for us to take with us and thank you.

Great. Hey, good luck with the studies.

Thank you.

And see you around. Okay.

Thank you.

Bye.

Thank you. Bye.