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# Finding Sustainable Economic Models in Urban Agriculture

## WORKSHOP 3: Focusing activities and resources for financial sustainability



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# AGENDA WORKSHOP 3: 11th of November 2021

**16.30 - 16.40** Greetings from the organizers and introduction of participants

**16.40 - 17.30** Brainstorm on Cost and Revenue Structures for your New Business

**17.30 - 17.45** Coffee break and food

**17.45 - 18.15** Social Enterprises: what are they and how to plan for financial sustainability?

**18.15 - 18.45** How to finance your urban agriculture initiative or project in Oslo

**18.45 - 19.00** Evaluation of workshop nr. 3 and workshops wrap-up

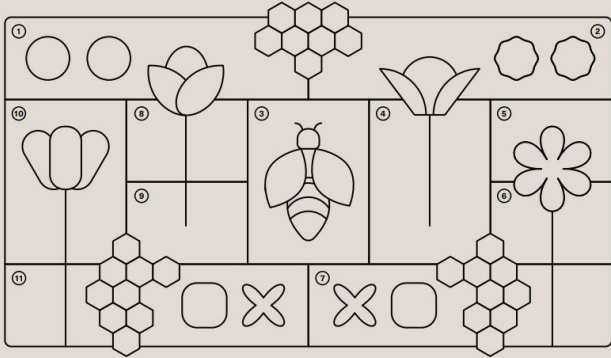


# Round of Introductions

- **Name of your Edible City initiative, organization or business**
- **What do you sell? Products and/or services**
- **To whom?**
- **Why is your product or service valuable?**

# EDIBLE CITY SOLUTIONS CANVAS

## GROWING JOBS IN URBAN AGRICULTURE



## PLAYBOOK

[Download here](#)

01 DESCRIPTION OF IDEA/CONCEPT/ORGANIZATION		02 VISION & MISSION		
10 KEY PARTNERSHIPS	08 KEY ACTIVITIES	03 VALUE PROPOSITION	04 CUSTOMERS	05 COMPETITORS
	09 KEY RESOURCES			
11 COST STRUCTURE		07 REVENUE MODEL		

# Finding Sustainable Economic Models in Urban Agriculture

**Workshop 1: Identifying and communicating your value. Date: 30th of September (from 16:30 to 19.00). Location: Linderud gård in Oslo.**

**Workshop 2 - Enhancing customer relations and strategic partnerships. Date: 21st of October (from 16:30 to 19.00). Location: Linderud gård in Oslo.**

**Workshop 3 - Focusing activities and resources for financial sustainability. Date: 11th of November (from 16:30 to 19.00). Location: Linderud gård in Oslo.**



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## Workshop 3: Focusing activities and resources for financial sustainability

**How you spend your limited time matters. In this final workshop we will look at how to best utilise your time and resources to move towards better financial sustainability. We will work through some of the challenges of determining how you should price your goods and services in relation to the time needed to produce them, how to take advantage of public funding schemes to obtain capital, and the basics of financial models and accounting for your initiative. While this workshop might sound the scariest, we promise to keep it approachable, and are certain that afterwards you will better be able to steer your project towards financial sustainability.**

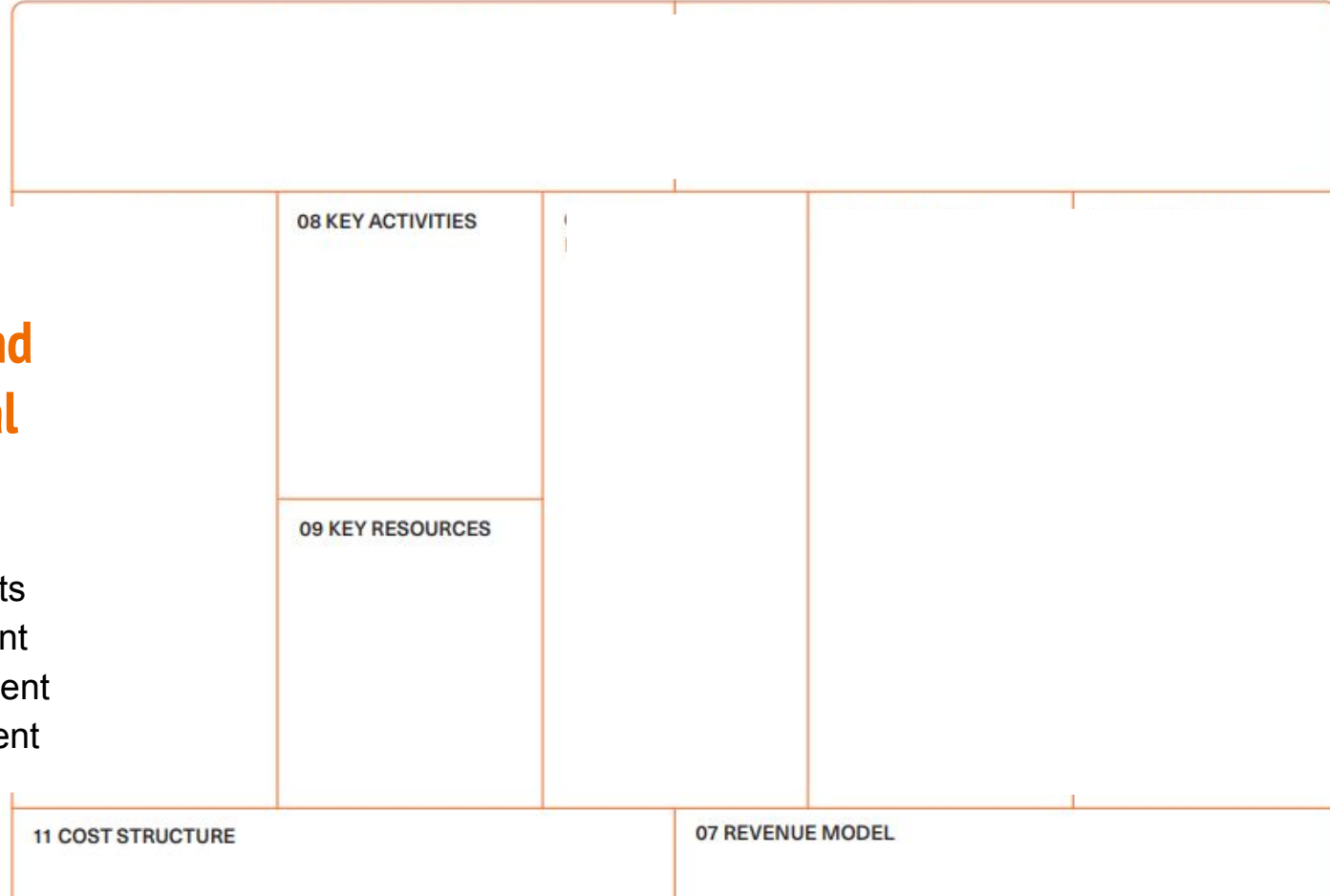


## EDIBLE CITY SOLUTIONS CANVAS

### WORKSHOP 3

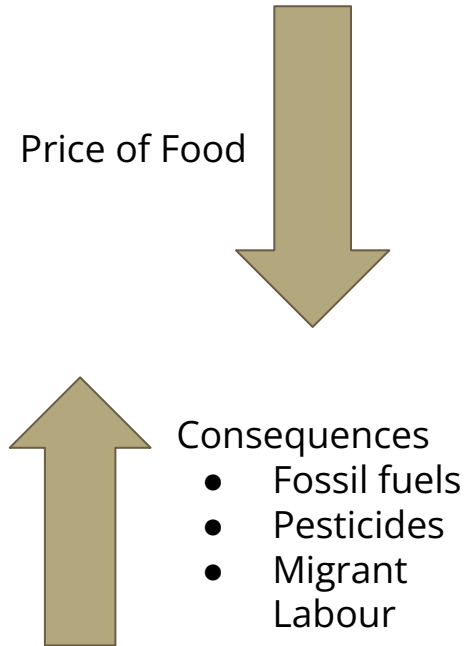
### Focusing activities and resources for financial sustainability

- Key activities segments
- Key resources segment
- Revenue model segment
- Cost structures segment



# Agricultural Cost Model

- Historical Perspective
  - Industrial revolution
  - Machines and efficiency
  - Growing middle class
  - Spend less of income on food
  - More people can work on other societal problems







# Approaching a Cost Structure

- What you're doing is new!
  - You are trying to reduce the consequences - and create different prices structure
- As with all experiments, you need a hypothesis ( hypotese )
  - What kind of model will work? How confident are you that it will be successful?
    - Important because you're exploiting yourself
    - Also important because we need to change food systems quickly
    - Hobby vs Job
- What is your financial goal?
  - One page personal plan
  - Values vs Compromise
    - Summer vacation? Using machines? Pesticides?



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# How much for a carrot?

- Price
  - 25 kr per bunch
- Production Potential
  - 6 bunches per square meter
  - Current farm size, 1 000 square meters
  - Potential to grow 6 000 bunches
- Labour
  - 15 minutes labour per bunch



Photo Credit, Scott 97006 - Flickr

$25 \text{ kr} \times 6 \text{ bunches} \times 1\,000 \text{ sq meters} = 150\,000 \text{ kr}$   
 $15 \text{ minutes} \times 6\,000 \text{ bunches} = 1\,500 \text{ hours (9.25 months)}$

$150\,000 \text{ kr} / 9.25 \text{ months} = 16\,216 \text{ kr per month}$

# Fixed vs Variable Costs

- Fixed costs
  - These costs do not change based on how much you produce
    - Tools
    - Infrastructure (Greenhouse)
- Variable Costs
  - These costs will change based on production
    - Water
    - Seeds
    - Fertilizer
    - Labour

# Costs Per Month

- Is this fixed or variable - estimate how much for each!
  - Inputs (seeds, water, etc)
  - Transport
  - Markets (fee to Dagens, pay a fee for a booth)
  - Land costs
  - Labour
  - Marketing
  - Packaging

# Things to keep in mind to reduce costs

- Efficiency in production
  - Are you using all of your space?
- Maximize fixed costs
  - Reduce the cost per item
- Subsidised labour and when to use it?
- Can Sustainability reduce costs?
  - Collaboration, partnership can also reduce costs



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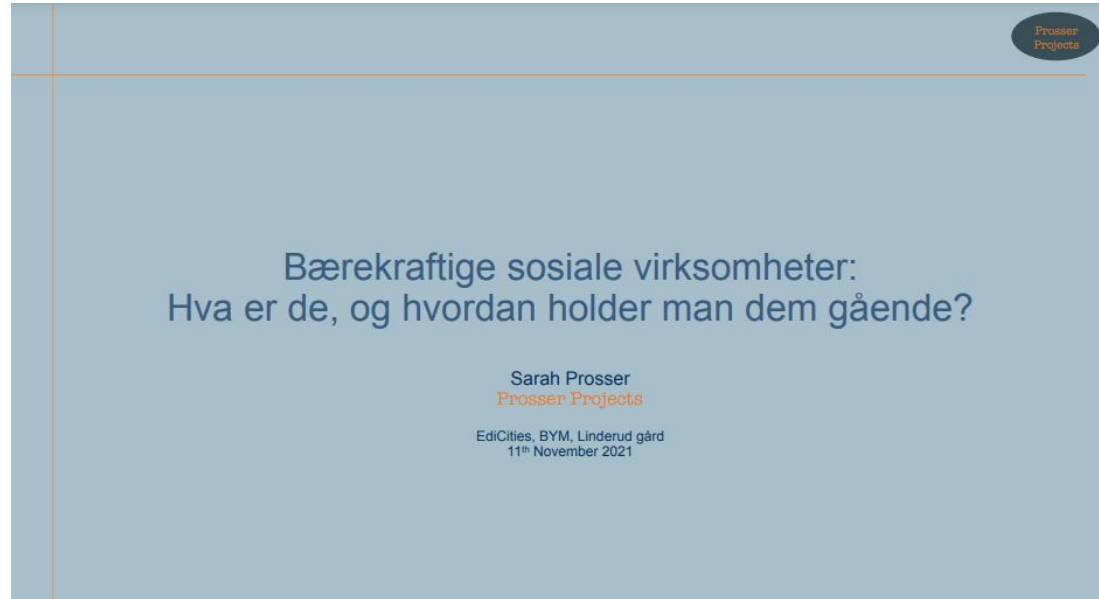
# Increase Revenue in Urban Agriculture

- Differentiation
  - Heirloom, cultural vegetables, processing and distribution differences
- Diversification
  - Sell more than food: education, social care, landscaping, recreation, etc
- Low Cost
  - Keep costs down by using waste resources, creating partnerships
- Commons
  - Public land, knowledge, varieties of seeds, etc
- Experience
  - Close to consumers, people pay for experiences

# Social Enterprises:

## What are they and how to plan for financial sustainability? By Sarah Prosser

Download the  
presentation  
[here](#)





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# How to finance your urban agriculture initiative or project in Oslo?







# Which funding fits best for your situation?

No one fits all solution. Questions to consider when choosing a funding method:

- How old is your company?
- Do you have a business plan?
- Do you have a product or service?
- Have you tested your product or service in the market?
- Where is your company registered or taking place?
- How much time are you able to spend developing/ working with your business idea?
- What exactly do you need funding for?

# How to finance your urban agriculture initiative or project in Oslo?

Here are some options:

- **Keep your dayjob** until you have the business up on its feet and have enough customers. Maybe working part-time is a possibility.
- **Own funds (bootstrapping)**. This is the most popular way of getting started: found and build a company from personal finances.
- **Friends and family**. This could be as a loan, a gift or for shares in your company. We recommend formalising such agreements to avoid disagreements.



# Public funding

Public grants for testing and adaptation of a NEW product, service or activity.

Topic	Area/location
Waste and recycling (6)	Alna (7)
Construction and housing (11)	Bjerke (6)
Volunteering (40)	Frogner (6)
Health & Social Care (25)	Gamle Oslo (8)
Sports & Leisure (36)	Grorud (5)
Integration and inclusion (30)	Grünerløkka (9)
Korona (7)	Nordre Aker (6)
Arts & Culture (30)	Nordstrand (5)
Local and urban environment (44)	Sagene (6)
Environment and climate (39)	St. Hanshaugen (9)
Business development (9)	Stovner (6)
Transport (6)	Søndre Nordstrand (7)
Education (8)	Ullern (5)
	Vestre Aker (6)
	Østensjø (8)

- Usually small amounts
- Often not include operation costs (drift kostnader)
- Partners
- Some may require other funding or self-funding
- Audited account (100 000 kr)

# Public funding

Public grants for testing and adaptation of a NEW product, service or activity.

Relevant public grants for urban agriculture initiatives, social and environmental enterprises:

- Tilskudd til urbant landbruk - Deadline: 10.01.2022. Informasjonsmøte om tilskudd til urbant landbruk: 01.12.2021
- Grønne midler - Deadline: Jan-March 2022
- Nabolagsmidler i Bydel Bjerke - Frist: fortløpende. Støtter små tiltak som kan stimulere til godt nabolag og bidra til å styrke det sosiale livet i nærmiljøet.



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# Public funding

**Government grants and loans** suitable for startups that has a product or service that has been tested in a market, and a business model in place.

- [NAV & StartOff](#), a national program designed for startup-friendly procurements.
- [Innovation Norway grants and loans](#) for startups and growth companies.
- [Skattefunn](#) offers tax reductions for companies who has or is planning to start an Research & Developer project (check here if you are eligible [here](#)).
- [Altinn](#) offers an overview of more financial opportunities for startups (formål og bransje)
- [Horizon 2020/Europe](#) offers funding for research, innovation and commercialisation activities (NB! PES2020 Økonomisk støtte til å skrive søknader rettet mot Horisont 2020)
- [EEA and Norway Grants 2014-2021](#) covering areas ranging from climate change and energy to innovation and sustainable business development.

# Private funding

**Bank loan:** Private banks (ask your local bank) and [Innovation Norway Start-up loan](#)  
**Incubator and accelerator programs for startups**

- **Incubators** - to help survival at an early stage
- **Accelerated programs** - to speed up, or accelerate, the scaling of an established company - -  
- **Impact start-up deadline 16th of November**

**Crowdfunding** - you need a proven (secure) business model.

Different types (equity-based, rewards-based, loan-based and donation-based)

- [A guide for Crowdfunding](#) and Cultura Bank ([netkurs i folkefinansiering](#))
- Norwegian and international, such as [Kickstarter](#), [Monner](#), [Spleis](#), [GoFundMe](#), [Indiegogo](#), [Folkeinvest](#), [Startskudd by DNB](#), [Norgesvel](#), [Oslo Soup](#).

**Angel investors** - In Oslo you can check out the [Angel Challenge program](#) and [Norban](#)

**Private foundations** like [Sparebankstiftelsen DNB](#), [Stiftelsen Scheiblers](#), [Gjensidigestiftelsen](#)



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 776665