Swell AI Transcript: The Digital Revolution of Small-Scale Farming

Pete Russell:
They've realized, wow, we can now start our own farm because the demand is there. And there are certain crops that we want to be able to produce ourselves. And so now they've created their own farm. They've gone and hired at least a field. and puts polytunnels in, and then now they're growing their own food. They're still buying from their other suppliers, but they're starting it. So it's actually catalyzed a new small-scale farm in that region. That's amazing.

Matt Eastland:
That stat at the start about, you know, 100,000 small, small-scale farms have collapsed. Actually, this model is actually generating new small-scale farms off the back of it. Amazing. I love that. We've all seen how big corporations often grow by buying out smaller companies and becoming powerful giants. And scale can mean choice, convenience and cost-effectiveness of foods. But large can have its downsides, such as harming the local environment, overly processed foods and weakening traditional community connections. Now people are craving simpler, more authentic connections and this shift is creating new demands that big corporations struggle to meet. So what does that mean now for small-scale producers? Hi everyone, I'm Matt Eastland and welcome to the Food Fight podcast brought to you by EIT Food. This series explores the greatest challenges in our food system and the innovators dedicated to solving them. Today, I'm super excited to welcome Pete Russell, founder of Oooby, to the show, a platform putting small-scale back at the heart of our food systems. Over the past decade, Pete has built a decentralized marketplace that empowers local farmers and reconnects communities with their food sources. And in this episode, we'll explore Pete's journey from importing frozen pastries to founding a transformative platform for local food. Thank you for joining us, Pete. It's a real pleasure, Matt. Thanks for having me. Great to have you on the show. I was reading an article from 2021 around small-scale farms, which said that data reveals that 100,000 UK farms have been lost since 1990, 100,000, which is staggering. And they talked about the reasons due to Brexit, COVID-19, and farms not being able to keep up the cost of maintenance, things like that, which really highlights the issues going on for small-scale producers. And recently on the show, we also had a TikTok star on Young Farmer Will, episode 120 it was, who said there's just not enough opportunities for the next generation to get into farming because it's an unreliable industry. And, you know, he says it's very difficult to turn a profit and things like that. So he really highlighted how hard it is as a farmer and particularly as a small scale producer. So do you think that small-scale producers are doomed in this day and age?

Pete Russell:
I think they have been doomed. I mean, 100,000 of small-scale farms are at least down to 10,000. Really? That's scary. That's nine times

decimation, right? Yeah. The way I look at it is it's been a pattern that's occurred over the last four generations. With the green revolution, the onset of the green revolution just after World War II. being a real catalyst for larger scale production. And that then brought the whole supermarket model to bear, which then brought the whole sort of industrial food model to play.

Matt Eastland:
Which, of course, back in the day was seen as really important and it was necessary to get the calories.

Pete Russell:
It was absolutely necessary. And there's nothing like I think the other point to make up front here is this isn't about blaming or pointing fingers at anyone. This is just a human nature phenomenon. that we're going through, and what's coming up next isn't, again, a human nature phenomenon that we'll go through, and we're all just playing our part in it. It's just recognizing the cycles. But yeah, in the last, so you said 100,000 since 1990. I mean, that's insane. That's 30 years. So for those 100,000 farms that have gone under, they met their doom. Their doom's already happened, right? And the question, I think, is, Is that doom going to continue? And no, I don't think it is. In fact, I think that's what happens is like after a bushfire goes through, it never completely kills all of nature. In fact, it kind of primes a space for that whole new regeneration to happen. So yes, doom has happened. And now we're seeing the green shoots coming through and it's really evident.

Matt Eastland:
And Oooby was born out of a moment when you actually realised you were part of the problem, right? So you saw that in the global food system you were actually causing more problems and how can you help small-scale producers instead? So can you share that story with us and how did that realisation of the fact that you thought, actually I'm contributing, how did that lead to the creation of Oooby?

Pete Russell:
You know, I grew up in a little small holding out southwest of Sydney, and my mum was into permaculture and all that sort of stuff. So my childhood and background was all very much around small scale and local and organic and that sort of thing. Um, but I was, you know, I'm an entrepreneur and, and as a young man getting into business, it was all in the pursuit of the dollar. Um, and at one point we, we, a few friends and myself, uh, had a, uh, a patisserie in, in Marrickville in Sydney. And it was our own, it was a kitchen. We had our own pastry chefs and kitchen hands, and we were, we were baking pastries like croissants and Danish and stuff from scratch. and selling them to around 100 cafes around Sydney, all the sort of the nice artisanal, you know, beautiful cafes. But we were hungry and greedy and we wanted more, you know, and it wasn't greedy. We

weren't making enough money, really. You were young and ambitious. Thank you very much. That's a nice way of framing it. We were young and ambitious and we wanted to more. The only two paths to growth we could see is one is we had to get a whole lot of capital in to make our kitchen bigger. And we ended up doing a deal with a company that represented all of the biggest producers of pastries in the world, you know, Belgium and France and so forth, the biggest industrial scale kitchens in the world for this stuff. And they would produce it, par, bake it, freeze it. And then we would buy that, we had the exclusive rights to that range, and we would buy that, stick it in freezer shipping containers and ship it to the other side of the planet and sell it into the supermarkets. We were able to just take all this market share away from all these small artisan patisseries, our own one included. We ended up letting go of a lot of our staff because we didn't need them. And then we just took all this business from all these small scale patisseries because we could just do all the supermarkets across the whole country all in one go. Wow. Right. So a lot of the soul came out of the business experience, but we were making a lot of money. So that offset that. It was a counter. And then I moved to New Zealand because we were in Sydney at the time. I moved to New Zealand. with the view to expanding the business into the New Zealand market as well. And then the global financial crisis hit. Yes. And what that did is because we were paying in euros for the food and the exchange rate spikes between the Australian dollar and the euros went haywire, overnight, literally overnight, we went from making a good profit to making a big loss. Um, because our costs went up like 30% overnight. Uh, and the more we sold, the more money we'd lose. And of course the supermarkets weren't going to budge. They didn't say, Oh, really? Sorry for your mate. You know, they were like, no, you've got a contract here. You've got to fill the contract and you're going to have to find a way to fill the gap yourself. And that combined with the fact that, you know, our son had just been born, combined with that, you know, I just sort of moved to Waiheke Island, which had a different worldview, combined with my childhood and so forth, it just kind of created a situation where I started to think about what's the future going to look like, you know? And am I contributing to the problem or am I part of the solution? And what I felt was that 2008 was the beginning of what could potentially become a series of crises of ecological or economic or social crises that we were facing. And that food is the most important foundational layer for being able to be resilient through whatever crisis we have. I had this idea of like, wow, if what I've learned being in the food game up to now could be applied to a new kind of food system, a new kind of food model, then maybe there's a way through. Maybe there's a way that a new kind of blueprint could be established that could be the way that we do food. I tried to come up with some ideas, some names. My granny used to, when we went around to her house for dinner, she would say, oh, the tomatoes are OOTG, out of the garden. the eggs at OOTCB out of a chook's bum. And so I was like, we'll call it Oog out of our own gardens. And then my wife said, that's a stupid name. Call it Ooby out of our own backyards. And then I just got completely besotted with the idea. And I exited my company at the worst possible time. I didn't have,

you know, it was a bad time to try and exit because we were in, it was in a difficult situation. But I was so, I was so inspired by this idea of being able to, of seeing small scale food reclaim market share. I could see that the way that the food system would work in the future, if it was going to flourish, would be a completely different model to the way it is now.

Matt Eastland:
Amazing. But I'm interested in terms of how you went from your original, OK, you were making pastries in the kitchen and then you've expanded out and then you realized that your way you really want to invest your time was in this new space with Oooby. So Oooby started as a middleman between farmers and consumers, but it's since evolved into a platform that empowers farmers to manage their own supply chains, which is really interesting and I imagine not an easy thing to do. So can you talk about the evolution and why you decided to go in that direction?

Pete Russell:
Yeah. Well, the direction of it being a platform where farmers and food producers can control their own supply chain, that was actually the intention from the beginning. But we we didn't know what that would involve. And so we thought, you know what we'll do, we'll create one and we'll be the hands and the feet in between the gate and the plate. And then we'll design the software for that. And then once we've figured it out, we can then, we'll just do the software. And we figured it would take about two years. Okay. And then nine years later... Nine years later, you were an overnight success. Yeah, exactly. Exactly. Nine years later, we were running our own, what you call food hubs, in Auckland and in Christchurch and in Sydney. They were company owned and we had our own warehouses and delivery vehicles and forklifts and cool rooms and all of that. But what we had done over those nine years is we had just been building our own software for ourselves. We were our primary user of our software, as well as the customers, the households that were buying from us. And we were consistently just improving that software and getting it to do any of the sort of administrative, recurring, boring, time-consuming tasks that would allow us to leverage our time. And so then finally, nine years later, was when I moved, the family and I, because my wife's actually British, we moved here to the UK. And that was the point at which we let the local teams have the hard businesses, like as in the actual hubs, the hardware side of the business. And we finally realized the idea of, okay, now we've got a software system that we can make available to other people. And it was a big risk because we were coming into a brand new market that I really didn't know anything about. And actually it didn't seem that there was much appetite for it. until of course, when the lockdowns came and people were unable to leave their homes and everyone started to go to their, couldn't, the slots were filled up with the supermarket home delivery. They start looking elsewhere. They found their local veg box schemes, or they found their local food hubs and the demands went up. And then, and then all of a

sudden we were starting to get calls in saying, Hey, that thing you were telling us about, tell me what it does again. And, and that's. That's where the pivot started to get a bit of traction.

Matt Eastland:
Let's talk about the tech itself. So for our listeners, then, how does the whole process work? So how does somebody go from signing up to actually getting the food from the local producers? And what's going on behind the scenes that I'm sure you're making look extremely simple, but it's probably extremely complex.

Pete Russell:
Right. So there's two ways of looking at it. It's either from a customer point of view, like a household point of view, which is what you've just referred to then. How do they go about it is they will discover from one way or another that there is a local farm or a local food hub in their region, in the area that delivers to them, or that there is a pickup point not far from them. They go to the website. They see whoever it is. They'll see Shillingford Organics or Moss Valley Market Garden. Oooby is in the background. We're more like a Shopify specifically for this type of business model. And the products will be displayed. They can add things to their cart. And then they go to checkout. The main point of difference is that everything is sort of biased towards subscription. So you'll add something, but you'll be like, you know, you want that every week, right? And people are like, oh, I never really thought about that, but yeah, I guess I do want it every week. So it's very much a subscription-based model, recurring. But you can add things just once off, and you can say, oh, I just want it every second delivery, and so forth. And so then you go to the checkout, you pay for your first delivery up front, and then you wait and it turns up on your doorstep and you open it up and you've got the most amazing, freshest, nutritious food you could possibly imagine. And you can't believe you didn't do it before. So that's the household experience. And you also are dealing directly with the farmer or the farmer's wife or, you know, the people working on the farm. And the person who delivers it to you is typically has just been out in the field that morning, has loaded your box into the farm van or truck and has delivered it to your door. And so you're dealing with the people who are producing your food. Like you've got this intimate connection with them. But anyway, so that's the household experience. Our primary customer is the farmer or the food hub operator or the artisan food producer. they're the ones that we focus most on. And for them, it's about, they hear about Oooby, typically now it's through someone else who's running on Oooby, and they come to our website and they see, okay, what this does for me is, number one, is it gives me an online shop, a place where I can sell my food. Two, it means that my customers can self-manage. They can pick and choose whatever they want. Three, it means the communication with the customers. A lot of the communication, whilst it's customized to me and I can write in my own language and so forth, that's largely automated. So I'm not having to spend all this time handling all

these customer inquiries and so forth. A lot of the hubs and farms will produce a lot of the food that they sell, but they then augment their range with bread from their local bakery and milk from their local dairy and eggs from the local chicken farm. And so they actually are able to provide a full farm shop range with them at the heart of it, with their food at the heart of it. So it'll organise the harvest list plus all the orders for the other supply that they're bringing in. It prints out all the labels to put onto the boxes. Amazing. It figures out the order of deliveries, if they're going to be doing home deliveries, so that they can pack the boxes into the van, last in, first out, and then they get in the van, they put their phone on the cradle, they press go, and they just let's put a podcast on, right? And then they just go and do their deliveries and then job's done. And what it does is it basically, it condenses that whole administrative sort of headspace, cognitive load down into the minimal amount of time. And it means that they can basically run that business of sales and supply chain or sales and distribution in a really simple manner. And it usually just one day a week. And what it means is that instead of selling their food at like 20p in the pound or, you know, if they're lucky, 50p in the pound, They're selling their food at 100p in the pound. Right. And yes, they've got to do a bit more work. They've got to pack it into boxes and they've got to deliver it. But that's an extra layer. That's an extra business sort of stacked on top of their existing enterprise. So they have like a stacked enterprise and it's simplified so that it's very easy to do.

Matt Eastland:
Yeah. And I'm really starting to get a sense of why this is this is taken, you know, sort of the best part of a decade to get this right, because you obviously you've you've been through the pain of thinking through with with your suppliers, you know, OK, what are your pain points and how do we make that simple for you? And so has this are you finding that this is really disrupting like that more traditional food supply model? And how scared are the retailers that work for these sorts of models?

Pete Russell:
I mean, I don't think they even know we exist yet. You know, we saw the food market is so massive. It's so vast. that we are really just, just tickling the edge at the moment. Um, but it is, the point is that it is, it is really working. Um, and it's, it, it works for every member of the supply chain. It works for the, the farms or food hubs that are running the hubs, what we call the hub function, which is that, that where the food comes into, gets packed and dispatched. It works for them. It works for the people that they're buying off it for whatever they are buying. And because It's, we call it a pull to market model where the sales, you sell it first and then you only harvest or, you know, or deliver to order. So there's no waste. Right. Right. It's really fast. So, so the, the farmers and so forth, they get heads up because it's a subscription base as well. You can tell the farmers, okay, we need this for this

week, but next week we're going to need this and the week after we're going to need that. So it provides stability. It provides predictability and stability. Um, but the other thing is that you have, when you're harvesting to order in some cases, it's, it's literally. I, uh, you know, a lettuce will be harvested in the morning and on your doorstep that afternoon, because why harvest earlier, just harvest at the latest possible time. Cause then, you know, it's, it's, so it's just like, it's just a very fast, which means it's nutritionally as high nutrition as you can possibly get and no packaging is required. You don't need plastic. You don't need packaging, right? So it works on so many levels. And it just means that there is so much more margin in the retail price for the fewer hands that it goes through on the way from the gate to the plate.

Matt Eastland:
And I kind of listened to you and I'm sitting there thinking, this just makes so much sense. And why hasn't this happened before? Why isn't it happening more now? I mean, if everyone benefits and it feels like what you're saying is the system itself is also benefiting. Why has this been, isn't it more prevalent?

Pete Russell:
I think there's a few reasons. Food isn't like anything else that you buy. You buy some shoes from time to time. You buy makeup from time to time. But food, it's so habitual. It's almost a different part of the brain that does food shopping than any other shopping because it's so recurring. Um, and it's, it's, it's, so it's very hard to break habits. It's very hard to break a norm. You will change, occasionally you'll change your mind on what hairdresser you're going to go to, but very rarely you're going to change your mind about where you're going to do food shopping because it's just cognitively too heavy. Yeah. Right. But secondly, it comes back to price and convenience when it comes to buying a pair of shoes is like, yeah, it's sort of important, but when it's food, it's really important. Yeah. Right. Up until recently, small-scale producers just couldn't compete on price because economies of scale were so powerful that small-scale food was seen as boutique, right? Going to the farmer's market was seen as boutique. For sure, yeah. And it wasn't convenient. You had to get up at 7am on a Saturday morning, your kids are going, oh, I need to go to football, and you've got this and that, and so you'd only get along every now and then, and so it was a treat. And the third pillar that I see is awareness. So price, convenience, and awareness. People have got to know that it exists. Like supermarkets, people know they exist because there's a massive big store in the middle of town. They've got all these promotion campaigns, advertising, and so forth, and you can't miss it. Whereas these small producers, they've got no budget, and they're usually stuck on some rural lane where we'd never know they existed. So it's about how can we compete on price, convenience and awareness. And that is why it's taken so long to work, even though it is working now. So just like COVID was a real catalyst. the food inflation that we're seeing now is a real catalyst. And the reason

food prices are inflating more than generally is because of all the layers between the gate and the plate, and each one is affected by inflation in general. And so each layer has a compounding effect on the end price. Whereas when you're buying it direct from the local grower, there's not that many layers and the cost structure in that model isn't as affected by inflation as in the other models where there's more transports and more fuel, more electricity, storage, wages and all of that. So there's a lot of those things that just aren't in the calculation. And so now, if you're aware of it, you get way better value for money buying from a local farm or food hub than you would from the supermarket. But you wouldn't know it because Lidl's advertisements are saying we're the best value for money. They were two, three years ago, but they're not anymore, but no one knows. And then the final one is around convenience. And convenience ultimately comes down to, like the ultimate convenience these days is you pull your phone out, You do a bit of shopping, you press go and it's on your doorstep. Well, now the small scale farmers have got that up in their pocket. And so it's, I think that the last thing that is really needed now for this thing to kind of hit a tipping point is about awareness.

Matt Eastland:
You mentioned there about kind of connections. So, you know, bringing in other suppliers and improving choice. I'm assuming that that kind of community model is super important to you. And so how do you see small scale, ecologically sound food production being essential to the health of a local economy? Is it kind of underpinning everything?

Pete Russell:
Yeah, it is. And it's an interesting one. I mean, we've had debates and people have actually said to me, oh, you're actually contributing to the breakdown of the community because you're bringing technology into the place where normally there's face-to-face communication. And I've thought deeply about it. And if you want community, you need to have time for high-touch relationships, right? What the technology does is it doesn't remove the relationship component, it removes all of the boring administrative components, which gives people more headspace and more capacity to be able to engage with the community. All the interactions that are happening as a result of this business model being deployed into a certain region are farms are now starting to trade with other local farms. And a real farm is getting in a real lorry and driving over to another real farm. And that wasn't happening before? Well, it wasn't happening to the same degree because they weren't able to sell it as much. And then you as a farmer or you as a food hub operator or people you've employed are then getting in and going out and knocking on doors. Right. You can't deliver the food via an email. It has to have a real person turn up, pull up to the driveway, knock on the door. And it's, Oh, hi. Oh, that's great. Thanks. And there's interactions that are happening that would not otherwise have happened. Right. So it actually, the effect is, is

that it starts to breed new connections. Um, and, and they're, they're not, they're not levels of abstraction. They're direct. Got it.

Matt Eastland:
Yeah, yeah. Because I was going to ask you the question about, you know, how you balance the technology with the goal of fostering strong local communities and economies. But basically your view is that actually it complements.

Pete Russell:
It complements and enhances. One of the things we've got to be mindful of, and I think, you know, we have to be careful of is, I think, you know, farmers markets are the best, right? And what we could inadvertently do is kind of become so good at what we do that you don't need the farmer's market anymore. And that's actually something we've got to be very conscious of not doing. Because there's nothing, you know, it's one thing to have someone turn up at your doorstep, but they could end up being just another delivery driver, right? It's another thing to actually go and mill in a local town square or something like that and just be part of that vibe. And so I think it's really important that it's built into the technology to facilitate the farmers markets as well. And to be able to make it so that, oh, I get my midweek delivery to my door, but I've got reasons and incentives to turn up to my farmers markets on a Saturday. And maybe the platform is a way that incentivises me to do that.

Matt Eastland:
And let's kind of try and bring this to life for our listeners a bit. So can you, can you share a success story of a, of a small scale farmer who's really benefited from the Oooby platform?

Pete Russell:
Yeah, yeah. One of the great things about Oooby is that it's not a cookie cutter situation. Every different farmer or food hub is their own autonomous operation that do things to their own way. But what that means is there's different models. So I'll give you three examples. Um, so one of them, it would be Martin Bradshaw from Moss Valley Market Garden, uh, in Sheffield. Right. So he's got, uh, an acre and a half or two acres of land where he's got an amazing market garden and a polytunnel and he's got a team of like two or three of them. Sometimes, you know, others will come and help out. And he came onto the platform about four years ago. And what it's meant for him is he's able to look after about 200 customers, between 150 and 200 customers, and with a very small team of people. And he's able to he's able to pay a good wage a good good living for the people he works with and for himself and He's able to basically hit that sweet spot where he's not having to work so hard in order to make the money He's making and he's he's got what we what we

would call a very sustainable business model. Okay, right where His day-to-day work is get up, go to the farm, hang out with his friends at the farm, and they don't have to work too hard, but they're getting good money. Sounds idyllic. It is idyllic. It is idyllic. And before that, the time taken up with managing the customer orders and then dealing with customers that say, oh, I can't eat artichoke, and can you swap this out for that? And oh, I'm going on holidays, and can I not have a box that week? all of those things were just overwhelming. So it's taken one example with Moss Valley, it's taken a model that was working but was really hard work to it works and it's a whole lot easier. I love that. The next example is Sol Farm and they're down in Falmouth in Cornwall and they're like a community farm and Lawrence is heading that one up. And when they came onto the platform, they had, I don't know, 30, 40 customers or something like that. And for them, what Oooby's done is allow them to grow. So it's meant that they have got the ability to be able to go out to more customers. The customers come onto their website, they sign up really easily, and the whole experience is really nice. But it means that they've been able to actually grow three or four times what they were before. Really? So it all depends on what people are looking for. Martin from Australia, he doesn't want to grow. He's like, no. He's happy with- In fact, what he does is he says, there's no slots available anymore. You've got to get on a waiting list. And if someone leaves, then they can get in. But Pip, no one leaves. I guess he's creating a sense of urgency as well, right? Right. So you've got his situation where he's like, no, I've hit my sweets. But you've got, you know, SoulFarm is like, no, we've hired some more people. We want to grow. And so it's helping them grow. And then the third one is Hampshire VegBox. and Hampshire Farm. So what's really fascinating about this is it was started by Seb, who now is on the team with us, heading up growth. But it was started by Seb because when he was doing market research for us back in 2019, he was like, there's something in this. I'm going to start my own hub in Winchester. And so he started with an empty room in a little industrial unit. And first he went around and he connected with a bunch of local farmers, found out what was available. Then he set himself up on Oooby, and then he started canvassing letterbox drops and so forth, and started getting customers in. And he said, as soon as I've got 50 customers, we'll do our first delivery. So he was able to effectively start his first day of business with 50 customers. Amazing. Right. And started buying from those local farms. And then, of course, what's happened over time is he's built that up. He's got other business partners in and then they've realised, wow, we can now start our own farm because the demand is there. And there are certain crops that we want to be able to produce ourselves. And so now they've created their own farm. They've gone and hired at least a field. and puts polytunnels in, and then now they're growing their own food. They're still buying from their other suppliers, but they're starting it. So it's actually catalyzed a new small-scale farm in that region.

Matt Eastland:
That's amazing. So you're actually, you know, that's that at the

start about, you know, 100,000 small, small-scale farms have collapsed. Actually, this model is actually generating new small-scale farms off the back of it. Amazing. I love that. I mean, it all sounds super, super successful, Pete. But as with all of these things, I'm sure that you have had mega challenges along the way. And in some ways, that's kind of where we learn the most. So I guess there's two questions in there. So it's, you know, what are the main challenges that you've come across that you've overcome? And yeah, with the perspective that you now have, are you positive about where this is going next?

Pete Russell:
Yeah, like I say the first nine years. were super challenging. The first couple of years were just super exciting. And it was just enthusiasm. There was more enthusiasm than problems. And so we just overcame anything, because who cares?

Matt Eastland:
I don't need to sleep.

Pete Russell:
Yeah, that's it. But sort of year three through to year nine was just like a constant near-death experience. It was awful.

Matt Eastland:
That's year three to nine.

Pete Russell:
So you went six years of just grinding. of just absolute grinding and never really having more than three months worth of runway. Well, number one, it forced me to learn fast and to learn. I was constantly having to adjust my perception of things, adjust my map to the reality. It meant that we had to focus. We had to say no to so many things. and had to really narrow our focus down to saying what's the most important thing and only do that. And two, the other thing is we did try a lot of different things to try to make our product and our offering more relevant. But the market just wasn't hungry for it. And so we had to just work double hard in order to appeal to that small niche of customers that were there. So we were really forced to get creative around how we got our messaging, how we needed to relate to our suppliers. So our suppliers were small farms. And so we had to really, we had to have a lot of, sometimes we were late on our payments, right? And so that's, we were doing, you know, in those situations, like, I'm actually part of the problem for these farmers. If I can't pay them on time, you know, so having to build a relationship with them. Now that did not happen often, but when it did, it was really stressful. And so I had to understand their situation and go out and meet with them. And so it was just a deep immersion into the space. And a lot of constant

pressure and a lot of.

Matt Eastland:
Yeah, it was just it was just really difficult. You mentioned focus a number of times. It sounds from what you're saying, it's like a focus on just doing the one thing that you really knew that you had to do, the focus on on the area and, you know, really understanding the connections and, you know, establishing those personal relationships and the focus on that kind of core software which would then allow you to step back and do more.

Pete Russell:
Leverage. Leverage. It's a leverage thing, exactly. Obviously we take only a fraction of the value of the transaction, so normally a wholesaler will take anywhere from 15 to 30 percent of of a trade. With Oooby, we fulfill a lot of the functions of a wholesaler, but we take 1.9%. Amazing. That is truly disruptive. Right. But the great thing is I'm not in the trucks and I'm not having to do that. So we're offering some real value that we can leverage. So that's the key to it. But we couldn't have got to the point where our software was that applicable and that relevant without having been through those years of actually being the feet on the ground and doing all of the actual work. There's no school to learn that. You just got to throw yourself in and you learn by osmosis. And then when we're now, when we're talking to farms and food hubs about the system, it's, we understand the reality. And so it's very quick, you know, 80% of the people who look at the software, sign up to the software, which is incredibly high. But I think it's got a lot to do with, like, you know, farms and food hubs, that is, I think it's got a lot to do with the fact that it's so perfectly matched to their business model. It's not about taking... Built it for them. It's not about taking Shopify or something like that and then trying to hack it and twist it to do what they want. It's like purpose built.

Matt Eastland:
Yeah. And Pete, you know, looking ahead, it seems to me that you are fixing a really important part of what has been a broken system. What changes do you personally want to see in the global food system and how do you see Oooby contributing to that change? I mean, that is truly transformative change. Yeah.

Pete Russell:
Um, well, big question, big question. I mean, there's a lot to it. Like firstly, I think that one of the biggest problems we've got in food is a concentration of power in too few hands and therefore a lot of exploitation. at both ends, at the gate and at the plate end. So I think decentralizing is a huge part of a better food system. Yep. Decorporatizing, right, is a huge part. There's so many benefits to a centralized and corporatized marketplace for so many things, like we wouldn't be able to have an iPhone without that.

Most products that we get, we couldn't have had if we didn't have centralised and corporatised models. to deliver them. But food doesn't need to be that way. Food grows, you put a little thing in the ground and it pops out of the fucking ground, right? And that's the best food, right? When you put all that mass processing and all that through, it actually diminishes the food. It makes it worse, right? So food is a different beast. And the best food comes from decentralized direct, not packaged, not stored, and double and triple handled. you know, not frozen. Like so you get the it's just the best food when you when you're able to cut all of the intermediaries out of out of the system. Yeah. And we needed we needed this food system coming out of the out of World War Two with this big boost in production and this big boost in population. And, you know, I think it was a necessary experience for us as a society to go through. But I just think it's sunsetting now. We're seeing the diet-related illnesses that are coming from it. We're seeing the disconnection that's coming from it. Kids just don't really know what food is. It always blows my mind to hear that there are some kids that really don't understand that this thing came off a tree or came out of the dirt.

Matt Eastland:
Yeah, I guess we've got to take it back to basics, right?

Pete Russell:
Yeah, and I think we're hungry for back to basics. I think we've been doing like agriculture for 10,000 years, right? Thereabouts. Okay. So we've moved out of the hunter-gatherer thing and we've been doing agriculture for 10,000 years and we've been producing our own food and it's always been local and it's always been, you know, in harmony with nature. It's only the last sort of 60 to 80 years that we've, we've, we've kind of come off that, that path that has proven itself for 10,000 years where we've, where we've diverged from that. I think we get, there's a correction needs to happen. You can, you can diverge to a degree and that's great. You know, you, cause that's how you, that's how you innovate, right? How do you find things. But there's a point at which you're like, you've, you've innovated past the purpose of what this thing's there for. Like food is not. for making money. Producing and selling food is not about making money. It's about nourishing people. It's about survival of humanity, right? Yeah, you can make money doing it, and you have to be able to make money doing it, and you've got to be able to have a decent living. But the primary thing is you've got to make sure that what you're feeding is going to survive generation after generation. When something's not working to that degree, you just got to come up with a way to make it work, you know And I think this is and we're not the only ones doing this by the way I mean, there's a lot of activity going on around the world a lot of Organizations and and movements and so forth that have really have been working on this, you know forever but now there's more there's more of a movement of people as more of a people people kind of waking up and

Matt Eastland:
Yeah, well, I mean, long may that continue. And I love the positivity. And actually, when you put it like that, you know, the 10,000 years has been working in the 60 years is kind of where we're starting to veer off course. Actually, I take a lot of heart from that, because what that suggests to me is that we've we've got time to recorrect all of this, which which I think is super positive. Pete, thank you for all of this amazing insight. And sometimes on the show, we ask guests, You know, what what would you do if if I had a magic wand or the food system had a magic wand and you could change something from all the experience, you know, your the hard work that you've put in, you must have seen so many challenges, so many things which could be better. If I could wave that wand, what would you love to see change in the food system?

Pete Russell:
I think awareness. It would be awareness of that there is now a way for you to be able to get your food in a far more appropriate way, in a way that's fairer for everyone involved in the supply and delivery of that food, in a way that's fresher, more nutritional, in a way that builds, you know, regional and local economies. in a way that avoids and doesn't require all the packaging and the silly merchandising and all of that. But in a way that's as convenient or even possibly more convenient and that the price is as good or even better, right? That awareness is probably the thing. I think most people, if they were aware, that you can have this tomato, which was picked when it was green and it was sort of bred in order to be able to survive a supply chain, which, yes, it's a tomato and yeah, you can taste tomato a bit. A bit. Versus this tomato, which was picked when it was meant to be picked, when it was dropped off the vine. And when you just sprinkle a little bit of salt on it, it just blows your taste buds out of the water. And the good tomato is going to get delivered to your door at a better price. Most people will go, I'll go for that. I would think that's an easy decision. It's an easy decision, but they don't know. They don't know that it's an option. So, but if people do know about it and are aware of it, and they're looking for their local farm or their local food hub, I think that will be the biggest driver. That'll mean that you know, more farms will start up, more local small-scale farms will start up, more local small-scale artisan craft, you know, bakers and cheesemakers will actually be able to start. The ones that are already there will actually start to really flourish. And they won't be spending all their time trying to get their product onto a shelf at Sainsbury's or Tesco's and giving all these free samples and then taking ridiculously low prices and then end up getting told, oh, thanks, but it didn't really work and see you later. They're actually able to deal direct and they get to get good margins and they get to represent themselves. So, you know, like we've got at the moment, like we started four years ago, just over four years ago, there was nothing on Oooby in the UK. Now there's about a hundred and over a hundred farms and food hubs that are buying in from over a thousand different producers. And there's over 13,000

households that are getting deliveries every week. There's it's, you know, 10 million pounds worth of worth of sales is happening on the platform. So it's driving real value to all of these producers. It's very early. But if you throw a dose of awareness onto that, right, and create more demand and there's more demand for it, then these guys are going to flourish and new more of these artisan food producers and so forth that will have a space, a way to get into business and make a decent living.

Matt Eastland:
I love it. It doesn't sound like an unrealistic vision to me. So, you know, If waving the magic one, it feels like that's not that far away, which is actually really encouraging. And Pete, you know, you spoke about the scale that you've had in the last four years. So what's what's next for Ruby? Where where, you know, is it are we looking world domination? Well, at a community scale, at a community scale, we're looking.

Pete Russell:
I mean, it's funny people say, you know, does this thing scale? Will this will this scale? It's like, no, we know we don't scale. We replicate. Right. There's no borders to it. It's already happening in Australia and New Zealand, and the UK is where most of it's happening at the moment. But there's hubs popping up in the US, there's hubs popping up in Norway, and in Poland, and in Canada. The system works largely anywhere. We just let whoever wants to get going, get going wherever they are. I think one point that I think is really important here, is that the more of these small scale independent businesses that run on the platform, the more the platform becomes a dependency, right? We're really aware of that. It's like, you know, um, there's a, there's a term called inshittification. I don't know if it was, it was, I've not heard that. It was the word of the, of the year for 2023, I think it was. Google it. But anyway, basically what it talks about is whenever a platform, um, gets gone, gains dominance, it goes through this process of first thing that's important to them, to the platform are the users of the platform. And everything is there to make sure the users are happy because they need to build the user base to get the Metcastle, the network effect. And then the next thing as it goes, now it shifts to the advertisers, the most important people. So the users become the product. And the advertisers become the customer. And then once they've really nailed that in, then it's the shareholders that actually become the most important. And that's the smallest group out of all of them. So it goes from serving the biggest group, like the most, to a smaller group of advertisers, to a smaller group of shareholders. And so it's a process of concentration of power.

Matt Eastland:
So the natural next question, which I'm assuming you're about to answer, is how do you protect a platform like Oooby from going

through that process?

Pete Russell:
By creating an ownership model, what's called a steward ownership model, which prevents it from, for number one, prevents it from ever being sold out. And number two, that it creates a user ownership, there's a user ownership scheme, where the users of the platform gain an ownership stake in the platform. And they gain a voice and rewards from the success of the platform. And that we build into the articles of association that this will never be sold, like Amazon can never buy it. And that any investors that come in are very welcome. We always need to be able to grow our team in order to be able to expand. They're very welcome to come in, but there's a structured exit for them where it doesn't risk the platform being taken over by investors that want to then steer it down a different path to maximize profits. I've grown up and having seen the effects of casino capitalism. we all leave a legacy behind us, whether we like it or not. And we all want to learn from the mistakes that we either do or that we see other people do. And that as long as we're not sacrificing too much, for making something that's going to be able to last and it's going to be high quality and so on, then the satisfaction is actually in building something that's really high quality, that's got real deep integrity to it. It's like a craftsman building a table. They're not really thinking of the end customer. They're more thinking about, this is an expression of me and I'm going to put all this attention to detail on the underside of the table no one's ever going to look at because I feel good about it.