



Centre for Agroecology and Food Security



Short Food Supply Chains in the European Union – A State of Play

**Presentation to 2nd Mediterranean Macro-Regional Network
Cluster meeting**

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Research Team:

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- **Institute for Prospective Technological Studies, Seville, Spain.**

Introduction

- Insights from research project *“Short Food Supply Chains and Local Food Systems in the EU : A state of play of their socio-economic characteristics”*
- Funded by the European Commission, 2011 – 12
- Project aim: **To gather evidence justifying (or not) the introduction of an EU label for local products and direct sales.**
- Aim of today’s presentation: overview of key results and conclusions

Policy Drivers

- December 2010 – European Commission proposal for a “quality package” to guarantee quality and secure fair prices for farmers [result of 3 years consultation]
 - Putting in place a comprehensive policy on certification schemes, value adding terms for agricultural product qualities, product standards etc
 - Particular focus on small scale producers
- Personal interest of Dacian Ciolos, Agricultural Commissioner (ref: speech 12/283 *“Agricultures locales et circuit courts: pour une dimension local renforcée de la Politique Agricole Commune”*, 20 April 2012, Brussels.

'Product From my Farm': A New Label?

To enable farm products to be more easily identified and hence assist consumers to locate them, and farmers to retain more added value

"...products are only eligible if they come from and are finalised on a specific farm; and that they can be identified as such at any stage of marketing in order to ensure traceability back to this farm. The owner of the farm should exert full responsibility for the production process until the final product is ready to be marketed" [Advisory Group on Quality of Agricultural Production, March 2012, Brussels]

Research Methods

- Systematic review on ‘short food supply chains’ (SFSCs) and ‘local food systems’ (LFS)
 - Examined social, economic and environmental impacts, plus institutional support
 - Primarily peer-reviewed, published research
 - 380 papers scanned and 100+ read in detail (mainly English, some French)
- Database construction and comparative analysis
- Case studies in France, Austria, Hungary



Definitions

2 key points for the purpose of this project:

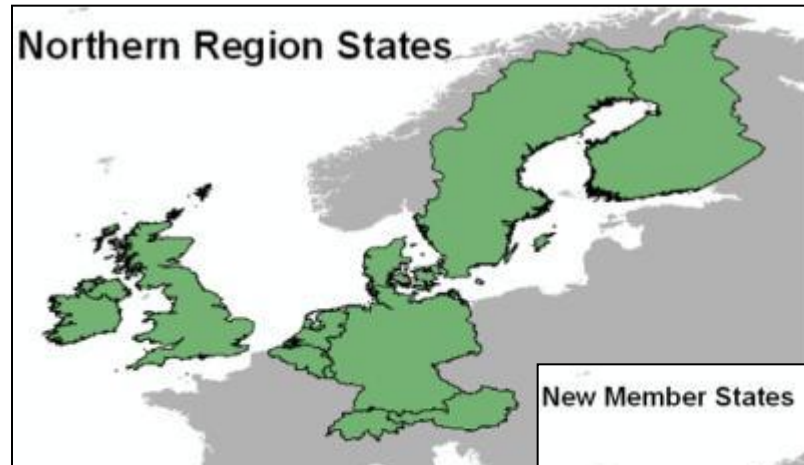
1. The foods involved are identified by, and directly traceable back to a named farmer.
 - whereby the consumer has direct access to the identity of the farmer through personal contact *or* labelling of the food product *or* free access to a web database of producers
2. The number of intermediaries between farmer and consumer should be 'minimal' or ideally nil (as in French *circuits courts*).

A Sub-Classification of SFSCs

SFSC	Sub-classification
<p>Sales in proximity</p> <p>These may be achieved by farmers acting individually or collectively, but produce has to be easily traceable back to a named farmer.</p>	<p><i>Community Supported Agriculture:</i> Varies according to different regions and countries, but follow same essential principles. Subscribers receive a share of the harvest in return for money (and labour in some cases).</p> <p><i>On farm sales:</i></p> <ul style="list-style-type: none"> - Farm shops - Farm based hospitality (e.g. table d'hôte, B&B) - Roadside sales - Pick-your-own - Collection scheme <p><i>Off farm sales:</i></p> <ul style="list-style-type: none"> - Delivery schemes - Farmers' markets and other markets - Farmer owned retail outlet - Food Festivals / tourism events - Sales directly to consumer co-operatives / buying groups - Sales to retailers who source from local farmers and who make clear the identity of the farmers - Sales to hotels, catering restaurants, including 'restaurants collectifs', such as school and hospital canteens
<p>Sales at a distance</p> <p>These may be achieved by farmers acting individually or collectively, but produce has to be traceable back to a named farmer.</p>	<p><i>Off farm sales (as above)</i></p>

Comparative Analysis

- 86 database entries - at least one per EU member state
- Illustrative, rather than exhaustive
- Comprehensive coverage of types of SFSCs, but not necessarily representative of location
- Slight over-presentation of Northern examples



Location of schemes in Southern Region



1. Characteristics of SFSCs in the database: size, scale and survival

- Most are less than 10 hectares, involving less than 10 producers
- Most likely to be involved in sales in proximity, rather than at a distance
 - In the Southern Member states, more likely to be ‘on farm’ sales (in contrast to Northern, where more likely to be ‘off farm’)
- Serving anything from 12 to 30,000 households!
- Many are now well established – 63% are more than 5 years old (of 65 responses)

Production characteristics

- Over half described their practices as 'organic', even if not actually certified
 - Especially in the Southern Member States
- Most commonly sell fruit and vegetables



Aims of the Schemes

- Emphasis on providing fresh, nutritious, high quality food direct from farms to consumers
- Often located within context of ethical behaviour
- Often aim to promote environmentally sustainable, small-scale farming



The screenshot shows the website for Cortijo Cornelio, a provider of fine organic foods from Andalusia. The page features a navigation menu with links for home, about us, standards, products, services, cornelio shops, news and links, downloads, contact, and gallery. The main content area includes a welcome message, a description of their products, and a photograph of their farm.

Cortijo Cornelio
Fine Organic Foods of Andalusia

home about us standards products services cornelio shops news and links downloads contact gallery

Welcome to Cortijo Cornelio

Fine Organic Products - from the farm to the table

Cortijo Cornelio produces fine organic products including olives, almonds, figs, and dried fruits, nuts, culinary and aromatic herbs, herbal infusions, and tisanes.

We work together with a group of 60 other organic farmers and producers and together we have a huge range of organic products, including award winning cheeses, wines, jams, honey, Iberico hams, table-olives, extra virgin olive oil, aromatics, essential oils. All of our products are certified as organic and are hand-made using traditional methods.

Cortijo Cornelio has been certified as an organic farm since 1999 by CAAE (Comité Andaluz de Agricultura Ecológica) and registered as a food industry with the Ministry of Health of Andalusia.



Cornelio is a traditional farm with a difference. Firstly, everything we do is designed to produce perfectly organic food. We also try to do this in a way which is highly sustainable, minimizes our CO2 footprint, and which respects the bio-diversity of this unique environment.

Case Study of a French SFSC: *Terroir Direct, Montpellier*

Case Study Approach:

- Background data (national, regional)
- Interviews with
 - founders of the enterprise
 - 2 participating farmers
 - local institutions (e.g. Chambres d'Agriculture; CIVAM)
 - consumer survey and focus group

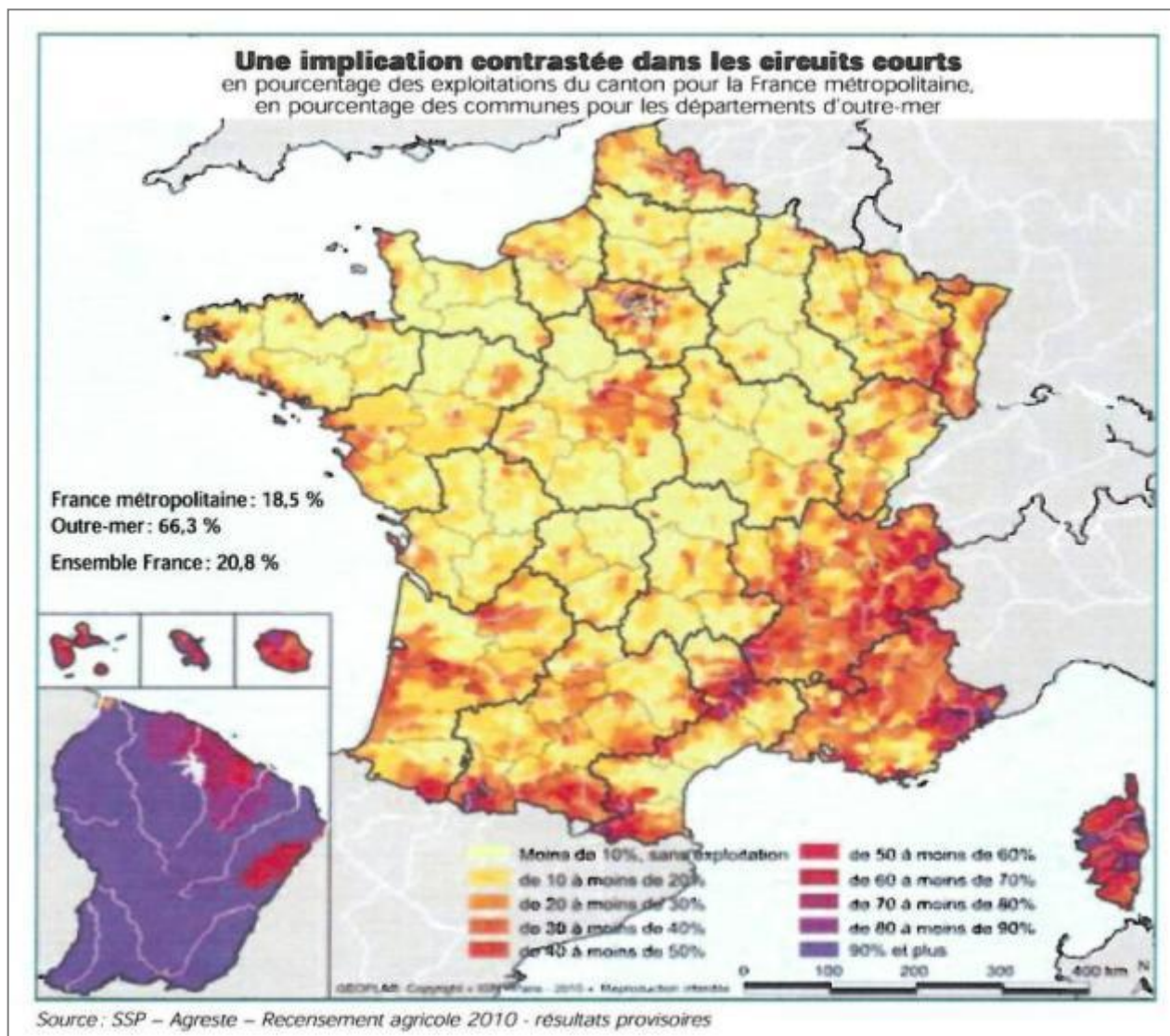
National Context

- National policy support for *circuits courts* (e.g. the ‘Barnier plan’ and National Food Programme)
- French Rural Network
- Chambres d’Agriculture



- 2010 Agricultural Census:
 - 21% of farm businesses sell some produce through CC (107,000 enterprises)
 - Higher than average representation of organic producers
 - More likely to diversify into tourism
 - Farmers are younger than average
 - Higher than average workforce

Distribution of CC in France



The story of *Terroir Direct*

“Des produits fermiers de nos terroirs”

- Launched in 2000
- Internet based delivery scheme
- Motives:
 - desire to connect urban and rural populations
 - to preserve traditional know-how linked to the territory
 - To respect the environment and natural cycles
 - support small producers, especially young farmers
- 50% organic produce; rest is artisan and/or Fair Trade
- Managed by producers and consumers

La finalité de Terroir Direct est de contribuer le plus possible au développement durable sur le territoire, dans le cadre d'une « économie sociale et solidaire ».
<http://www.terroir-direct.com/>

The screenshot displays the Terroir Direct website interface. At the top left is the logo: a circular emblem with a farmer and produce, with the text 'TERROIR DIRECT' and 'DES PRODUITS FERMIS DE NOS TERROIRS' below it. The top right corner features a shopping cart icon and the text 'Voir ou valider mon panier' with '0 article en panier' and links for 'Mon compte / Je m'inscris', 'Mes favoris', 'Tableau général', and 'Tableau général bas débit'. A navigation bar contains links: 'Accueil', 'Qui sommes-nous?', 'Mode d'emploi', 'Points de livraison', 'Recherche', and 'Ok'. Below this is a horizontal menu with categories: 'PRODUITS SPECIAUX', 'FRUIT ET LEGUME', 'POISSON', 'VIANDE', 'CREMERIE', 'PÂTISSERIE', 'CHARCUTERIE', 'PATES ET RIZ', 'BOISSON', 'HUILE ET CONDIMENT', 'MIEL ET CONFITURE', 'CHOCOLAT ET CONFISERIE', 'VOS PRODUITS DE BASE', 'PROMOTIONS', 'NOUVEAUTES', 'APERITIF', and 'PIQUETTE ET GOUTER'. A date banner indicates 'Dimanche 14 Octobre 2012'. The main content area is divided into several sections: 1. 'Prochaine livraison' (Next delivery) for Thursday 18 and Friday 19 October, with a deadline for ordering on Tuesday 16 October at 15h. 2. '> Les Producteurs...' (Producers) featuring 'Thierry Blondelle (Hérault)' and 'Magali Monti (Cévennes)'. 3. 'VOS PRODUITS DE BASE' (Your basic products) listing 'MAQUEREAU pêche locale' at 8 € / KILO and 'Yaourt de Brebis (x2)' at 1.8 € / PIECE. 4. A promotional banner: '! Offre découverte ! 10% de remise sur votre première commande' with 'Livraison à domicile offerte à partir de 150 Euros de commande'. 5. A product listing for '25-26 oct : Boeuf CHAROLAIS élevé à l'herbe. MI LOZERE' with a reservation deadline of 25/10/2012 and a price of 15 €/kilo. 6. A listing for 'BRIQUE de Brebis (pâte molle crémeuse, crûtes fleuris, lait cru) - from Le Fédou' with a 'Promotion' tag. 7. A listing for 'PROMO ! 1/2 AGNEAU d'herbe BIO âge de 4 mois.' with a 'Promotion' tag.

Challenges



- Lack of capital at the start
- 2008 economic crisis
- Logistical difficulties – 150 km round trip
- Managing cash flow
- Development of sophisticated website / IT system
- Competition from ‘false’ *circuits courts*

Strengths

- High product quality
- Loyal customer base – prepared to pay more
- Knowledge generated through experience
- Profitable business model (2 F/T and 2 P/T employees)
- Maintains small scale farms; artisan skills



Summary Points

1. SFSCs are valued because they sustain small farms and generate employment
2. They maintain valued traditions and knowledge
3. Respondents in our study argued that SFSCs have to be clearly defined:
 - Strong emphasis on nature of supply chain and farm business, not only the nature of the product
 - Consumers are buying a set of values in which the product is embedded
4. There is need for more training for producers, especially in marketing & communication
5. Need more work to develop SFSCs for canteens, schools etc
6. SFSCs are not an easy route! Require multiple skills – danger of ‘burnout’

Concluding Points (1)

SFSCs are plentiful in EU member states, although robust data on their economic and social impacts is not easy to find...but we do know:

1. Social Impacts:

- Can vary according to type of SFSC.
 - CSAs and urban initiatives can develop social capital and sense of community
- SFSCs provide high quality foods
- SFSCs may operate partly on principles of 'exchange economy'
- Collaboration and co-operation are vital to all types of SFSC

2. Economic Impacts:

- Little systematic, quantifiable evidence
- Need to take holistic 'whole farm' approach
- Some evidence from France suggests higher than average employment is generated in farms using SFSCs
- SFSCs often persist in 'profit sustaining' rather than 'profit maximising' mode

Concluding Points (2)

Would an EU Label help?

- Labels are most useful to consumers who are not buying direct from producers
- Label can be used to signal certification and prevent mis-selling – but needs to be regulated
- 2 elements are important in the case of SFSCs:
 - Origin of the product – *does the consumer know who made it?*
 - Was the product sold at a fair price? *Affordable for the consumer and guaranteeing a living for the producer*

Other aspects

- Despite strong consumer interest, there is often lack of access to products
- Need solutions around logistics, marketing, public procurement
- Start-up phase is particularly important
- Given strong social agenda of many SFSCs, this should be valued and supported



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Thank you for your attention

