



SHORT SUPPLY CHAINS in Italy

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Definition

- ✓ National regulations define Direct Food Sales from producers to consumers

Legal frame work for direct sales: Legislative Decree 228/2001, articles 1 and 4; Legislative Decree 99/2004, article 4;
Law 296/2006, article 1 paragraph 1094. Legal framework for Farmers' Markets: Legislative Decree 228/2001, articles 1 and 4, Legislative Decree 99/2004, article 4; Law 296/2006, article 1 paragraph 1065; Ministerial Decree 20 November 2007, Ministry of Agriculture and Forest.



Definition

regional and provincial administrations (eg Veneto) have passed legislation to define “zero” food-mile Products⁵

Regional Law n° 7 dated 5th July 2008, as modified by Law n° 3 of 22nd January 2010, became operational in January 2010 following EU approval



SSCs market quotas in Italy

A survey commissioned by one of the national Farmers' Unions in 2010 estimated that over 63.000 producers were involved in some type of direct sale to consumers in 2009, up 4,7% from the previous year.



SSCs market quotas in Italy

The corresponding value of direct sales was estimated in 3 billion Euros, up 11% from the previous year;



SSCs market quotas in Italy

40% of such sales were attributed to the wine sector and another 20% to the fruit and vegetable sector.



Short Supply Chains in Italy

What are the challenges?



Accessibility of SSC sales points and large-scale changes in consumer behavior



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- ✓ consumers' experience of direct purchase from farmers generally involves farm shops
- ✓ there has been a rapid growth in the number of farmers markets



Clear guarantees for consumers

- The origin of the food products being sold and the (approximate) number of food miles: is the produce sold strictly local? (eg <50 km), local? (<100-200 km); national?



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- The types of intermediaries involved: is the subject selling the product basically the same subject that has produced it?



Clear guarantees for consumers – Debate to share with NRNs

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- The types of intermediaries involved: is the subject selling the product basically the same subject that has produced it?
- Have any specific production standards been applied (eg organic, integrated, ecc.) and if so, who guarantees the product? What types of controls have been carried out?



Local governance models

The “professional” management of short supply chains is therefore essential for these chains to develop to their full potential.



Efficient logistics

The share of the total retail price of food products absorbed by logistics in the broad sense (from conditioning and packaging of the produce to the delivery of the produce to the point of sale) is increasingly significant, to the detriment of the share going to farmers



Efficient logistics

. The economic, social and environmental sustainability of SSCs depends on being able to reduce these costs, through a radically different model of supply chain management



Efficient logistics

through a combination of:

- more efficient/less obtrusive packaging
- fewer food miles,
- less wastage of product: producers should be directly involved both in optimizing the range of products on sale taking into account local supply possibilities and in optimizing the transport of such products, where possible using producers' own logistic capabilities.



Obstacles to the development of SSCs

- Producers (and their organizations) are taking on new challenges and tasks which require the development of new competencies (e.g. marketing, logistics, business planning, supply chain management). The spontaneous learning process currently underway can lead to organizational improvisation, with mixed results →

**Need for a stronger support to SSCs (information, consulting)
in the 2014 – 2020 EU Rural development**



Obstacles to the development of SSCs

A clear regulatory framework is needed to ensure, on the one hand, that farmers can benefit from the opportunities provided by short supply chains and, on the other, consumers are protected in terms of the effective quality content of food products purchased through short supply chain retail points;



Obstacles to the development of SSCs

We have to improve the consumer awareness of the
benefits of SSCs



Obstacles to the development of SSCs

Financial and other support measures for the development of SSCs should be coherent and based on careful, quantitative monitoring of SSCs as well as building on shared experiences at the national and European level.



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- Improve the producer networks and local governance support.

Useful support : an EU perspective

- **Designing replicable governance models suited to different contexts.** Such models should cover both organizational and contractual aspects;
- **Improving the competencies of farmers** involved in short supply-chain projects, in particular as regards marketing, business planning and logistics;
- **Drawing up guidelines** for local quality marks linked to short supply chains, in order to ensure that minimum standards regarding quality, origin and characteristics of the supply chain are met, thus protecting consumers and clarifying the position of different distribution channels;
- **Communicating to both producers and consumers the potential benefits** of short supply chains;
- Improving the monitoring of short supply chain initiatives and of the farmers involved
- Creating models for efficient local logistic systems
- **Developing SSCs which target alternative channels to domestic consumption:**
 - a. **Collective public catering** (schools, hospitals, public administration)
 - b. **Quality private catering:** creating the opportunity for quality restaurants to differentiate themselves through the use of local, high-quality produce and through the presence of “corners” allowing clients to buy and take home the food products on the restaurant’s menu;
- **Creating networking opportunities for operators** involved in all the phases of SSCs (including final users) to meet and exchange information and services (e.g. launch of a specialized SSC trade fair).



In ITALY Direct sale by the producer or *by producer-owned organizations*

Private:

Direct farm sales: direct sale from the agricultural entrepreneur, both on the farm and at retail points located outside the farm but managed by the producer;

• **Vending Machines.** Milk was the first product, but others are on the way. The farm directly provides a small chain of distributors which are convenient and always open for consumers.

• **Direct farm pick-up or pick-up your own.** The consumer buys directly from the farm (picking the produce himself)

• **Home delivery, box scheme** (or CSA community supported agriculture). The producer takes the time to home deliver to the consumer a pre-determined quantity of product agreed upon together with the client o Internet: single producers' websites which provide for delivery to consumers of the produce selected (similar to box schemes)



In ITALY Direct sale by the producer or *by producer-owned organizations*

Collective: producers/producer-owned organisations and buyers

- **Buying Groups:** Organizations of consumers which buy products together directly from farms.

Collective: association

- **Farmers' markets: markets where the producers sell their products directly**
- **Collective selling outlets:** Places where several farms (or cooperatives of producers) work together and organize the selling of their products together
- **Home delivery, box scheme** (or CSA community supported agriculture). The producers take the time to home deliver to the consumer a pre-determined quantity of product agreed upon together with the client
- **Local festivals:** Public events where producers from the area can exhibit their products, hold taste testings and sell their products
- **Internet: producer-owned websites** for the marketing of their produce



Italian Context - Sales with at least one intermediary:

Collective:

- **Collective catering:** producer-owned organizations supply their produce directly to the caterer (in this case the caterer counts as intermediary)
- **Supermarket “corners”:** producer-owned organizations supply their produce directly to the supermarket and are clearly identified as the suppliers of the produce
- **Agriturismi: producer associations/producer-owned organizations supply their produce to local agriturismi**



Thank you for the attention!