SHORT SUPPLY CHAINS
CONTEXT AND PILOT SCHEMES IN SPAIN
Current framework

Two main agrofood systems in Spain:

- **Big producers**
  - Homogeneous and cheap food
  - Large volume of production
  - Sale through agroindustry system or long distribution chains

- **Small producers**
  - Food of higher quality
  - Small volume of production
  - Sale through traditional shops and short supply chains
Current framework

Scenary of depopulation of rural environment:

• Low economic diversification.
• Low incomes in the agricultural sector (prices do not cover production costs)
• Lack of social services
• Low social awareness about the importance of the farm work

These factors result in a demographic ageing (Youth and women exodus)

SSC: an opportunity for Rural Development

SSC can increase motivation for young farmers, as the value of the product is established through a bottom-up approach, and the value of agricultural work is enhanced
SSC data

- The Observatory of Food Prices is carrying out a specific research on SSC, focused in:
  - Conceptual and legal framework: definition, national and EU framework, labels, hygiene requirements, etc)
  - More relevant initiatives in other countries
  - Current situation in Spain
  - Electronic trade

Some data 2011:
- 74% of total food expenditures were made by householdings
- 5% of food expenditures by householdings were done through SSC
- 15% of producers of fresh fruit and vegetables sold their products through SSC

<table>
<thead>
<tr>
<th>Channel</th>
<th>Total Food</th>
<th>Total Fresh Food</th>
<th>Rest of Food</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypermarkets</td>
<td>14.6%</td>
<td>8.1%</td>
<td></td>
</tr>
<tr>
<td>Super + Autos</td>
<td>19.4%</td>
<td>42.0%</td>
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<tr>
<td>Discount Shop</td>
<td>30.7%</td>
<td>50.2%</td>
<td></td>
</tr>
<tr>
<td>Traditional Shop</td>
<td>15.1%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>Rest of Channels</td>
<td>18.9%</td>
<td>39.6%</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>9.4%</td>
<td>14.2%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>
Short supply chains

• Definition
  – There’s no oficial definition, but the concept is commonly related to:
    • No existing intermediaries between producer and consumer, or at maximum one.
    • Geographical proximity

• Legal framework
  – Lack of national specific regulation
  – Regional regulation in Navarra, Andalusía and Cataluña
Main obstacles

- Lack of national policy focused on SSC
- Difficulties to identify local products
- Lack of marketing skills on the part of the producers and shortage of money to afford marketing costs
- Lack of logistic infrastructures for the distribution of products
- Legal restrictions are more difficult to comply with

Main chances

- Increasing producers and institutions awareness about direct sales
- Increasing consumer demands for two reasons: price and quality
- Important enhancement by agricultural organizations through the development of innovative experiences related to SSC
- New opportunities through new technologies
- Linkage to rural tourism
Forms of SSC in Spain

• Direct sale by the producer:
  – Private
    • Fairs
    • Farm shops
    • Markets
    • Internet
    • Vending
  – Collective:
    • Consumer groups
    • Cooperatives

• Sales with one Intermediary
  – Private:
    • Restaurant
    • Retail sales
    • Shops
    • Internet
  – Collective:
    • Shops
    • Consumer groups
Examples of practical applications
ARCo: SHARED RESPONSABILITY AGRICULTURE

(COAG)

INNOVATIVE EXPERIENCE

Based on principles of Food sovereignty

Aim: Creating stable job in rural areas through the development of commercial strategies based on short supply chains for local and ecological products, where the producer is central

Courses of action:
• Creating consumer-producer groups (ARCo groups) that share interests and context
• Creating the “ARCo Network” as a link between the groups, in order to exchange experiences and food, without artificially added costs
• Improving communication by creating a local producer engine search and a website including social networks
• Organizing local markets, regional fairs, farmer shops, online sales…

Producers and consumers common project

Stable market
Prices based in production costs
Quality guarantee
Added value of products
Affordable prices
ARCo: SHARED RESPONSABILITY AGRICULTURE (COAG)
ARCo: SHARED RESPONSIBILITY AGRICULTURE (COAG)

INNOVATIVE EXPERIENCE

Farmer markets
Farmer shops
Home delivery of products
Red de Redes: Network of agro-rural companies for the purposes of sustainable development

(FADEMUR)

**Intersectorial link** for rural stakeholders interested in slow food principles. **Specially focused on rural women**

**Aim:** Encouraging Short Supply Chains between production, transformation and services sectors in rural environment, appreciating local and fresh products and proximity services (slow food principles)

**Courses of action:**
- Creating an online campaign for networking
- Setting up a training scheme for stakeholders in slow food principles and sustainable development
- Running awareness campaigns addressed to different stakeholders: local administration, stakeholders and consumers
- Promoting continuous technical support for the participants
Red de Redes: Network of agro-rural companies for the sustainable development (FADEMUR)

INNOVATIVE EXPERIENCE

Awareness campaign

Recipe book
Mitierra (my land)

Unio de Llauraros i ramaders del pais valencia

Creation of a company for the distribution of local fruits and vegetables produced in small farms in Valencia to be sold in the city of Valencia and metropolitan area

**AIM:** Establishing a new supply system that is able to compete with the dominant one

**COURSES OF ACTION:**
- Creating the company: mitienda.com
- Calculating of the necessary volume of production for each product
- Making contracts with producers
- Designing suitable formats for product packaging
- Creating a website
- Setting up a shop for direct sales
- Locating intermediate distribution points, using schools and retirement homes and implementation of a home delivery service
La despensa femenina del medio rural
Women’s solutions for rural tourism

CERES

INNOVATIVE EXPERIENCE

Link between local production, SSC and rural tourism

AIM: Improving the labour possibilities of women in rural settings

COURSES OF ACTION:

• Showing the project to women involved in the elaboration of homemade products with local elements from nature.
• Creating a brochure with the products to be sold.
• A seminar on product assessment, and a communication and marketing strategies for local producers.
• Agreements with rural accommodation and catering establishments in the chosen areas to ensure the diffusion of information regarding benefits, origin, history of the products.
• Campaigns abroad promoting visits to the natural environments.
Some key elements for the future of SSC

- The increasing interest of institutions and consumers
- The role of new technologies
- The role of women
- The tendency to link rural tourism and local products
- The potential of hotel and restaurant sector