

# The socio-economic effects of short food supply chains in the European Union

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# 1. Outline

1. What are short food chains?
2. Why are short food chains becoming more popular?
3. What are the socio-economic benefits of short food chains?
4. Maximising the benefits of SFSCs in your region

# CRYSTAL PALACE FOOD MARKET

EVERY SATURDAY at Haynes Lane SE19 3AP 10-3pm

FISH \* MEAT \* DAIRY \* BREAD \* FRUIT \* VEG \* STREET FOOD \* CAFE

A Transition  
Town Project

[www.crystalpalacefoodmarket.co.uk](http://www.crystalpalacefoodmarket.co.uk)



and munch  
munch more!

## 1. What are Short Food Chains?

# Key points about SFSCs

- SFSCs have capacity to **‘re-socialize’** and **‘re-spatialize’** food
- Foods in SFSCs are defined by **locality** or **farm** where they come from
- They reach the consumer **‘embedded’** with information (differentiation + price premium)
- The concept originated from research on **rural development** (the IMPACT project: Marsden *et al* 2000)



# 3 Main Types of SFSC

## 1. Consumer-Producer Partnerships e.g. CSA - Community Supported Agriculture, AMAP, GAS



## 2. On-farm, direct sales e.g. farm shops, farm based hospitality, roadside sales, pick-your-own



## 3. Off-farm, direct or with minimum intermediaries e.g. farmers markets, box schemes, catering

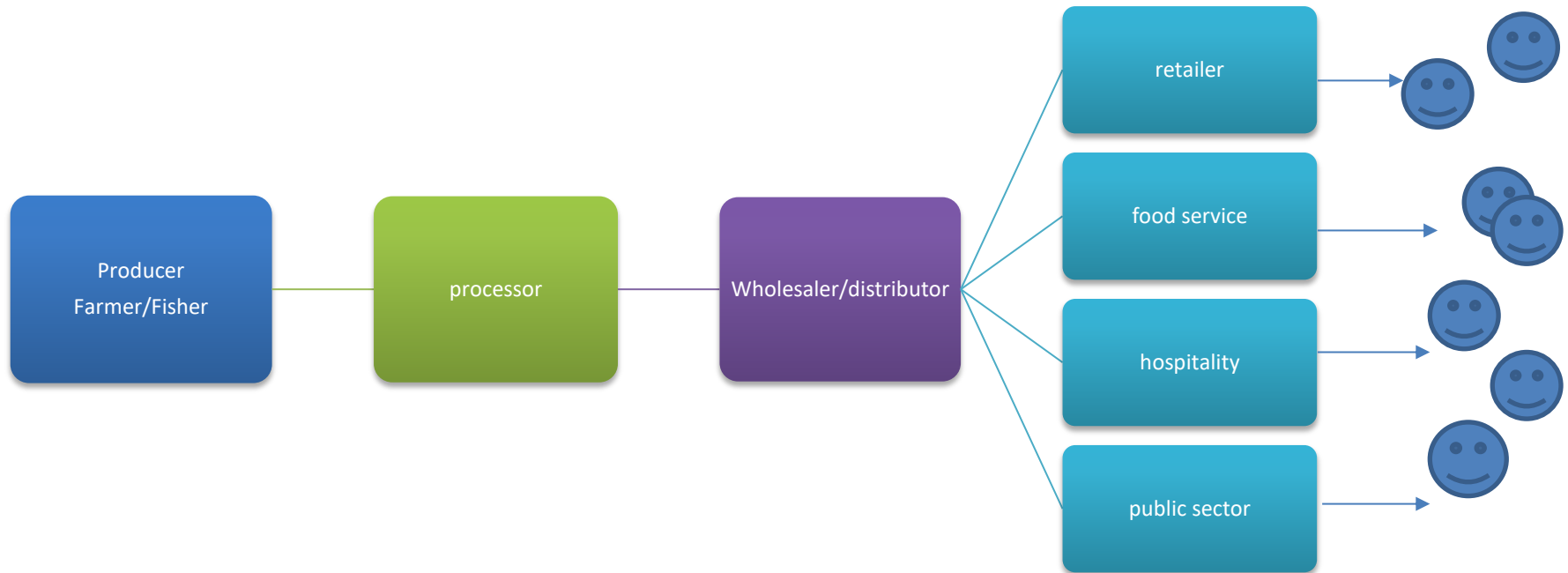


Renting et al 2003: Kneafsey et al 2013

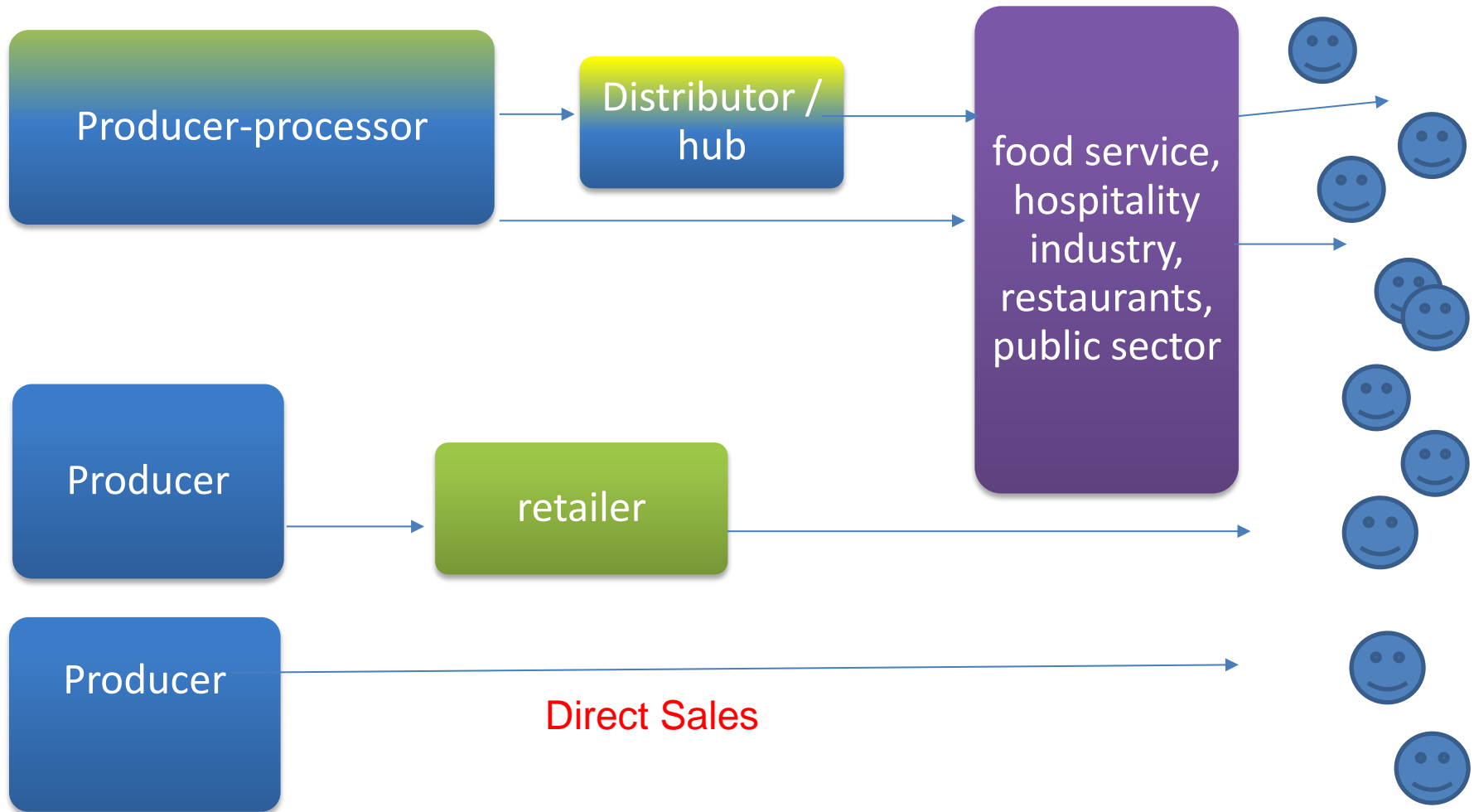
# EU Regulation

- Article 2 of Regulation (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), which entered into force with the reformed Common Agricultural Policy for 2014-2020
- **'a supply chain involving a limited number of economic operators, committed to cooperation, local economic development, and close geographical and social relations between producers, processors and consumers'.**
- Article 11 of European Commission Delegated Regulation (EU) No 807/2014 supplementing the Rural Development Regulation, stipulates that **'Support for the establishment and development of short supply chains ... shall cover only supply chains involving no more than one intermediary between farmer and consumer'.**

# Typical food supply chain (downstream)

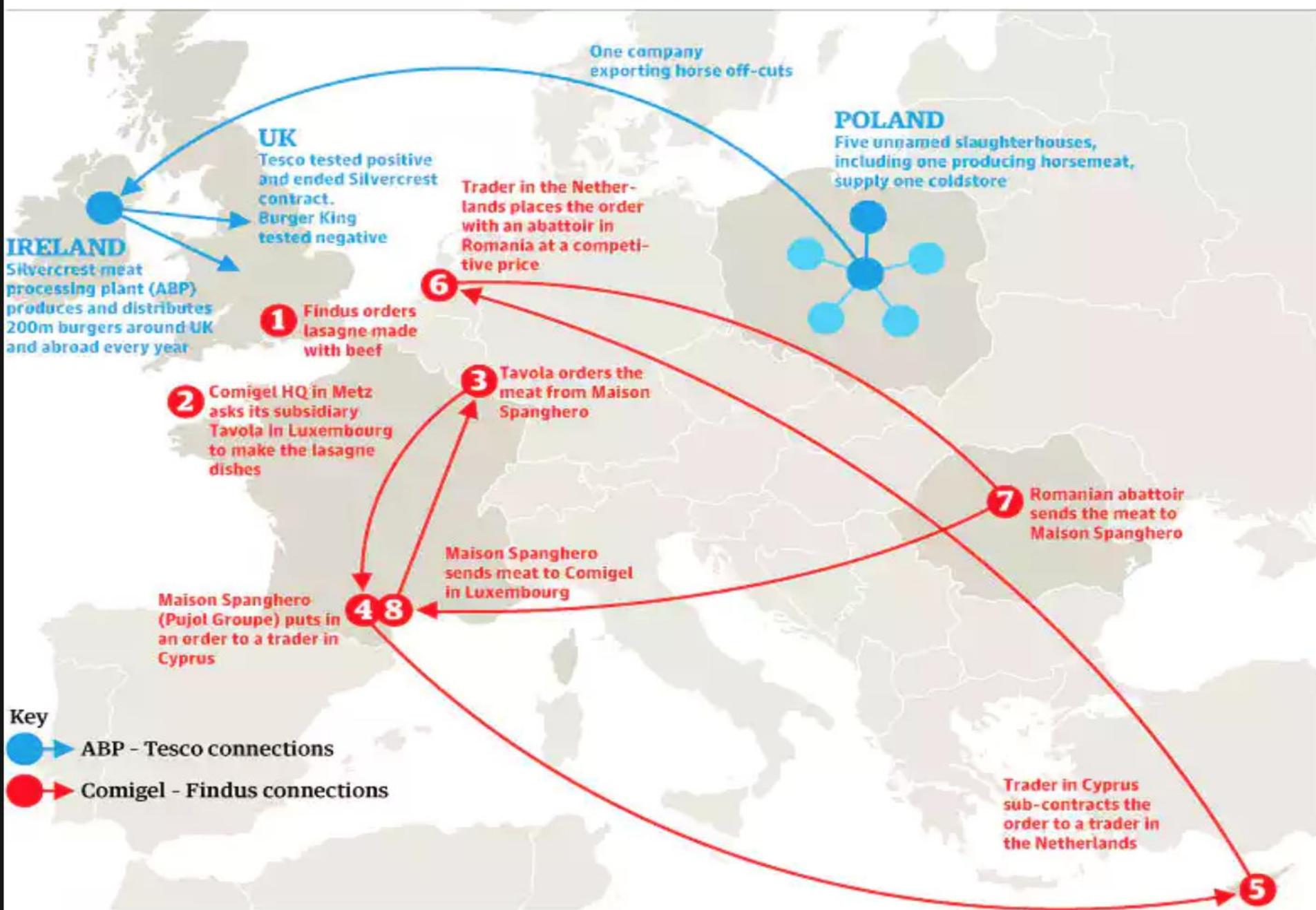


# Short food supply chains (downstream)





# Britain's horsemeat The ABP and Comigel connections





# Adding value



White Stilton with Apricot  
White Stilton with Cranberries  
White Stilton with Ginger  
White Stilton with Mango and Ginger  
White Stilton with Lemon

Christmas Food Christmas Hampers Create Your Own Food Hamper Luxury Hampers Shop all Departments Food Gifts Corporate Gifts & Hampers Event Hampers & Picnics

Home > The best Blues and Stilton from across Britain, our selection is strong, creamy and delicious. > English Stilton in a Stylish Ceramic Gift Jar

Continue Shopping

**English Stilton in a Stylish Ceramic Gift Jar**

Price: **£17.50** Quantity: 1 Add to Basket

Overview	Key Facts	Supplier	Delivery
The finest English Stilton in a Stylish Ceramic Gift Jar			
Cromptwell Bishop have been making their multi award-winning Traditional Blue Stilton cheese for 3 generations. Rich, creamy with a rounded flavour. Still made using traditional methods to ensure consistent quality and flavour.			
What can beat Stilton with crusty bread, butter and a glass of port? It is also a great ingredient in sauces, soups, omelettes or mixed with mayonnaise, cream and eggs to produce a dip or dressing for a wide variety of dishes.			
Weight: 250g			



STILTON  
BRITAIN'S HISTORIC BLUE

THE STILTON PRODUCERS

MAKING STILTON

HISTORY OF STILTON

USING STILTON

RECIPES

STILTON FACTS

BLOG & NEWS

RETAILERS

USEFUL LINKS



Welcome to the home of Stilton Cheese - Britain's historic blue cheese and Britain's favourite blue cheese.

The **history** of Stilton can be traced back to the early 18th century and although it is clear that the recipe used has changed quite dramatically over the years it remains one of the world's best known and much loved cheeses.

Quintessentially English, Stilton has its own Certification Trade Mark and is an EU Protected Food Name.

This means that:

- it can only be produced in the three Counties of Derbyshire, Nottinghamshire and Leicestershire
- it must be made from locally produced milk that has been pasteurised before use
- it can only be made in a cylindrical shape
- it must be allowed to form its own coat or crust
- it must never be pressed and
- it must have the magical blue veins radiating from the centre of the cheese

Stilton's unique flavour makes it suitable not only for those special occasions when only the best will do... but also for everyday **recipes** and snacks. With its

Stilton is only made in three Counties in England...

Click on the map to find out more.



# More than ‘business as usual’

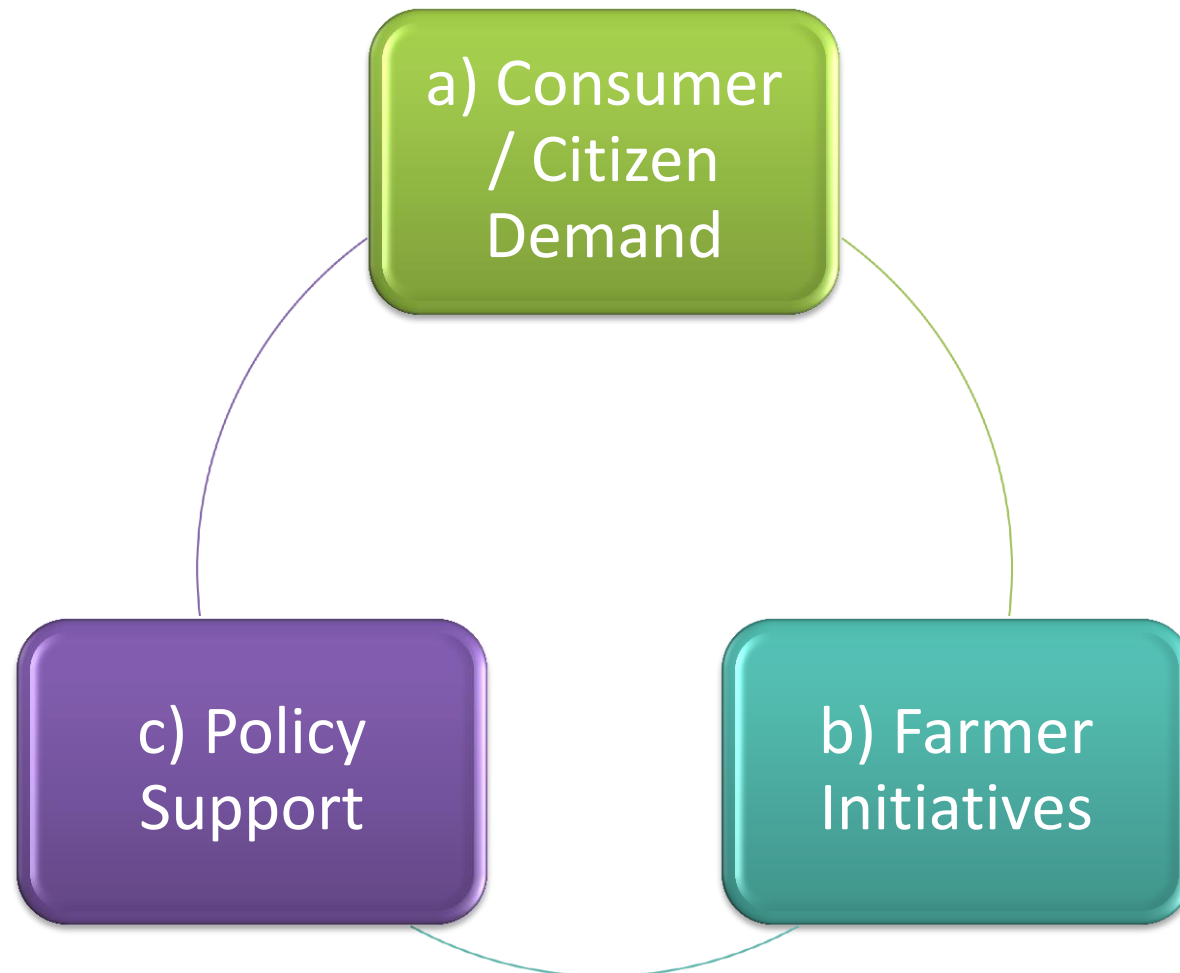
- As few links as possible between the producer [e.g. grower or primary processor] and citizen;
- Fully transparent and traceable;
- Producer retains a greater share of the value of the food that is produced;
- Intermediaries are partners;
- Can be spatially extended
- Dynamic and evolving;

*“a means to restructure food chains in order to support **sustainable** and **healthy** farming methods, generate **resilient** farm-based **livelihoods** (in rural, peri-urban and urban areas) and **re-localise control** of food economies.”*

Source: EIP-AGRI focus group 2015



## 2. Why are short food chains becoming more popular?



# a) Consumer Trends

“Consumers are now more demanding of products, services and brands than ever before and are using digital tools to articulate and fulfil their needs.”

*Euromonitor International:  
Top 10 Global Consumer  
Trends 2016*





# ‘Buy Local’ a strong driver

- 92% of EU citizens agree that EU should encourage **local** markets and distribution channels (*Eurobarometer 2011*)
- 89% agree that there are benefits to buying **locally** from a farm (*Eurobarometer 2011*)
- 96% EU citizens say that **quality** is important to them when buying food and 71% say that **origin of food** is important (*Eurobarometer 2012*)

By 2025, eaters will be much more than just the demand at the end of the supply chain. They will lead innovation that creates a food system rooted in values of sustainability, health, sociality, and pleasure. (*Food Innovation Report 2017*)

# Consumers Buying Organic and Local

- Steady growth in **organic food sales**: market valued at €24 billion in EU 28 (IFOAM 2016)
- Persistent interest in buying **local food** (JRC 2013).
- Growth in **short food supply chains** often associated with organic food
- Consumer behaviours are driven by a range of considerations (e.g. health, taste, quality, environmental conscience)

# Activity



Question:– What do the consumers (or food citizens) of Croatia and Hungary want?

## b) Farmer-led Initiatives

- Example: Community Supported Agriculture (CSA) or 'Agriculture Supported Community' in Hungary
- CSA is a partnership between farmers and citizens
- Farmers usually bundle them with other activities
- Seen as part of a *transition* to sustainable futures
- Supported by New Agriculture and Rural Development Strategy 2020
- “a learning process by educating members for consuming healthier and in a more environmentally friendly way on the one hand, and by assisting the development of community relations and solidarity feeling, on the other.” Balázs *et al* 2016

# Activity

- What farmer-led SFSCs do you know about in your country?
- Are they working well?
- What problems are they facing?



## c) Policy Support

- Policy interest in SFSCs because of potential social, economic and environmental benefits.
  - Several member states have developed legal frameworks and incentives to support SFSCs e.g. France (*'circuits courts'*), Hungary Rural Development Strategy
  - Many cities promote SFSCs:
- Tackling sustainability, health, food justice...
  - Reconnecting cities and regional farming
  - Multi-actor partnerships



# CAP support

- **EU Rural Development Regulation :**
  - Promoting food chain organisation
  - Fostering knowledge transfer and innovation
  - Promoting social inclusion, local development
- **Thematic sub-programmes** (which MS *may* include):
  - Short supply chains; young farmers; small farms; mountain areas; women in rural areas; climate change mitigation/adaptation and biodiversity
- **Measures** of particular relevance to SFCs include:
  - Co-operation; setting up producer groups; LEADER; quality schemes; basic services and village renewal in rural areas; investment in physical assets; knowledge transfer and information; advisory services etc

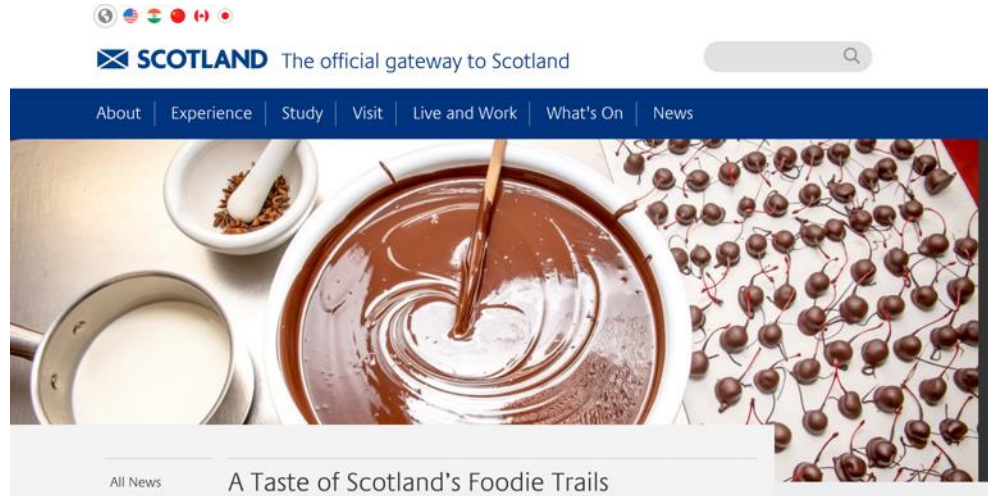
# How local authorities can support SFSCs

- Important to take a ‘bird’s eye’ view of the whole supply chain...
- Connect to other strategic priorities e.g. circular or bio-economy or smart specialisation
- Think about integrated, territorial approaches eg, niche tourism, health promotion, public sector procurement
- Make use of technology and tradition!



# Example: Scotland's foodie trail

- Cheese
- Seafood
- Chocolate
- Whisky
- Real ale
- Tours, trails, demonstrations, foodie experiences
- Attracting visitors to remote locations
- Institutional role: co-ordinate, inspire, promote, food maps and online resources



# Activity

- What examples of policy or institutional support do you know from your country?
- How has this helped SFSCs?
- Do you think it could be improved?





### 3. What are the socio-economic benefits of Short Food Chains?

# Social Benefits

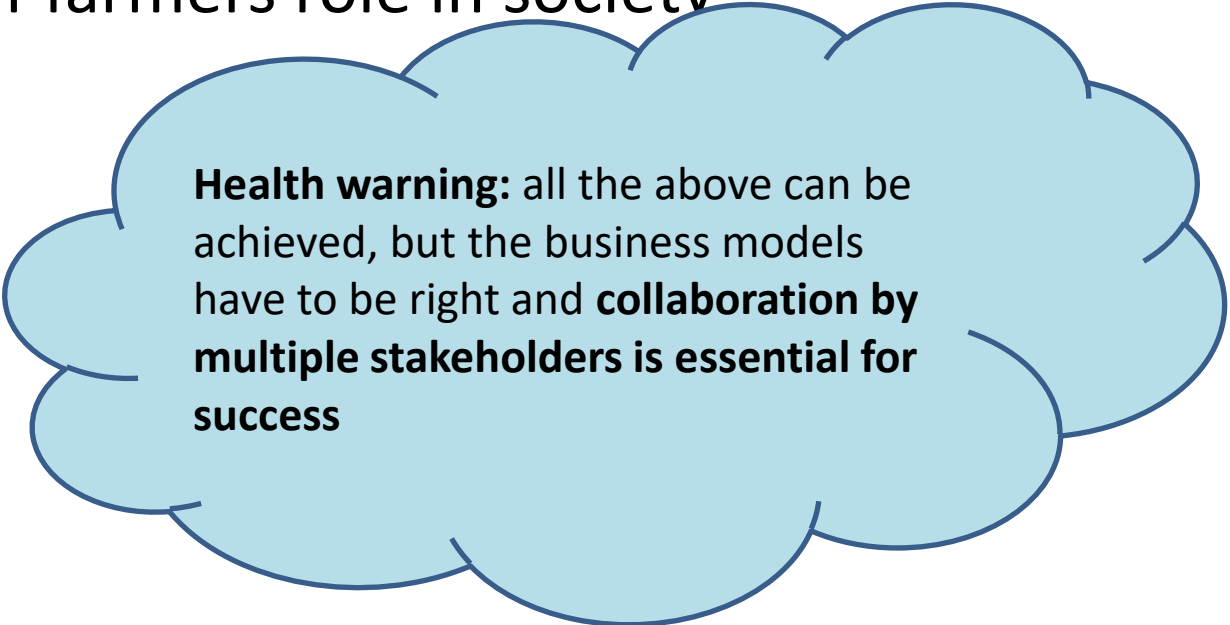
- SFSCs favour interaction and (re)connection between farmers and consumers -
  1. Promote trust
  2. Promote well-being
  3. Develop a sense of community
  4. Encourage pro-health and pro-environmental behaviour
  5. Promote knowledge exchange, learning and skills for producers and consumers

*Key References: Sinnerick 2007; Kirwan 2004; Sage 2003; Hendrickson and Heffernan 2002; Smithers et al 2009; Cox et al 2008; Hayden and Buck 2011; Pascucci et al 2011*

# Economic Benefits: for farmers

SFSCs can offer:

1. Improved farm income
2. Jobs creation
3. Improved bargaining power for farmers
4. Recognition of farmers role in society



**Health warning:** all the above can be achieved, but the business models have to be right and **collaboration by multiple stakeholders is essential for success**

# Economic Benefits: local economies

1. Maintain and/or generate rural employment
2. Higher **multiplier effect** than long distance food chains:
  - In Nottinghamshire (UK), spending for school meals locally generates over £5 million each year. The spend on seasonal, local produce has risen, returning £3.11 in social, economic and environmental value for every £1 spent.
  - for every £1 spent from the Nottinghamshire school meals budget on seasonal, local ingredients, a further £1.19 of economic activity is being generated.
  - Source: New Economics Foundation (2011)
3. Synergies with **tourism**



# SFSCs as part of regional food systems





# Some common general lessons from case studies

1. **Collective or collaborative action** between producers, consumers and institutions is a common feature and **shared values and goals** are important
2. **'Social Innovators'** play a vital role – whether urban or rural
3. **Traditional and artisan skills** form the 'bedrock' of the quality of the products, but new technology can enable and speed-up innovation
4. **Common need:** for training for producers in communication, collaboration and marketing skills; also support in 'start up'
5. **Warning:** danger of farmer 'burnout' if support is not in place...

Source: EIP Agri focus group report, 2015

## 4. Maximising the benefits of SFSCs in your regions



<https://www.ferrybuildingmarketplace.com/farmers-market/>

# ACTIVITY: SWOT Analysis



## AKCIJSKI PLAN – RJEŠENJA

- 1. mjesto prodaje i nabave proizvoda lokalnih proizvođača sa svom potrebnom infrastrukturuom
- 2. podrška lokalne politike potrebitima
- 3. zajednička marketinška strategija
- 4. povećati značaj lokalnih robnih marki
- 5. zajedničko mjesto distribucije
- 6. PGS sustavi
- 7. plasiranje lokalnih proizvoda kroz turizam

# Activity: Wish Lists and Action Plans

- Top 3 wishes
  - 
  - 
  -

- Short term Action plans (6-12 months)
- Longer term Action plans (12months +)

# Concluding points

1. SFCs have **potential** to deliver economic, social and environmental benefits BUT this depends on underpinning **principles** of the actors involved, and the effectiveness of the business models that are chosen.
2. No **one** type of SFSC can currently be identified as contributing most to farm incomes; **scaling up can take many forms.**
3. **Collaboration amongst multiple actors** is a key component of success
4. Solutions are needed in the areas of access to **finance**, access to appropriately scaled **technology**, **collaborative** skills, access to larger customers, and **communication** about what SFSCs are.

# Useful websites and reports

Bálint Balázs, György Pataki, Orsolya Lazányi, (2016) Prospects for the future: Community Support Agriculture in Hungary, *Futures* 83: 100-111

Kneafsey, M., et al (2013) Local Food Systems and Short Food Chains in the EU: State of Play, JRC report

EIP-AGRI (2015) Expert focus group on Short Food Supply Chain Management

Food links project: <http://orgprints.org/28858/1/evidence-document-sfsc-cop.pdf>

Superbfood project: <http://www.ruaf.org/projects/supurbfood-towards-sustainable-modes-urban-food-provisioning>

SKIN (knowledge exchange network – 100+ examples of good practice):  
<http://www.shortfoodchain.eu/>

Strength2food project: <https://www.strength2food.eu/>  
- Short food chains, public sector procurement

European Rural Development Network, especially Rural Review No. 22 on smart supply chains  
<https://enrd.ec.europa.eu/sites/enrd/files/publi-enrd-rr-22-2016-en.pdf>

Example of multi actor collaboration in Poland:  
[http://partnershipbrokers.org/w/journal/brokering-shorter-food-supply-chains-2/#\\_ftn1](http://partnershipbrokers.org/w/journal/brokering-shorter-food-supply-chains-2/#_ftn1)



# Thank you for your attention

Please contact me if you require further  
information

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