SHORT FOOD SUPPLY CHAINS IN EUROPE’S NORTH

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The development of short food supply chains – where intermediaries between farmers and consumers are removed – should result in fairer remunerations for farmers and higher quality local food products, supporters say.

In 2015, 15% of farmers sold half of their products through these short food supply chains, according to a study carried out by the European Parliamentary Research Service (EPRS).

Smallholders often find themselves in a weak negotiating position against food processors, traders, wholesalers, and large retail chains. In some cases, the “big players” provide the only access to the market for small-scale farmers, which results in unfair trade practices.
Commission throws the ball to EU capitals on future of short food chains

By Sarantis Michalopoulos | EURACTIV.com

The development of short food supply chains (SFSC) is constantly gaining ground in the EU. Producing and consuming locally is seen as a way to achieve fairer remunerations for farmers and higher quality local food products.

But the reduction of the EU funds for the post-2020 Common Agricultural Policy highlights the role the member states need to play to further boost this rising trend.

In 2015, 15% of farmers sold half of their products through such short food supply chains, according to a study carried out by the European Parliamentary Research Service (EPRS). In addition, a 2016 Eurobarometer survey noted that four out of five European citizens consider that ‘strengthening the farmer’s role in the food chain’ is either fairly or very important.

On the other hand, critics suggest that such schemes can only provide benefits on a local level and are not a solution to the rising global population and food demand.

The concept was initially introduced by the Common Agricultural Policy (CAP) for the 2014-2020 funding period via the European Agricultural Fund for Rural Development.

SFSC GETTING POPULAR

European Coordination Via Campesina (ECVC), an organisation that defends farmers’ rights and sustainable farming, says that in Northern Europe, an increasing number of farms sell directly and are very popular among consumers and caterers.

Citing Austria as an example, ECVC said that 27% of farms sell directly and for half of these, direct sales make up the bulk of their income.

In France, the number is more than one out of five farms, especially in the southeast (1 to 4 regions), and concerns all kinds of productions, in particular wine, fruits and vegetables, poultry and honey.

“Outdoor markets are very popular and collective stores of farm products are multiplying, usually in cooperative form, which leaves the control to producers.” [Shutterstock]
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are multiplying, usually in cooperative form, which leaves the control to producers,” ECVC emphasised.

According to the organisation, another phenomenon in development is the creation of partnerships between consumers and producers, in the form of the Community Supported Agriculture (CSA) or AMAP (Association pour le Maintien d'une Agriculture Paysanne) in France.

Particularly, consumers pay growers up-front for the needed food and through this, farms and families form a network of mutual support.

"With the sale of prepaid baskets at a steady price, it makes it possible to secure the income of farmers as well as the supply of quality products for consumers.”

**A CONSERVATIVE CAP**

ECVC criticised the executive’s proposals for the post-2020 CAP, saying that they do not promote such schemes.

“We can truly say that farm products and short circuits are developing despite the CAP and not thanks to it,” ECVC said.

“Despite claiming to be ‘modern’, the new CAP is largely conservative and in no way promotes short food supply chains, even though they are supported by an increasing number of consumers,” ECVC told EURACTIV.

The organisation said the new CAP would still be based on per hectare payments. “These farms, which are generally small, receive only small payments when they receive them. Conversely, the large payments granted to the largest farms lead to unfair competition for access to land for people who want to settle in modest areas and who cannot keep up with rising land prices.”

In addition, potentially interesting support (investment, training, help with setting up, disadvantaged areas) is found primarily in the second pillar, whose funding is greatly reduced in the CAP’s next period.

For its part, ECVC proposes a positive policy in favour of the installation of young and new producers thanks to income support for the first years of installation, which are often difficult.

**COMMISSION THROWS THE BALL TO MEMBER STATES**

According to the EU executive proposals, the rural development financial support will be decreased in the period after 2020 and it’s possible that such schemes will be negatively affected if member states do not fill the funding gap.

Contacted by EURACTIV, European Commission sources said that under the new rules, member states will have more flexibility in how to use their funding allocations, allowing them to design tailor-made programmes that respond most effectively to farmers’ and wider rural communities’ concerns.

“Member states will also have the option to transfer up to 15% of their CAP allocations between direct payments and rural development and vice-versa to ensure that their priorities and measures can be funded.”

In an effort to protect farmers’ fragile income from price volatility and reduce the pressure from large operators, the European Commission presented on 12 April its much-awaited proposals for a directive to tackle unfair trade practices in the food supply chain.

With these proposals, the executive aims to restore the imbalance in the food supply chain and provide trading partners with weak bargaining power, such as individual farmers, with safeguards.

According to Copa-Cogeca, the EU farmers’ association, farmers receive on average 21% of the share of the value of the agricultural product whilst 28% goes to processors and as much as 51% to retailers.

For ECVC, though, the farmers’ main problem is not addressed: low prices imposed within a value chain dominated by oligopoly and the lack of profitability of their work.

“You need to get to the bottom of the problem, which is the deregulation of markets.”

The farmers also say that the proposal for a “directive” and not a “regulation” might result in different regulations across the EU and therefore risk the EU internal trade.

In addition, they say the directive does not cover the control and sanction of abusive practices of all operators in the agri-food chain.

“Controlling and sanctioning practices only on small and medium-sized farmers can lead operators to buy agricultural products where they do not have to comply with regulations.”

“On the other hand, the directive does not cover one of the most harmful practices for farmers, which is selling at a loss or payments to farmers below the cost of production.”
Organic farming: Europe’s south produces, north consumes

INFOGRAPHIC

Organic farmland in three countries in southern Europe accounts for 44.9% of the total across the EU, but when it comes to the consumption of organic products, northern countries top the list.

Organic farming still represents, though, 6.7% of the EU’s total utilised agricultural area.

SHARE OF TOTAL ORGANIC AREA

According to official data, the amount of organic farmland in the EU increased by 18.7% between 2012 and 2016. Analysts estimate that Spain, Italy, France and Germany represent over half of the EU’s total organic farmland (54.4%).

Spain 16.9%
Italy 15.1%
France 12.9%
Germany 9.5%
Austria 4.8%
Poland 4.5%
Sweden 4.6%
United Kingdom 4.1%
Czech Republic 4.1%
Greece 2.9%
Others 20.6%

Organic share of total market
Denmark: 9.7%
Luxembourg: 8.6%
Switzerland: 8.4%
Germany: 5%

Per capita consumption
Switzerland: 274 euros
Denmark: 227 euros
Sweden: 197 euros
Germany: 116 euros

By Aymone Lamborelle and Sarantis Michalopoulos | EURACTIV.com

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Organic farmland in three countries in southern Europe accounts for 44.9% of the total across the EU but when it comes to the consumption of organic products, northern countries top the list.

**WHAT DO WE PRODUCE?**

- **45.1%** Pasture and meadows (for organic livestock)
- **44.0%** Arable crops (cereals, fresh vegetables, green fodder and industrial crops)
- **10.9%** Permanent crops (fruit trees and berries, olive groves and vineyards)

**CONSUMPTION**

The EU was the world's second biggest single market in 2016 in organic retail sales (€30.7 billion) after the US (€38.9 billion), followed by China. In the EU, Germany has the largest market for organic food (€9.5 billion).

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  - Denmark: 227 euros
  - Sweden: 197 euros
  - Germany: 116 euros

- **Organic share of total market**
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Organic farmland in three countries in southern Europe accounts for 44.9% of the total across the EU but when it comes to the consumption of organic products, northern countries top the list.
Europe must get serious about short food supply chains

By Bart Staes and Maria Heubuch

Europe must get serious about short food supply chains (SFSC) and put an end to the frustrating inconsistencies within the Common Agricultural Policy and with other European policy fields, write Maria Heubuch and Bart Staes.

Maria Heubuch and Bart Staes are MEPs and member of the European Greens.

Making a clear choice in favour of SFSC and ironing out these inconsistencies is a way for the EU to really make a difference. This should be completed by effective regulatory instruments tackling further market concentration and unfair trade practices.

Some good news to start: More and more Europeans are favouring regional and quality food products, a Eurobarometer survey from earlier this year shows. Over three quarters consider regional and local aspects when making their purchase decisions.

And almost nine out of 10 are in favour of strengthening the farmer’s role in the food chain – a clear necessity, also admitted by the European Commission as food supply chains “are rarely to the advantage of the farmers”. As farmers or small cooperatives mostly rely on few powerful actors for processing and distribution, they often find themselves squeezed by unfair trading practices.

If you are looking for alternatives to this unfair and unsustainable ‘business model’, look towards Short Food Supply Chains (SFSC). These SFSC involve no, or maximum one intermediary operator. SFSC include community-supported agriculture systems, local farmers’ markets, basket delivery systems or pick-it-yourself orchards.

They re-connect city-dwellers and the old and new peasants and yield multiple benefits for the environment, health and jobs. Yet, short food chains are little more than an unloved daughter-in-law when it comes to EU policymaking.

Point taken, the Common Agricultural Policy (CAP) does grant support for the establishment and development of SFSC and local markets, promotion, information and advisory activities. But this is little consolation facing the handouts to

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big agrifood corporations that heavily outweigh these programs.

Let’s first take a look at the many answers that short chains provide to many problems of the current food system. Through SFSC systems, consumers receive fresher food of higher quality, nutritional value and variety. They can actively shape and support jobs in their region, its resilience and cohesion.

Their environmental footprint and dependence on the monotonous corporate offer are reduced. Geographical and social proximity to the producer and the field help to (re) discover what food production means. To give an example, the community supported agriculture project “Garden Coop” in the German city of Freiburg deepens this understanding through a few fieldwork hours per member and year.

On the producer side, SFSC enables a fairer remuneration through better price control. In Brussels, for example, there is the growing Gasap-network, in which around 4,000 citizens established direct and long-term relations from around 30 small-scale farmers. This provides a stable and fair economical basis for sustainable food production.

Furthermore, short food chains reduce the need for storage, packaging and the dependence on the agro-industrial sector. Rural communities preserve or gain new jobs on farms, in manual processing, and local distribution, and thus benefit from the added value remaining in the region and a strengthening of the social tissue. Thriving, locally organised SFSC can also be an important attraction, especially in times of growing culinary tourism.

For all of these reasons, Europe must get serious about short food supply chains. It is currently not doing its job: Inconsistencies within the CAP, but also with other European policy fields are frustrating. Three main inconsistencies include:

- The CAP does, through its so-called 2. pillar, provide funds for developing SCFC. But most of the money is still spent in indiscriminate hectare-based payments. This favours large-scale operations that in most cases produce for world, not local markets. What is worse, the CAP reform proposal now on the table wants to cut by 25% the most goal-oriented programs of the 2. pillar, while leaving hectare-based payments almost untouched with only a 10% cut. This means less funds for SFSC in the future and more heavy competition from big producers.
- Talking about competition, the EU needs to get serious about protecting its local food heroes from corporate power.
  The recent Baysanto merger shows that there are currently not enough tools in the box to prevent unhealthy market concentration and its effects on the environment, health and local economies. By allowing the agricultural input industry, but also processors and retailers, to become bigger and bigger, room for manoeuvre diminishes for farmers (potentially) engaged in SFSC.
- The European trade agenda also needs to be aligned to truly support local and sustainable food production, both in Europe and abroad. Prospected imports of 99,000 tons of cheap beef via the EU-Mercosur trade deal as well as cheap milk from New Zealand will destabilise local markets and producers even further. It is also bad news for farmers and environment in the originating countries. Already now, Chinese investors invest into stables with several thousand cows in New Zealand, resulting in pollution of water and soils.

Making a clear choice in favour of SFSC and ironing out the described inconsistencies is a way for the EU to really make a difference. SFSC must also be actively promoted and supported by regional and local measures.

As regulating bodies, regions and communities need to assure a framework for SFSC, such as providing affordable marketplaces or facilitating the cooperation of SFSC producers. In their role as large customers for canteens in schools, hospitals and suchlike, they have to be allowed to give priority to SFSC. Cities like Ghent and Copenhagen are doing some excellent work in this area.

The argument often put forward, that small, local farms can only provide a limited amount and a seasonal varying offer, needs to be invalidated by encouraging cooperation between SFSC producers and by bringing seasonality back into kitchens and eaters’ minds. It is not only about supplying a demand, it is also about creating a demand.

The growing number of citizens and economic actors choosing to buy their food through SFSC reflects the trends revealed by Eurobarometer. Nonetheless, their “consumm’action” can only be one part of a broader strategy.

It must therefore be complemented by effective regulatory instruments tackling further market concentration and unfair trade practices. Besides, the expenditure of public money, like the CAP, has to assure the provision of public goods like health, good food, functioning ecosystems, climate protection and social cohesion.

This cannot be achieved with a disproportionate cut in the second pillar and further incentives for farm enlargement and export. In contrast, SFSC chains make an important contribution to provide these goods, and will do even more when their development is truly fostered.
Implementing combined fish and vegetable farming system provides the food transparency and local production customers are asking for, say the supporters of aquaponic farming.

“What we see is that a growing number of customers want to know where their food comes from and how it is being produced,” Nicholas Leschke, CEO of Berlin-based ECF aquaponic farm system, told EURACTIV.com.

“And this goes with the organic trends, that is, producing food without using hormones, pesticides and antibiotics,” he added.

“We are being very transparent, we organise visits where you can see everything and we explain how we produce our food. The fact that we also sell directly to customers as well as local supermarkets improves the transparency customers are looking for,” Lescke continued.

Aquaponics is a system that farms fish and vegetables in water. It uses fish and vegetable production in a combination in which plants are fed the fish discharge. In return, the vegetables clean the water that goes back to the fish.

For Australia-based and globally renowned Permaculture Research Institute, aquaponics represents a big hope for sustainable organic crop and fish production. This is because the fish waste is recycled and used for plant growth instead of throwing it back into the environment. The water is recirculated in a closed system lowering the consumption of this resource.

Lescke pointed out that conventional agriculture accounts for 70% of global water withdrawal and
24% of greenhouse gas emissions, while 77% of global fishing stocks monitored by the United Nations’ Food and Agriculture Organisation are either depleted, over-exploited or fully exploited — with only 1% of those stocks in recovery from depletion.

According to the growing number of supporters around the globe, the aquaponic farming system helps to considerably reduce the environmental impact of conventional fish farming.

They point out the crowding together of thousands of fish in their artificial environment, with waste products, including feces, uneaten food, and dead fish, being flushed into ecologically fragile coastal waters, destroying local ecosystems.

Furthermore, waste from the excessive number of fish can cause huge blankets of green slime on the water’s surface, depleting it of oxygen and killing much of the life in the water, they argue.

**BIOECONOMY AT A REGIONAL LEVEL**

Customers’ demand to have food transparency and a sustainable, local production is by no means limited to Berlin.

“In Belgium, in Germany, elsewhere in Europe, customers want a real taste experience, they want food with real nutritional value. And they associate all that with short food supply chain,” Steven Beckers, architect and founder of BIGH (Building Integrated GreenHouses), explained to EURACTIV.

His company is in charge of the Abattoir project, one of the biggest urban markets in Europe built in an old slaughterhouse in Brussels. It uses the aquaponic technology developed by the ECF Farm in Berlin.

The architect notes a real interest in the Scandinavian countries for the implementation of the aquaponic farming system, while there are two potential projects in Paris being currently discussed and one in Milan.

“At the end of the day, it’s about re-connecting producers and consumers as well as re-localising agricultural and food production,” he continued.

The architect also underlined the added value of short food supply chain within a region.

“They have specific social and economic impacts at the regional level because they turn out to be both beneficial for farmers and customers,” he said.

“Our approach is to be part of the social and solidarity economy. We want to provide jobs for the people in the region and bring back economic life in otherwise neglected areas,” Steven Beckers added.

And this can easily be done in cities as well as in rural areas, Leschke explained. “Aquaponic farms can be built anywhere, it is not restricted to cities and urban areas,” he said.

Asked how Europe can act to promote this short food supply chain farming system, both Nicholas Leschke and Steven Beckers said an organic label would help.

“In the US, our food would be labelled organic. In the EU, it is not because the organic label only applies to soil production. And aquaponics does not use soil but water,” Beckers said.

Leschke also suggested a proper certification for aquaponic products.
Local farmers are increasingly sought after by catering establishments, which want to improve their food supply and enhance local production. However, public procurement rules hinder their plans. EURACTIV.fr reports.

The development of short food supply chains has become a trend in France, where more and more producers and consumers are seeking direct access to products.

Initiatives to develop short food supply chains, such as AMAP (Association for the Maintenance of small-scale Agriculture or community-supported agriculture) and The Food Assembly, have increased, as have direct sales on farms. For producers, this is no longer a niche market as 20% of them make use of this sales channel for at least part of their production.

“In terms of volume, trade through short food supply chains remains comparatively small in the global sense. But to some producers, this represents 100% of their sales. And there is demand from consumers,” said Francois Beaupere, president of the Chamber of Agriculture of the Maine-et-Loire department.

To develop short supply chains, the draft law “agriculture and food” puts a focus on catering establishments. The draft law “for the balance of trade relations in the agricultural and food sector and for healthy and sustainable food,” adopted after its first reading in the National Assembly on 30 May, will

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be examined from 26-28 June by the French Senate.

The draft law states that products sourced from organic agriculture, quality labelled products and short supply chains must make up 50% of the supplies to catering establishments by 2022.

For the time being, this only concerns catering establishments managed by public authorities, but a number of elected representatives call for a similar objective for private sector catering establishments, which represent a substantial share of the market.

**FREE MOVEMENT HINDERS SHORT FOOD SUPPLY CHAINS.**

It is not always an easy feat for catering establishments to get their supplies from local sources. Indeed, for local and regional authorities managing school restaurants, for example, the choice of a provider must go through a public tender. And the public procurement rules in force, which favour the lowest prices, do not always facilitate contracts with local farmers.

“The European Union was built on the founding principle of free movement [...]This principle underlies European regulation and particularly public procurement rules. It is not possible to discriminate against a product because it comes from another member state, or on the contrary to favour a product only because it has been produced locally,” states an information report on short food supply chains and the relocation of agricultural and food sectors from the former MP Brigitte Allain.

However, the European Directive on Public Procurement has broadened the notion of the most advantageous offer. Therefore, tenders can take more account of qualitative aspects, and the product lifecycle.

A certain number of flexibility clauses make it possible to incorporate “criteria that are likely to favour directly or indirectly fresh and local products,” stated the report.

“The European public procurement rules are a factor which doesn’t help. What is favoured is the lowest price. There is a real contradiction in the objective of favouring short food supply chains and the logic of the lowest bidder,” said Beaupere.

To allow local and regional authorities to favour their local producers, a certain number of criteria can be integrated such as “asking to visit a farm, or putting forward a need for fast supply,” said Beaupere.

The Chamber of Agriculture of the Maine-et-Loire department has supported a number of local authorities in the drafting of tenders compliant with European law while also promoting local farmers. “It is the obligations resulting from the European public procurement legislation that are the main blocking point to developing short supply chains,” said Beaupere.

It is a balancing act that pays off: In the Pays de la Loire region in France, the supply of public catering establishments is 100% French with 50% of it from local sources and 30% of it are quality labelled products or sourced from organic farming.

“The municipality took over the management of the school canteen, which feeds 175 children on average every day. We have made a call for tenders for €100,000 to find a service provider,” said Marie Guichard, deputy mayor of Feneu, a town with around 2,000 inhabitants in the Maine-et-Loire department.

“We were already used to working with the local bakery, a fruit and vegetable producer, and a meat producer,” said Guichard, who has integrated the issue of local sourcing in her new call for tenders. “We were able to adapt the assessment scale of the call for tender to favour local production”.

“Another difficulty lies in the supply and delivery. For example, when it comes to milk, the local farmer cannot deliver because of the small quantities we need, and we don’t have the right equipment to get it ourselves,” added Guichard.

The use of local producers has not increased the budget of the school canteen. “Because we are better able to manage quantities and limit food waste,” said the deputy mayor. “Everyone can do things locally, you just need the willpower.”
Polish project aims to stop food travelling more than you do

By Michał Strzałkowski | EURACTIV.pl / Translated by Hanna Yukhymenko

One EU-funded project in Poland all started with a girl allergic to food additives and ended up with an innovative startup, which connects 150 farmers with 100,000 people who want to eat healthy food straight from the producers. EURACTIV Poland reports.

The ‘Local Farmer’ project is becoming increasingly popular in Poland, but its creators, despite its success, want it to remain a niche project.

Andrej Modić is from Slovenia. But at one point in his life he came to Poland, where he met his wife Sylwia. Their daughter was born in 2009 with a number of health problems that could be treated by a diet consisting of good quality products.

It was all the more important because small Zarji was also troubled by a strong allergy to food additives. Unfortunately, products bought in organic shops did not solve the problem due to preservatives that are often needed to bring them in from hundreds or even thousands of kilometres away.

The desperate parents decided to buy food at local markets. But they were also disappointed – the sellers were not always able to explain where their goods came from.

Some sellers even cheated. That is why Andrej and Sylwia decided to look directly for producers – breeders, farmers and small processors. But how do you get really good beef when you have to buy a whole cow?

OTHER INSPIRING FOOD COOPERATIVES

The solution was to create a purchasing group, which would jointly buy more goods from a farmer or processor and then share the costs. And of course, enjoy truly healthy food.

The idea was not entirely new. Andrej brought it from his home country, Slovenia. Not to mention that already in Poland other similar associations were already established, like the ‘Well Cooperative’ (Kooperatywa “Dobrze”).

Back in Slovenia, such a small shopping group was organised by Andrej’s father, who was visited a supermarket almost 15 years ago and did not like it.

Sylwia and Andrej decided to form a similar group in Warsaw. They benefited from EU funds under the Innovative Economy Programme. In May 2014, the first version of the Local Farmer website was created. They wanted to reach those who wanted to eat healthy food, were passionate

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about cooking and wanted to be conscious consumers in general.

The idea quickly turned out to be a great success. “Today, we source our products from 150 farmers or small processors. We have access to virtually all the types of products that are available in supermarkets. But only for products that are completely tested and healthy. And most importantly, they are produced as close to the consumer as possible, so that they do not have to be carried far,” said Andrej.

“Our service is already used by 100,000 people. In fact, we have never advertised it. All this is due to the so-called whispered marketing, i.e. simply recommending us to others by satisfied customers. We plan to start the first real marketing activities on social media only this year, in August,” he added.

This is not the only project of this type in Poland that has turned out successful. More and more Poles want to eat and live better and healthier.

Buying co-ops are burgeoning in different parts of the country, mostly in Warsaw. Warsaw Food Cooperative files collective orders directly at the producers once every two weeks: farmers and manufacturers of plant oils or tofu, etc.

It is not a company but an association and everyone can join. Sole conditions to becoming a member is a minor membership fee and just 90 minutes a month of helping by co-shopping.

For the Well Cooperative, not only food is important, but also social ideas – equality, justice and supporting less socio-economically endowed. This project functions as a cooperative and association. It also runs two cooperative shops in Warsaw.

Although for the Local Farmer, social and ecological ideas are also important, Sylwia and Andrej have a more entrepreneurial approach and have quickly developed their start-up also outside of the capital.

The service already operates in six Polish cities – Warsaw, Kraków, Wrocław, Katowice, Poznań and Łódź. There are plans for yet another large Polish city. And then, even expansion into neighbouring European countries.

“From Warsaw’s point of view, the distance to Gdańsk or Berlin is quite similar,” explains Andrej Modić.

HOW TO REDUCE “FOOD MILES”?

Their project is based on several principles. Firstly, goods must be fresh and also verified. Andrej and Sylwia, like detectives, visit farmers or small processing plants. They check fields, barns and production lines. Sometimes several times.

Not every supplier or manufacturer can use their service. “People are important to us. It is also important what philosophy farmers or processors have and how they produce their products. Everyone has to read the labels carefully in the supermarket.

“They don’t read the labels here, because we check everything for the consumers. But if someone wants to go to the farmer and see for himself how his farm looks like, it is possible. Each product has a face of a specific manufacturer”, said Andrej.

Another important rule of the Local Farmer is to reduce the delivery time and distance of the goods as much as possible. The upper limit is 100 km, but many products – especially fruit and vegetables – travel only 20-30 km.

“Our goal is not only that the products do not have to travel long and not to grow “food miles”, but we also want to reduce the impact of transport on the environment, i.e. create the smallest carbon footprint possible. That is why our environment is not a country or a continent, but an urban agglomeration.

“Although there are more and more people interested in using our service, we will never become a mass enterprise. We do not want that. We will remain niche and we are proud of it”, said Andrej.

GREATER INCOME FOR FARMERS

The third principle is fair treatment, not only for consumers but also for producers. A farmer who puts his products into buying-in receives only 20-30% of the final price paid by the consumer in the shop.

Along the way, there is also a wholesaler, a processing plant and finally a retailer. Everyone has their own margins. In addition, there are transport costs. The suppliers of the Local Farmer receive as much as 75% of the price paid by the consumer.

And they know exactly how many goods have been ordered. There is no waste here, no returns of unsold food. At the beginning the service only associated farmers and breeders with customers, now there is also a network of special collection points, which were organised by Sylwia and Andrej.

Eventually, the project should cover the entire chain. “We want manufacturers to do their best to produce good food. And we will organise a friendly ecosystem between the producer and the consumer,” said Andrej. So that everyone knows where the carrot he or she has eaten has grown.
Farmers being in direct contact with the consumers and setting their prices independently, without having to submit to the wholesale market dictate – sounds like going back to the roots of agricultural markets. Behind this, however, is a model with a genuinely promising future. EURACTIV.de reports.

‘Short supply chains’ – an idea that’s hardly new: Direct sales by small-scale producers, community-supported agriculture as well as self-service stations for regional products are a trend. At the same time, discounter supermarkets in Germany’s major cities have started using external service providers to have their product range delivered directly to the customers’ homes.

So why not combine these two trends and deliver regional food at fair prices – not from the discounter, but directly from the farmer ‘round the corner’?

The term digital farmers’ markets describes a new concept that uses the internet as a marketplace for agricultural products. Their aim is more than just to “digitally shorten” the distance between producer and consumer.

Achieving fairer prices for small farms is one of the goals of the new European agricultural policy. Commissioner Phil Hogan already hinted that large farming enterprises’ growth should no longer be massively supported by EU funds.

The Agricultural Markets Task Force (AMTF), in particular, is to draw up concrete proposals on how to support the farmers’ position within the food supply chain. One point is the redistribution of agriculture subsidy funds to smaller businesses.

What sounds great in theory leaves small-scale producers like Michael Beyer somewhat sceptical, though. He does not believe that the overall situation will change dramatically: “What we all need – and I mean producers and consumers alike – is a complete re-orientation of European agriculture towards more sustainability,” Beyer says.

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Today, only a few retail chains and corporations determine what is put on European plates every day. This does not only have negative effects on diversity and quality but particularly on smaller farmers who are often forced to shut down their business.

All of the above are reasons why Beyer and many, predominantly young, farmers are looking for new sales channels, such as the online farmers’ market Markta from Austria. On this platform, Beyer can set up his own online market stand and offer his produce directly to potential buyers.

His chances of finding many customers on the website, which was started on 1 March 2018, are quite high. After all, Beyer offers rare, traditional vegetable varieties that are rarely found in supermarkets, but which appeal to a food- and nutrition-conscious and financially strong target group.

Especially for such regional niche products, digital farmers’ markets may offer a good opportunity for direct sales and a possibility to withstand the increasing digitalisation of the food retail trade by the likes of Amazon & co.

For the time being, the logistical effort is still comparatively high, but the Markta team plans to expand its cooperation with local suppliers in major metropolitan areas.

The main objective of virtual market stalls like Markta, however, remains turning industrial distribution structures upside down and making trade relations fairer for small producers. Farmers are to gain more independence and autonomy over prices and production conditions – and thus be able to keep up with global competition.

According to Eurostat, farmers receive a mere 21% of the retail price that customers pay in supermarkets. Keeping this in mind, the 20% commission fee that Markta charges is much fairer for the farmers and leaves them with a much bigger share, Beyer insists.

If digital farmers’ markets really become more commonplace in the future, it seems they could bring higher incomes for farmers, access to fresh, regional and seasonal products for consumers, shorter transport distances, less packaging, and greater social cohesion at the local level, making them a viable alternative to supermarkets.