SHORT FOOD SUPPLY CHAINS IN EUROPE’S SOUTH

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The concept of short food supply chains (SFSC), where intermediaries between farmers and consumers are removed, was introduced in the 2014-2020 CAP and has risen in recent years.

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

In southern European countries, advocates suggest that short food supply chains have a multidimensional role to play particularly thanks to the high-quality products of the region.

In this Special Report, EURACTIV.com will focus on the role of SFSC in enhancing agrotourism and providing consumers with healthy and fresh food products.
Spanish producers are increasingly taking advantage of the booming Internet and digital commerce in order to shorten the supply chain and therefore improve their profitability.

Although there is no harmonised European or Spanish regulation on this marketing formula, the Spanish Ministry of Agriculture, Food and Fisheries, defines it as “one in which the number of intermediaries is equal to or less than one”.

This means that in the real world, compared to virtual formulas, practices such as producer markets, direct sales in operation, home deliveries, direct sales stores or consumer groups can be considered a “short marketing channel”.

The special feature of this formula is that producers use the digital environment in order to get closer to consumers and remove intermediaries. In this case, the distance of buyers does not matter, as products can be delivered even abroad.

Both in the community and the national frameworks, many initiatives have been taken to promote these formulas with public support. The objective is to achieve better profit margins for producers and reduce food waste.

Last June, an alliance was formed between Amazon and the Spanish Institute for Foreign Trade (ICEX) to sell Spanish food to France, Italy, the United Kingdom and Germany.

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Already thousands of companies are offering their products via this joint venture.

Susana Rivera from the Spanish producers’ association “Innovación y Calidad de Cooperativas Agroalimentarias (ICCA) told Efe Agro: “Cooperatives have always had stores in the territory” to supply the local population. But in recent years, new marketing models have been put in place, mainly thanks to the Internet.

The ICCA takes part in the EU Horizon 2020 project Short Supply Chain Knowledge and Innovation Network (SKIN), having as a goal to build “a new community of relations, in which food is the intermediary between producers and society”.

They already have a record of 200 cases of good practice in this area.

Among them is the “Farmers & CO” initiative of the Balearic Islands cooperatives, a network of franchise stores that sell the products of its 6,000 members and 600 producers, who seeks to position 500 of their products on the market.

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But there are many more good examples. One of them is the agreement between cooperatives and hotel schools in the Valencia Community (eastern Spain) to bring the product closer to the sector, or “Agrobocca”, an online platform that connects fruit and vegetable producers with buyers.

In addition, it provides producers with tools to create an “e-commerce” quickly, free and without prior knowledge.

To facilitate and develop B2C e-commerce opportunities, they work in the Spanish autonomous community of Aragon (north-east) in the framework of the Rural Development Program (PDR 2018-2020), on a project created by the tech company “Inycom”.

Project manager Carmen Urbano told Efe Agro they wanted to offer companies tools to promote multichannel food sales and reach both foreign consumers and Spaniards living abroad.

The options range from developing a “simple” virtual store for those who do not have it yet, to the opportunity of participating in the Amazon marketplaces in Europe or in the United States.

To achieve this, the procedures should be digitalised and teams properly trained, she said.

Other examples of good practices are the “virtual exhibitor” of Foods of Aragon in Alibaba.com – with almost one million views – or Mundospanish.com, Urbano noted.

But in order to meet future challenges, one must speed up and cope with the new trends of the market to bridge the “digital gap” in Spain, compared to big competitors such as the UK, France and Germany, Urbano stated.
The mayor of Kozani, a city in northern Greece, has decided to ban the “Without intermediaries movement”, which had created a direct link between local farmers and consumers.

Local authorities said the farmers’ market, which has been in place since the last five years, violated existing legislation.

Short food supply chains became popular in Greece following the economic crisis, which forced smallholders and consumers to seek alternative ways of getting food at affordable prices.

At EU level, different forms of short food supply chains (SFSC) have developed in the last years. Advocates say SFSCs are not just about selling local cheap products as they also have positive spillover effects on rural societies, the environment and agrotourism.

Local media e-ptolemos.gr reported that the mayor decided to stop the “Without Intermediaries” movement, and the move came as a surprise, considering that mayor Lefteris Ioannidis is a known environmentalist who has been praised for his progressive policies.

He is one of the few mayors across the country to implement a much-discussed smoking ban in public places. He also warmly welcomed

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Syrian refugees at the height of the migration crisis.

Agricultural cooperative “Aliakmon” accused both the mayor and vice-mayor Chryssa Athanasiadou, who is a far-left politician, of bowing to the pressure from big businesses in the region and the market.

“It’s a shame. The mayor deprives producers of a significant income and the consumers, from cheap and high-quality products,” said Panagiotis Arnidis, the president of Aliakmon.

Municipality sources explained that according to the existing legislation, these producers should ask for a license to operate and follow a specific authorisation process.

“The producers did nothing and we cannot allow an uncontrollable market operate out there,” the sources said.

According to the existing law, the producers should create non-profit organisations in order to be able to operate and at the same time, prove via an annual report that their activities are based on solidarity towards those in need.

“The choice of conscious non-compliance with the law is not and will not be acceptable,” the local authorities said in a statement.

Farmers in Kozani say that despite the legislative gap, farmers’ markets in other Greek regions are already functioning without any problem. They do not understand why the ban should only apply to them.

Contacted by EURACTIV, Arnidis said local commercial interests and supermarkets were behind the ban. The farmers’ market was organised once per month and the feedback from local consumers has been very positive up-to-date, he said.

But the police was recently sent to the local farmers’ market and imposed a €200 fine on each producer, Arnidis said.

Sources from local authorities denied that they sent the police. According to them, the organised flea market managers did so, by invoking the relevant law.

In the meantime, the Greek parliament recently voted a law on agrotourism, a parameter of short food supply chains, especially for southern Europe’s high-quality products.

“Gastronomy tourism is an integral part of the cultural heritage of different places and a form of leisure tourism,” the law says, making it clear that one of the main activities to promote agrotourism is the purchase of agricultural products directly from the producer.

But the mayor said the movement was against existing legislation. Indeed, while the ministry of agriculture has made a legislative proposal on short food supply chains, the law has not yet been approved by parliament.
Green MEPs: New CAP is not ambitious on short food supply chains

By Sarantis Michalopoulos | EURACTIV.com

The development of short food supply chains, where intermediaries between farmers and consumers are removed, provides consumers with healthier food and especially in the case of Europe’s south, major opportunities to enhance agrotourism, Green MEPs told EURACTIV.com.

However, the new proposed Common Agricultural Policy (CAP) does not favour this rising trend, they added.

The concept of short food supply chains (SFSC) was introduced in the 2014-2020 CAP and has risen in recent years.

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

The concept lies in the fact that farmers sell their products directly to consumers, meaning that products produced locally are also locally consumed.

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.

Florent Marcellesi, a Green MEP, emphasised the health aspect of SFSC and local food systems.

“We are already facing the health consequences of a food model based on the overconsumption of low-cost, industrial, highly processed food and meat that travel thousands of kilometers before ending in our plates,” he said.

The Spanish MEP said SFSC meant less processed food and also the possibility of more local plant-based diets by reducing the amount of industrially produced meat.

AGROTOURISM

According to Marcellesi, with SFSC, especially for southern European countries, could have a spillover effect on other sectors of the economy such

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as agrotourism. “The local gastronomy offer, based on high-quality local ingredients, is more and more valued in rural tourism in general and agrotourism in particular. This is a great opportunity for rural areas to create jobs and opportunities,” he said.

Green MEP Maria Heubuch shares a similar view: “Many people are looking for unique and authentic experiences of rural life. The combination of agrotourism and short food supply chains can provide these experiences.”

“At the same time, it can provide an income to farming communities. It’s a win-win situation,” the German MEP said.

**CAP FAVORS EXPORTS**

According to the European Commission’s proposals for the post-2020 CAP, it will be up to the member states to decide how to use their funding allocations and therefore, the SFSC concept.

The new “delivery model” provides member states with flexibility to come up with strategies adjusted to their different needs.

The proposed CAP budget has prioritised the direct payments pillar to ensure farmers’ income, though it would still suffer a 10% cut, while the rural development pillar, under which SFSC fall, will be cut by 25%.

“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,” an EU spokesperson recently told EURACTIV.

Greece together with France, Spain, Ireland, Portugal and Finland has signed a joint declaration opposing the CAP budget cuts. The declaration was endorsed at a later stage by Cyprus and Bulgaria.

Both Green MEPs criticised the Commission’s approach, saying it lacks of ambition when it comes to SFSC and urged policymakers to put rural development at the core of the next CAP.

“Instead, it has cut the budget for strategic funds by 25%, while still promoting an export-oriented farming model. If we are to promote short-circuit food, we should be encouraging smallholdings,” Marcellesi said.

Heubuch stated that in addition to the 25% cuts in rural development, its measures are voluntary and need to be co-financed by member states.

“Therefore, the programs for short supply chains, which are foreseen and can be financed under pillar II, will hardly be enough to balance out the continued handouts to big agrifood corporations through pillar I,” she said.

She added that the Commission had failed to address the unfair distribution of power in the food supply chain either.

“Tackling unfair trade practices means looking at only a symptom of the massive concentration of power in the agriculture and food sector. The four largest German supermarket chains share 67% of the turnover with foodstuffs amongst them,” she said.

**A COMMON FRAMEWORK**

There are currently several types of SFSC, ranging from Community-Supported Agriculture to on-farm sales and farmers’ markets. On Community-Supported Agriculture, France tops the list followed by Belgium.

Copa-Cogeca, the EU farmer and cooperatives’ association, said it was important to create instruments that promote short supply chains and local sales networks as an additional outlet for farmers.

“Creating a common framework for identifying such initiatives at EU level could potentially help to meet the specific needs of those wishing to inform consumers in a more effective way about the added-value of their products,” Copa-Cogeca told EURACTIV.com.

According to EU farmers, such a framework could prove particularly useful for certain types of producers who may potentially be interested in a European quality scheme (PDO, PGI, and TSG) or another national, regional, public or private certification scheme, but who may be unable to access such a scheme owing to the excessive financial or administrative constraints imposed.

“The issue of short supply chains and local sales must not be limited to the creation of an EU value enhancing product claim. In order to overcome the difficulties faced by producers and producer groups interested in such initiatives, we believe that it is also important for other specific provisions to be taken at EU level, particularly in the field of promotion and under the Rural Development Policy,” Copa said.

Copa believes that it would only make sense to create such a tool if it remains consistent with existing provisions, mainly at the national level.

“This would ensure that efforts already taken by certain member states in this field would not be adversely affected (e.g. creating local sales channels to integrate local initiatives, such as introducing quality schemes, product origin indications, the French scheme “Produit fermier”, etc).”
Campaigner: Short food supply chain is more than selling local products

By Sarantis Michalopoulos | EURACTIV.com

Short food supply chains have a multidimensional role to play. They can help revitalise European farms by encouraging young people to work the land, but they also provide cheap and healthy food to consumers and attract tourists, campaigner Geneviève Savigny told EURACTIV.com in an interview.

Geneviève Savigny is a campaigner with the European Coordination Via Campesina NGO (ECVC).

What are the advantages of short food supply chains in Southern Europe for EU farmers and consumers?

Short food chains and direct sales are a real opportunity to keep small and medium farms viable and enable newcomers to start farming. It enables access to good, fresh, typical and fairly cheap food to many consumers. It has always been present in Southern Europe. My area – Southern Alps is

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famous for its “provençal markets” and it part of the attraction for tourists. It is regularly renewed with new forms of direct sales as well as new producers. Forty years ago, we had many goat farms starting up to produce goat cheese now considered as traditional cheese.

Lately, we’ve seen a lot of young people starting organic vegetable production on small-scale farms. And you can also see many other products: sheep milk and cheese, honey, wine, on-farm made bread, beer, herbs, essential oils, fruits jams and a wide range of preserves from the farm… One can almost get all he needs from local production.

There is continuous innovation in the means of distribution too; the traditional open market is now completed by the Community supported agriculture system (CSA-AMAP in France), order by internet with delivery at the local point, and collective farm shops which see a great development lately. Groups and associations with NGOs and local authorities seek to set specific schemes to enable access to good local food to urban poor people.

Many schools also have schemes to propose local products in their meals, some days per week or month. It’s not much dearer if you change the menu. A lot of this production is organic and of good quality. Anyway, if the quality is not there, you will have no success.

What are the challenges of promoting short food supply chains?

I see two main challenges to develop short chains: the main one is the problem of ill-adapted regulation and standards, concerning production, processing and sales. In fact, the EU regulation includes possible flexibility for small volumes of production, but local authorities are not always aware of it or willing to apply it. The collective organisation of small farmers is very important for this.

The second point is access to land for young people. Land is usually expensive, not easy to rent, and although demand is growing in many places, young people – including a lot of young women as I can see in my area -have utter difficulties to get into farming.

Can the new CAP (Common Agricultural Policy) help member states enhance this trend? Is it ambitious enough?

The CAP has never meant to support short chains. The big reform in 1992 was to drastically lower the prices of the European commodities so that EU producers could be competitive in a market, which was promised to globalisation with the creation of WTO and the inclusion of agriculture in the agreement.

Subsidies based on the surface were then set up to compensate. The more area you have, the more you get, and the less land you have, the less money you get.

And sometimes you get nothing at all if you are smaller than the minimum area decided in each country (three hectares in Italy, 5 in the UK when you can make a living on one hectare with vegetable and direct sales). This hectare payment is too little to be a real support. We need to support new entrants on an active farmer basis especially during the first three years of his/her installation.

There are also measures in the second pillar, for investments in the farms, or collectively, but it depends on the national or regional programs and is not always set as a priority.

What are the side effects of the short food supply chain when it comes to other economic fields such as agrotourism especially in Europe’s south where we have high-quality products?

Indeed, a short chain is a basis for various activities such as agrotourism. To name a few, it’s very active in Italy, Slovenia, and many parts of France, where it contributes to the local economy. Cultural life is also enhanced in rural areas with amateurs or professional theatre groups, and all kinds of artistic creation.

And it’s also a contribution to the basic life in villages; keep the schools open, the shops and cafes. Just rural life.
Farmers’ markets have spread across Italy in just a few years and they offer a great economic and social opportunity, precisely because they allow direct contact between producers and consumers, EURACTIV’s partner Sicilia Agricoltura reports.

Farmers receive all the economic benefits of selling directly without any kind of intermediation that weighs down the final price of the product. Consumers, on the other hand, have both the opportunity to buy at a lower price and to meet those who produced what they’re buying.

In this way, consumers rediscover a human connection with producers that could be considered also as quality assurance.

Coldiretti, a leading farmer organisation representing half a million Italian farmers, launched the network ‘Campagna Amica’ (Friendly Farm) in 2008, made up of over a thousand farmers’ markets across Italy. But alongside this network, there are many other direct sales markets in every city.

Farmers’ markets represent not only places for commercial exchanges, but also genuine meeting points where it is possible to organize educational events, entertainment and cultural activities.

**WORLD’S LARGEST NETWORK**

Italy has the world’s largest network of direct selling farmers’ market and surpassed France and the US within a few years, according to a survey by Coldiretti and the Italian polling company Ixè.

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Some numbers show that farmers’ markets are already taking a central stage in the Italian food supply chain.

Almost six out of ten Italians have bought local products directly from farmers at least once a month in the last year in mills, huts, wineries, farms, farmhouses or farmers’ markets, according to the survey.

The explosive growth of direct sales that occurred in recent years is the result of consumers’ focus on welfare and health, but also to environmental sustainability and to the willingness of defending and enhancing the economy and the employment of their territory, Coldiretti adds.

“All this contributed to building the extraordinary network of Campagna Amica, which includes 130,000 Italian farms selling their products directly,” Coldiretti said.

A study carried out by Italy’s ISMEA, a public statistical institute on the agricultural market, said that the spending of Italian consumers at farmers’ markets has exceeded €6 billion.

According to the Coldiretti/Ixé survey, 71% of the Italians interviewed considered the high quality of the products as the main reason why they like to buy at farmers’ markets, followed by the guarantees of safety, the search for local products and the economic convenience.

### Sicily’s Experience

“More and more consumers are buying directly from agricultural producers,” said Francesco Ferreri, the President of Coldiretti Sicilia.

“Shortening the supply chain today means a greater guarantee but above all, it helps to keep the economic sector alive,” he concluded.

Alongside the experience of Campagna Amica, there are many other initiatives that bring consumers and food producers closer together. In Palermo, for instance, there are several farmers’ markets, some of them open every day.

“Our association opened two markets: a ‘classic’ one in the suburbs with weekly sales, another one started two years ago and located in the city centre that is open every morning, allowing people to buy without having to do the shopping once a week,” explained Francesco Scaglione, the President of the Association of farmers’ Market Committee in Palermo.

He said that many elderly people live in the city centre and they have difficulties in buying and consuming several fresh products, while “here they have the certainty of being able to find fresh and genuine products every day.”

A regional law recently approved in Sicily aims to safeguard the small production systems and peasant agriculture, introducing the possibility of transforming, processing and selling products within the same companies as well as in local markets.

The regional law provides that the place used for direct sales is established by the municipalities or authorized by them on the basis of a market regulation specifying the methods of sale.

It will be a responsibility of the municipalities to push the shortening of the supply chain within their territory, in order to encourage the products’ purchase with a direct link with the area where they are produced and to ensure adequate information to consumers on the products’ origin and specificity.
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