

Sustaining food chains

Assessing and enhancing sustainable rural development through new modes of food provision

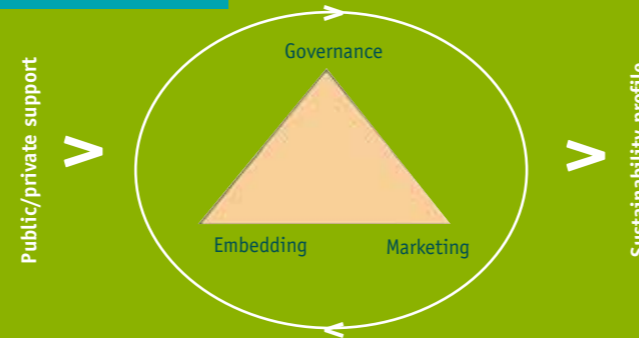
SUS-CHAIN is a research project co-financed by the European Commission, which ran from the beginning of 2003 to the middle of 2006. It brought together a multi-disciplinary team of sociologists, economists and marketing experts from seven leading European universities paired with NGOs, which are active in the field of sustainable food production and marketing.

The work has been undertaken at times when issues of food quality and sustainable rural development emerged as central concerns in the future development of food, farming and rural areas in Europe. SUS-CHAIN has contributed to this debate by assessing the potential role of food supply chains in the enhancement of sustainable food production and rural development. By reconstructing the development paths of fourteen food supply chains, two in each participating country, the project has developed an empirically grounded understanding of different experiences in enhancing the sustainability of agro-food chains. Close engagement with key actors, including experts from industry, and from NGOs with an interest in food chain issues, has been one of the central features of the research approach.

Major findings

By reconstructing fourteen food supply chain initiatives, SUS-CHAIN illustrates that the process of increasing the sustainability of food supply chains is rooted in strategic choices regarding governance, embedding and marketing, and in the co-ordination of these three dimensions. The three dimensions are inextricably interrelated (as shown by the triangle in figure 1). Moreover, when seeking to scale up an initiative these interrelations need continuous coordination and rebalancing (represented in figure 1 by the circle with arrows). The analytical framework also demonstrates how a food network - being a specific combination of governance, embedding and marketing - requires specific kinds of public and/or private support to strengthen its sustainability profile.

Figure 1: Analytical framework



Depending on the different starting points, the key actors, their strategies and abilities and the alliances that they are able to create, each initiative carves out its own distinct trajectory through time. In doing so, some will turn out to be more successful than others. Some initiatives are young and still maturing, others are longstanding and well developed. Some operate on a small scale while others have scaled up significantly. Amidst all this apparent diversity three different underlying trajectories can be distinguished: chain innovation, chain differentiation and territorial embedding (see figure 2). Each reflects a specific drive and scope and a specific path towards sustainability, which balances new societal demands and marketing opportunities against new forms of dependency. All initiatives tend to start by following one of these trajectories. Some will follow the same one through their development; others may move from one trajectory to another, as part of their evolution.

Sustainability profiles

SUS-CHAIN demonstrates that identified trajectories meet different sustainability criteria. These differences partly mirror the successes achieved so far, but can also be explained by the variety in underlying drives, scopes, values and trade offs between objectives. In other words both the trajectories and their sustainability profiles have specific strong and weak characteristics in terms of the benefits to people, profit and planet. For example territorial embedding through short food supply chains or regional typical food marketing might be often still rather weak in terms of its effects in generating extra income or farm-employment. However, its impact on rural sustainability can often be more significant through the synergies it generates with other economic activities, rural functions and cultural resources, such as tourism, nature and landscape values and regional identity. In addition the trajectory might also contribute to other sustainability indicators as job satisfaction, consumers' trust in food systems, farmers' capacity for self-organisation as well as a reduction of food miles.

Figure 2: Sustainability trajectories

Chain innovation

- Key objective is to strengthen the bargaining power and commercial position of farmers in the food supply chain
- Focus is on designing, developing and implementing new forms of chain governance (new rules, new division of roles, new arrangements) by mobilising strategic alliances, and building a strong support network to create a protected space or niche for experimenting and learning
- Often initiated by farmers aiming to improve their livelihood



Naturabeef: Swiss example of chain innovation

Chain differentiation

- Key objective is to improve the commercial performance of an existing (in terms of organisational configuration) food supply chain
- Focus is on developing and marketing more distinctive products (or assortment of products) alongside their existing, well established products
- Often initiated by highly influential chain captains or directors (usually processors or retailers) aiming to improve the competitive position of their firm



Tegut: German example of chain differentiation

Territorial embedding

- Key objective is to (re-)construct a food supply chain as vehicle for sustainable regional development
- Focus is on strengthening interlinkages and creating coherence and synergies between food supply chains and other economic activities in the region
- Often initiated by public-private partnerships aiming to address public/societal concerns regarding sustainable regional development



Pecorino: Italian example of territorial embedding



Some recommendations

> COHERENT MARKETING STRATEGIES

Food supply initiatives need a clear and coherent development strategy. This implies that the initiative is organised in such a way that the strategy and its main objectives are clear and transparent to every actor in the chain. Only when the strategy is supported by all the actors along the chain will the initiative be successful. Additionally marketing strategies need to be built around clear, convincing and credible claims that send a concise and positive message to consumers.

> BUILDING REGIONAL PARTNERSHIPS

Regional marketing and the (re-)creation of territorial identity play an important role in many sustainable food networks. Cooperation with, and involvement from, public bodies and societal movements is often a crucial factor in this respect. Institutional arrangements, involvement in regional networks and cultural relations indicate that actors involved in new food networks use often more than just economic logic in setting their market orientation.

> TARGETING

Policy is about making choices about who and what to support and how to provide this support in the most effective way. While public support is often important, sustainable food network initiatives certainly do not always need to draw on public support. A major lesson from SUS-CHAIN is that the provision of relevant public support to food chain initiatives should be targeted towards the specific nature of the different trajectories (see figure 2).

> REDUCING RISKS

SUS-CHAIN's analysis demonstrates that the support provided by public institutions can play a vital role in the initial phases of establishing and developing new food chains which can involve high costs (transaction- as well as investment costs). Banks or other commercial institutions are often reluctant to finance these, the most 'risky' phases. The provision of public financial support during the initial phases can reduce the risks faced by initiators and acknowledge the often crucial role of Small and Medium Enterprises, both food and non-food related in sustainable food chain initiatives.

> LEARNING AND EXPERIMENTAL SPACE

SUS-CHAIN learns that most successful initiatives demonstrate a strong capacity to integrate the experiences, competences and skills of food chain partners, researchers, policy bodies and societal organisations. Policy could more actively strengthen such learning communities and give the support that these require in terms of process management, process facilitation as well as experimental space to overcome constraints related to public regulations and bureaucracy. In this respect specific attention needs to be paid to the prevailing agro-industrial food hygiene regulations, which frequently hinder sustainable food chain initiatives that build on farm-based, artisanal or regional typical food qualities.

Nourishing networks

Fourteen lessons about creating sustainable food supply chains

Edited by Dirk Roep and Han Wiskerke

Nourishing Networks offers an empirically grounded perspective into the creation of sustainable food supply chains and networks. Building upon experiences from seven different European

countries, this book presents a rich diversity of examples of food supply chain initiatives. From this diversity of experiences fourteen valuable lessons are drawn that are applicable to a wide range of different conditions and contexts. They are the kind of lessons that need to be borne in mind when becoming involved in the (re)construction of sustainable food networks. These findings are of interest for those seeking to enhance sustainable rural and regional development, in particular policy makers who often face difficult decisions over what type of initiatives and development patterns they should support or promote.

Policy is about making choices: over who and what to support, when, and how to provide this support in the most effective way. This book convincingly shows that a great range of instruments and approaches is available for creating a more favourable environment for the development of sustainable food networks. The lessons and recommendations in this book are also relevant for practitioners and their supporters, as these can help them to position themselves, develop a clear strategy, find the right allies, develop their skills and build the capacities that they need. It can not only help practitioners to find the right road, but also to travel along it better equipped.

From the foreword by Michel Delebarre (President of the Committee of the Regions)



LESSONS > ILLUSTRATED BY

Developing a supportive institutional environment > **Latvian Beef Cattle Breeders Association (Latvia)**

Creating space for change > **De Hoeve pork supply chain (Netherlands)**

A strategic alliance with chain partners > **Biomelk Vlaanderen (Belgium)**

Willingness to invest in a shared enterprise > **Westhoek Hoeveproducten (Belgium)**

Mobilising investment capital for scaling up > **Upländer Bauernmolkerei (Germany)**

Anticipating the implications of scaling up > **NaturaBeef (Switzerland)**

A visionary and capable leader > **Rankas Piens dairy (Latvia)**

Building a strong brand > **Beemsterkaas of the CONO dairy cooperative (Netherlands)**

A flexible procurement system for local sourcing > **Supermarket sourcing of local food (United Kingdom)**

Regional marketing as basic security > **Organic beef of the Cooperativa Agricola Firenzuola (Italy)**

Regional embedding as a marketing strategy > **Tegut supermarket and Rhöngut meat processing (Germany)**

Specificity as a key in aligning regional interests > **Pecorino di Pistoia: raw milk sheep cheese (Italy)**

Promotion of regional identity > **Pain de seigle du Valais AOC (Switzerland)**

Public sector food procurement through partnerships > **Cornwall Food Programme (United Kingdom)**



SUS-CHAIN Consortium

SUS-CHAIN has been carried out by the following academic institutes and NGOs from seven European countries:

1. The Netherlands

- Wageningen University – Rural Sociology Group (coordinator)
- Centre for Agriculture and Environment

2. United Kingdom

- University of Gloucestershire – Countryside and Community Research Unit
- International Institute for Environment and Development

3. Switzerland

- Swiss Federal Institute of Technology – Institute of Rural Economy
- Agridea

4. Italy

- University of Pisa – Department of Agriculture, Group of Agriculture and Environmental Economics
- L'istituto Regionale Interventi Promozionali in Agricoltura

5. Belgium

- University of Ghent – Department of Agricultural Economics
- Vredeseilanden

6. Latvia

- Baltic Studies Centre
- University of Latvia - Institute of Philosophy and Sociology

7. Germany

- J.W. Goethe University Frankfurt – Institute for Rural Development Research
- Ecozept

www.sus-chain.org



Design: Grafisch Atelier Wageningen
Printing: Modern, Bennekom