**Title of the project**

Marketing Sustainable Agriculture: An analysis of the potential role of new food supply chains in sustainable rural development

**Acronym of the project**

SUS-CHAIN

| **Type of contract** | Shared Cost Research Project | **Total project cost** (in euro) 2,273,378 € |
|---|---|---|
| **Contract number** | **Duration** (in months) | **EU contribution** (in euro) |
| QLK5-CT-2002-01349 | 36 Months | 1,844,723 € |

| **Commencement date** | **Period covered by the progress report** |
|---|---|
| 1 January 2003 | 1 January 2003 – 31 December 2003 |

**PROJECT COORDINATOR**



| **Name** | **Title** | **Address** |
|---|---|---|
| J.S.C. Wiskerke | Dr. | Wageningen University – Rural Sociology Group<br>Hollandseweg 1<br>6706 KN Wageningen<br>The Netherlands |
| **Telephone** | **Telefax** | **E-mail address** |
| +31 317 482769 / 484507 | +31 317 485475 | Han.Wiskerke@wur.nl |





**Key words** (5 maximum - Please include specific keywords that best describe the project.).

Food supply chain, rural development, sustainability, diversity, socio-economic performance



**World wide web address**: www.sus-chain.org (*under construction*)

# List of participants

| Participant | Address | Telephone & Fax | Status | Short name | Participant no. |
|---|---|---|---|---|---|
| Wageningen University - Rural Sociology Group | Hollandseweg 1<br>6706 KN Wageningen<br>The Netherlands | T: +31 317 484507<br>F: +31 317 485475 | Contractor<br>Co-ordinator | UAW | P1 |
| Centre for Agriculture and Environment | P.O. Box 10015<br>3500 AA Utrecht<br>The Netherlands | T: +31 30 2441301<br>F: +31 30 2441318 | Subcontractor of UAW | CLM | S1 |
| University of Gloucestershire – Countryside and Community Research Unit | Swindon Road<br>Cheltenham GL50 4AZ<br>United Kingdom | T: +44 1242 544083<br>F: +44 1242 543273 | Contractor | UGLO | P2 |
| International Institute for Environment and Development | 3 Endsleigh Street<br>London WC1H 0DD<br>United Kingdom | T: +44 2078727328<br>F: +44 2073882826 | Subcontractor of UGLO | IIED | S2 |
| Institut d'Economie Rurale de l'Ecole polytechnique fédérale de Zurich | ETH-Zentrum<br>8092 Zürich<br>Switzerland | T: +41 21 693 57 13<br>F: +41 21 693 57 17 | Contractor | ETH.AGRA .ARIER | P3 |
| Service Romand de Vulgarisation Agricole | Av. Des Jordils 1-CP 128<br>CH-1000 Lausanne 6<br>Switzerland | T: +41 21 6194404<br>F: +41 21 6170261 | Subcontractor of ETH.AGRA. ARIER | SVRA | S3 |
| University of Pisa - Department of Agricultural Economics | Via S. Michele degli Scalzi 2<br>56124 Pisa<br>Italy | T: +39 050571553<br>F: +39 050571344 | Contractor | UPSA.DAG A | P4 |
| L´istituto Regionale Interventi Promozionali in Agricoltura | Via della Villa Demidoff 64d<br>50127 Firenze<br>Italy | T: +39 55 3215064<br>F: +39 55 3246612 | Subcontractor of UPSA.DAGA | IRIPA | S4 |
| University of Gent - Department of Agricultural Economics | Coupure Links 653<br>9000 Gent<br>Belgium | T: +32 9 2645926<br>F: +32 9 2646246 | Contractor | RUG | P5 |
| Vredeseilanden-Coopibo | Blijde Inkomststraat 50<br>3000 Leuven<br>Belgium | T: +32 16 316580<br>F: +32 16 316581 | Subcontractor of RUG | VC | S5 |
| Baltic Studies Centre | Rostokas iela 60-24<br>Riga LV 1029<br>Latvia | T: +371 9417173<br>F: +371 7089860 | Contractor | BSCLV | P6 |
| Institute of Philosophy and Sociology | Akademijas laukums 1<br>Riga LV 1009<br>Latvia | T: +371 7229208<br>F: +371 7210806 | Subcontractor of BSCLV | IPS | S6 |
| J.W. Goethe University Frankfurt - Institute for Rural Development Research | Zeppelinallee 31<br>60325 Frankfurt am Main<br>Germany | T: +49 69 775001<br>F: +49 69 777784 | Contractor | UFRANK | P7 |
| Ecozept | Obere Hauptstrasse 29<br>D-85 354 Freising<br>Germany | T: +49 8161 41315<br>F: +49 8161 41325 | Subcontractor of UFRANK | Ecozept | S7 |

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# 1 OBJECTIVES AND EXPECTED ACHIEVEMENTS

## 1.1 Objectives

The purpose of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets. Specific attention will be given to factors related to the organisational structure of food supply chains and interactions between different stages of the chain.

Specific objectives are:

(1) To map the diversity (in time and place) of current definitions of sustainability that are associated with new food supply chains. To examine the extent to which there is convergence / consensus regarding competing meanings of sustainable production and quality at different levels of different food supply chains in various European regions, i.e. southern Europe (Italy), eastern Europe (Latvia) and western Europe (The Netherlands, United Kingdom, Belgium and Germany). To examine the extent to which sustainability claims are intertwined with other quality attributes, such as health, food safety, regional identity and ethics (e.g. fairness of trade[1] and labour standards). To map, on the basis of a set of indicators (e.g. actors involved, types of relations, spatial distribution, degree of formalisation of standards, etc.), the diversity of food chains, which incorporate sustainable farm products, taking account of situational specificities in different member states.

(2) To order this diversity by identifying the most widely encountered bottlenecks and constraints that inhibit the enhancement of sustainable food production. To examine in detail the ability of the food chain as a whole to convey consumers' expectations and civic values related to sustainability and food quality to farmers.

(3) To examine different ways of communication and mechanism of economic co-ordination between the actors in the food chain (e.g. labelling, face to face selling, product regulations, farm plans, codes of best practice etc.) and assess their capacity to enhance cohesive, collective action within sustainable food supply chains. To do so a carefully selected, representative set of case examples in different countries will be studied to assess their performance in relation to factors such as marketing channel choice, institutional embedding and policy interfaces.

(4) To develop performance indicators (e.g. high / low consumer prices, improvement/worsening of farmers' income, participation to the process of standard setting, degree of concentration of power along the chain, consumer confidence, etc.) and methods that assess the collective performance of the food chain as a whole towards sustainable food production and transparent food markets.

(5) To examine the relevant policy environment for the development of sustainable food supply chains. To formulate policy recommendations to public institutions at different levels (local, regional, national and

[1] Transactions in which all actors involved receive an equal share of the value added, in which all actors involved are renumerated for the efforts they make and for the risks they take, based on a correct pricing of all production factors (including labour) and in which there is no transfer of costs (e.g. associated with environmental pollution) to society.

European) that could help to overcome the bottlenecks in the food chain that inhibit the wider development of markets for sustainable farm products.

## *1.2 Expected Achievements*

The following achievements are expected:

(1) A macro-level description and analysis of on-going experiences in different parts of western, eastern and southern Europe with respect to various organisations of food supply chains and various approaches to increase consumer trust (organic farming, integrated production, PDO/PGI etc.). This will indicate the relative importance and durability of these approaches in different countries.

(2) A desk-study summarising previous findings on consumers' attitudes towards sustainable food products.

(3) An analysis of discourses on the sustainability of 'new' food supply chains in different national/regional settings. These will give insight in the degree to which sustainability definitions are intertwined with other quality concerns (health, food safety, ethics) and opinions of relevant stakeholders on the potential contribution of different approaches to sustainable food supply chains.

(4) A set of representative in-depth case studies (2 per country) for their demonstrative power, successful performance and innovation potential, covering diverse and contrasted types of food supply chain organisations.

(5) A set of indicators which enables an assessment of the performance of food supply chains, especially in terms of their ability (a) to encourage technical changes at both agricultural and processing levels, (b) to restore consumer confidence (c) to incorporate societal demands and environmental objectives, (d) to retain value added at farm level and with rural areas, and (e) to create cohesion between different stages of the supply chain.

(6) Best-practice recommendations for actors involved in sustainable food supply chain initiatives:
- Ways to define specifications related to sustainability along the supply chain under varying influences of actors (producers, co-operatives, processing companies, retailers, consumers).
- Ways of reducing the transaction costs of achieving 'sustainability' in the food chain.
- Ways to communicate to consumers and improve their confidence in food quality.
- Ways to successfully co-ordinate the collective action of actors within food supply chains.

(7) Information and recommendations to public institutions at different levels (local, regional, national, European) in respect of the promotion of sustainable food chains.

(8) Academic research findings and scientific publications, concerning amongst others conceptions of the sustainability of food chains and an assessment of the capacity of food chains to accommodate sustainability principles at different levels and scales.

# 2 PROJECT WORKPLAN

## 2.1 Introduction

To address the objectives and achieve the expected results a workplan consisting of five, partly consecutive and partly parallel, phases (which each consist of one or more workpackages) has been designed. The workplan has been divided into these phases, as each phase corresponds with one or two (in case of phase 4) milestone(s) (see table 3). The five phases are:

1. *Performance indicators*: development and fine tuning of food supply chain performance indicators (workpackage 1: months 0 - 22)
2. *State of the art*: the diversity and dynamics of food supply chains and consumers' attitudes (workpackages 2 & 3: months 2 - 10)
3. *Case studies*: micro-level assessment of the socio-economic performance of food supply chains (workpackages 4, 5 & 6: months 10 - 26)
4. *Recommendations*: recommendations for policy makers at regional, national and European level and for food supply chain stakeholders (workpackage 7: months 27 - 34)
5. *Dissemination and feedback*: dissemination of results to and feedback on provisional results by the academic and professional public (workpackage 8: months 6 - 36)

In the figure below the relations and interaction between the different phases is presented. This is followed by a brief description of the workplan per phase.

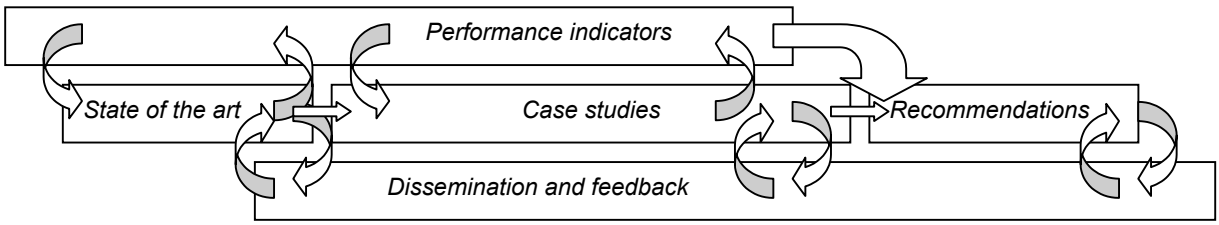


***Figure 1.*** *Relation and interaction between the different phases of SUS-CHAIN*

***Phase 1:*** *Performance indicators (months 1 - 22)*

The project commences with the development of a provisional set of performance indicators. Indicators will be developed for three different aspects of food supply chains:

1. The organisational structure of food supply chains.
2. The socio-economic sustainability of food supply chains and discourses on ecological sustainability.
3. The institutional setting of food supply chains.

The provisional set of performance indicators will be developed by means of a desk study on the basis of literature reviews and an assessment of completed and ongoing work of the project contractors and subcontractors. These provisional performance indicators will be used to:

- map and analyse the socio-economic dynamics and diversity of food supply chains and their institutional environment;

- assess the socio-economic performance of food supply chains;

The provisional set of performance indicators will serve as input for the second phase of the project. Based on the results of the second phase of the project, the set of indicators will be fine-tuned. The fine-tuned set of performance indicators will be used to conduct the case studies (phase 3 of the project). Based on the results of the case studies the set of performance indicators will be finalised. The final set of performance indicators will not only be used to map and analyse the socio-economic dynamics and diversity of food supply chains and to assess their socio-economic performance, but also to:

- identify strengths, weaknesses, opportunities and threats for enhancing the performance of food supply chains towards sustainability;
- identify 'entrance' or 'nodal' points for intervention aimed at enhancing the performance of food supply chains towards sustainability.

The final set of performance indicators will serve as input for the policy and practical recommendations (phase 4).

***Phase 2:*** *State of the art (months 2 - 10)*

The second phase is entitled 'state of the art' and entails a macro-level description and analysis of the dynamics and diversity of food supply chains as well as of consumers' attitudes towards sustainable food products in the participating countries. The objectives of this description and analysis are:

1. To get a general overview of the diversity in socio-economic dynamics of food supply chains regarding sustainability in relation to their socio-institutional environment. This includes:
   - Approaches to and organisational forms of food supply chains;
   - Policies and regulations with respect to sustainable food production in general and food supply chains in particular;
   - Stakeholders' perceptions of and involvement in food supply chains;
   - Consumers' attitudes towards sustainable food products
2. To assess the general performance (sustainability, transparency, trust) of food supply chains, especially their ability to:
   - Initiate or encourage technical changes at both agricultural and processing levels;
   - Restore consumer confidence in food and the way it is produced at processed;
   - Incorporate environmental objectives and societal demands with regards to food production;
   - Enable viable economic development by retaining sufficient value added at farm level and within rural areas;
   - Create cohesion between different stages of the supply chain.
3. To identify major opportunities and constraints with respect to improving the performance of food supply chains towards sustainability.

The macro-level description and analysis will be conducted by means of a well-balanced range of complementary methods and tools, such as reviews of completed and ongoing research on different aspects of food supply chains as well as on their socio-institutional environment, analysis of policies at national and European level regarding food supply chains, a desk study summarising previous findings on consumers' attitudes towards sustainable food products and interviews with relevant stakeholders (e.g. farmers' associations, retailers, consumers' organisations and policy-makers).

***Phase 3:*** *Case studies (months 10-26)*

The third phase of the project aims to result in a more in-depth and fine-tuned understanding of the socio-economic dynamics of food supply chains. This general aim of phase 3 is somewhat similar to that of phase

2. The main difference is that the focus of phase 2 is on the meso/macro-level dynamics of food supply chains, while phase 3 focuses on micro/meso-level dynamics. As such phase 3 will result in a much more detailed understanding of the dynamics of food supply chains compared to phase 2. Another difference between phase 2 and phase 3 is that the main focus of phase 2 is on description and analysis, while the main focus of phase 3 is on assessment of the performance of different food supply chains.

Phase 3 starts with the development of the case study methodology and the selection of cases. This is followed by 2 in-depth case studies per participating country. The objectives of the case studies are:

- A detailed description and analysis of the organisation forms and structures of different food supply chains;
- A detailed description and analysis of the ways of communication and mechanisms of (horizontal and vertical) co-ordination within different food supply chains (e.g. labelling, face to face selling, product regulations, farm plans, codes of best practice etc.) as well as an assessment of their effectiveness in creating cohesion and successful collective action between different actors in the chain.
- A detailed description and analysis of the socio-economic dynamics of different food supply chains, both in time and in space.
- An assessment of the performance of different food supply chains in terms of different aspects of sustainability;
- Identification (per case study) of bottlenecks that constrain the improvement of the collective performance towards sustainability.
- A detailed description of the relevant policy environment associated with sustainable food supply chains (per case study) and analysis of relevant policy interfaces for different food supply chains.

With respect to the case study selection it is crucial to come to an adequate, well-balanced and representative set of case examples, that cover diverse and contrasted food chain supply organisations. To reach this objective the well-known methodology of Glaser and Straus for comparative analysis[2] will be applied. On the basis of the macro-level description and analysis (Phase 2) contrasting cases with respect to relevant key factors will be added to the set of cases until the 'point of saturation' is more or less reached. That is until it reasonably well covers the range of sustainable food supply chain initiatives encountered in the relevant empirical reality. A provisional case-study selection will be presented to the Commission services for possible comments.

The case-study methodology to be applied will first of all be based on the provisional sets of indicators as developed in Phase 1 and will initially address the same key factors. When during Phase 2 of the project additional relevant themes emerge, additional indicators may be formulated. Based on the experience of applying the set of indicators in Phase 2 the provisional set of indicators will be improved and adjusted.

It is foreseen that the case-study methodology will incorporate elements of different research methods that are applied in sociological and economic sciences and in the study of consumer perceptions. These may include: qualitative interviews, quantitative surveys, transaction cost analysis, discourse analysis and innovative consumer studies. The final case study methodology will be presented to the Commission services for possible comments.

Phase 3 ends with a transversal analysis of all the case studies. By following a comparative approach the transversal analysis will focus at identifying communalities and dissimilarities within the representative set of case examples, in order to answer the following objectives:

- To identify major patterns and underlying trends and trajectories regarding the socio-economic structure and dynamics of sustainable food supply chains by building typologies;
- To identify mechanisms of communication and economic co-ordination that are successful in creating cohesion and effective collective action of stakeholders for different types of food supply chains.

- To assess the performance of different types of food supply chains in terms of different aspects of sustainability and identify underlying key factors.
- To identify 'nodal' points for (policy and other types of) intervention aimed at enhancing the performance for different types of food supply chains.
- To identify bottlenecks and constraints for different types of food supply chains as well as possible ways to overcome these.
- To identify the relevant policy environment and associated policy interfaces for different types of food supply chains.

***Phase 4:*** *Recommendations (months 27-34)*

The fourth phase of the project will focus on the translation of research findings into recommendations for policy and other types of intervention. The recommendations will first of all build upon the findings from the meso / macro-level analysis of phase 2 and the micro / meso-level analysis of phase 3. Where necessary at specific points (e.g. specific policy schemes or regulations) limited additional research will be done, mainly consisting of the consultation of policy makers (at different levels), organisations of stakeholders and desk-studies. Two types of recommendations are intended:

1. Policy recommendations, enabling policy-makers at regional, national and European level to support the development of sustainable food supply chains;
2. Practical recommendations (i.e. protocols: tools, methods and strategies), enabling actors in the food supply chain and 'surrounding' actors (e.g. farmers' unions, consumer organisations, environmental groups, extension services, applied research institutes, local partnerships) to improve the performance of food supply chains towards sustainability.

The 'nodal' points for intervention to enhance the collective performance of (different types) of food supply chains, that where identified in the previous phases, will form the basis for the formulation of recommendations. In this phase the relevant policy environment associated with sustainable food supply chains that was 'mapped' in Phase 2, and described more profoundly as part of the case-studies, will be analysed in relation to different types of food supply chains. The methodology to be applied is that of interface analysis. 'Interface analysis' focuses on the complex and often highly differentiated interactions between policy and practice, which can differ considerably between different contextual settings. It is therefore highly suitable for analysing the impact of policy frameworks on the performance of supply chains in the context of different supply chain organisations and national/regional contexts.

As far as possible it is intended to identify communalities in the policy interfaces associated with food supply chains in different territorial contexts in order to come to general recommendations for different types of supply chain organisations. Where this is not possible in view of regional differences, the focus will be on general, more procedural recommendations related to different aspects of the policy process such as policy formulation, implementation, monitoring and the role of organisations of stakeholders in these.

In the analyses of policy interfaces special attention will be given to interrelations between different policy schemes and measures, by assessing the impact of combined implementation, studying possibilities for creating synergies between different policies, and indicating ways to overcome fragmentation and contradictions. Also the evolutionary dynamics of sustainable food supply chains will be addressed by identifying specific bottle-necks and requirements in different stages of their development as well as ways to facilitate the building of 'social capital' over time.

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[2] Glaser, B.G. and A.L. Strauss (1967) *The discovery of grounded theory. Strategies for qualitative research* (Chicago)

***Phase 5:*** *Dissemination (months 6-36)*

In SUS-CHAIN we opt for an active involvement of end-users throughout the project. The participation of NGO's (as subcontractors) is of crucial importance for the dissemination activities of the programme and guarantees adequate access to and good communication with three different target groups:

1. Stakeholders in the social and institutional environment of food chains (e.g. politicians, consumer organisations, environmental groups, applied research institutions, extension services etc.)
2. Actors in the food chain and organisations of these (e.g. farmers, retailers, processing industry, etc.)
3. The scientific community (agricultural sciences, environmental sciences, consumer studies, economy, sociology, rural studies, etc.).

At the start of this last phase of the project a dissemination plan will be drawn out, with a specific input of and role for the NGO-subcontractors. The plan will be presented to the Commission services for comments, suggestions and approval.

At national level three seminars will be organised oriented at the most relevant combination of target groups for each specific national/regional setting. The aim of these seminars is to get feedback from the target groups on the provisional results of the project, to validate these provisional findings and to disseminate results to the target groups. The seminars will be organised one month before the delivery date of important deliverables and/or milestones. In this way the national research teams (contractors and subcontractors) will be able to use the comments of the seminar participants (i.e. representatives of the target groups) in the finalisation of different deliverables (reports). The first seminar (month 9) is intended to get feedback on the provisional set of performance indicators and on the provisional results of phase 2 and to get suggestions for interesting and relevant cases for phase 3. The aim of the second seminar (month 20) is to get feedback on the results of the case studies, in particular on the assessment of the socio-economic performance of the food supply chains and on the identification of opportunities and constraints for the sustainable development of these food supply chains. At the second seminar the results from other countries will be discussed as well in order to assess whether experiences from other countries are relevant to the domestic situation. The third and last seminar (month 31) will be organised to get feedback on and fine-tune the practical and policy recommendations.

At the European level the dissemination activities will focus at the elaboration of a practical protocol of ways to improve the collective performance of sustainable food supply chains. This protocol will be presented at an international conference oriented at Commission representatives and policy makers / stakeholders' organisations from the participating countries. Dissemination of results to the scientific community will, besides the national seminars, mainly be done by means of the various reports of the project and a scientific book, in addition to normal channels of publication such as scientific journals, presentations at scientific conferences and the Internet.

## *2.2 Project structure, planning and timetable*

### 2.2.1 Progress during the first reporting period

Although the legal starting date of the project is the 1st of January 2003, the actual work commenced on the 1st of March 2003.[3] In general this implies that the first annual progress report covers months 0 to 10

[3] Although the contracts were signed by the European Commission on the 19th of December 2002, it took until the 15th of February 2003 before the project co-ordinator received the signed contracts. For several contractors it was only possible to appoint researchers upon receipt of the signed contract. Therefore it was only feasible to start with the actual work on the 1st of March 2003.

of the workplan; the progress made during the first reporting period will be assessed according to this. Figure 2a shows the planning and interrelations between the workpackages and workpackage-tasks according to the TA. Figure 2b shows the actual progress made during the first year as well as the realised interrelations between the workpackages and workpackage-tasks. Comparing figures 2a and 2b shows that in general the project has been carried out according to the workplan foreseen in the TA. However, due to the delayed start of the project workpackage tasks 4.2 to 4.5 could not be carried out in the first reporting period. With respect to the following workpackage-tasks the actual work differs from the workplan:

- *Task 1.2*: The WP1 co-ordinators (P3), upon request of the project co-ordinator, produced a first draft of the WP1-methodology prior to the first project co-ordination meeting (task 1.1). This was done to have some substantial input for this meeting.
- *Task 1.3*: Based on the first draft of the WP1 methodology P1 made a format for the review of literature and ongoing research (see Annex 1a). All participants, in collaboration with their subcontractors, were requested to write a 10-page start document discussing the following topics:
    - Vision on the general orientation of SUS-CHAIN
    - Short characterisation of food supply chains in one's own country: organisational structure, institutional setting, sustainability performance (incl. key indicators)
    - Dynamics and diversity of food supply chains (incl. sustainability bottlenecks)
    - Important aspects of and diversity in consumers´ attitudes
    - General guiding principles for SUS-CHAIN

  The start documents were presented at the first project co-ordination meeting and were used as input for the development of the provisional set of FSC performance indicators (WP1) as well as for the development of the methodologies for workpackages 2 and 3.
- *Task 2.3*: In most of the countries more time was spent on the literature review than planned according to the TA. There was a common shared opinion among the SUS-CHAIN partners that in-depth interviews with stakeholders would on the one hand be time-consuming and on the other hand hardly contribute to a better understanding of the macro-level dynamics and diversity of food supply chains. Furthermore, by means of the national seminars, stakeholders would be consulted anyhow. Therefore it was decided to leave it up to the national teams whether or not they would conduct in-depth interviews.
- *Task 8.1*: Mainly as a result of administrative problems within Wageningen University (P1) the launching of the SUS-CHAIN website (www.sus-chain.org) has been delayed. It is expected to be ready in spring 2004.

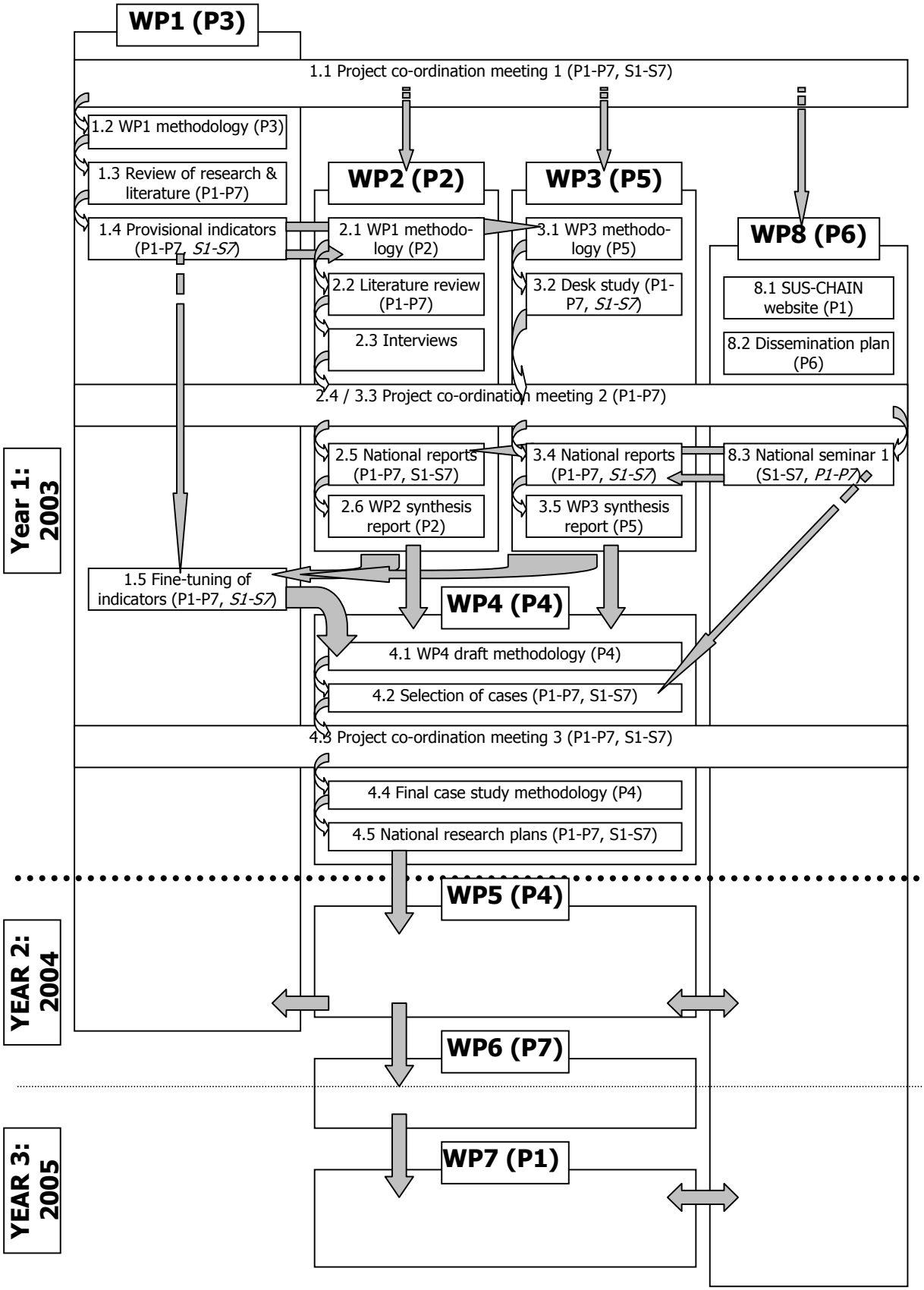



***Figure 2a.*** *SUS-CHAIN structure and planning during the first year as planned (according to the TA)*

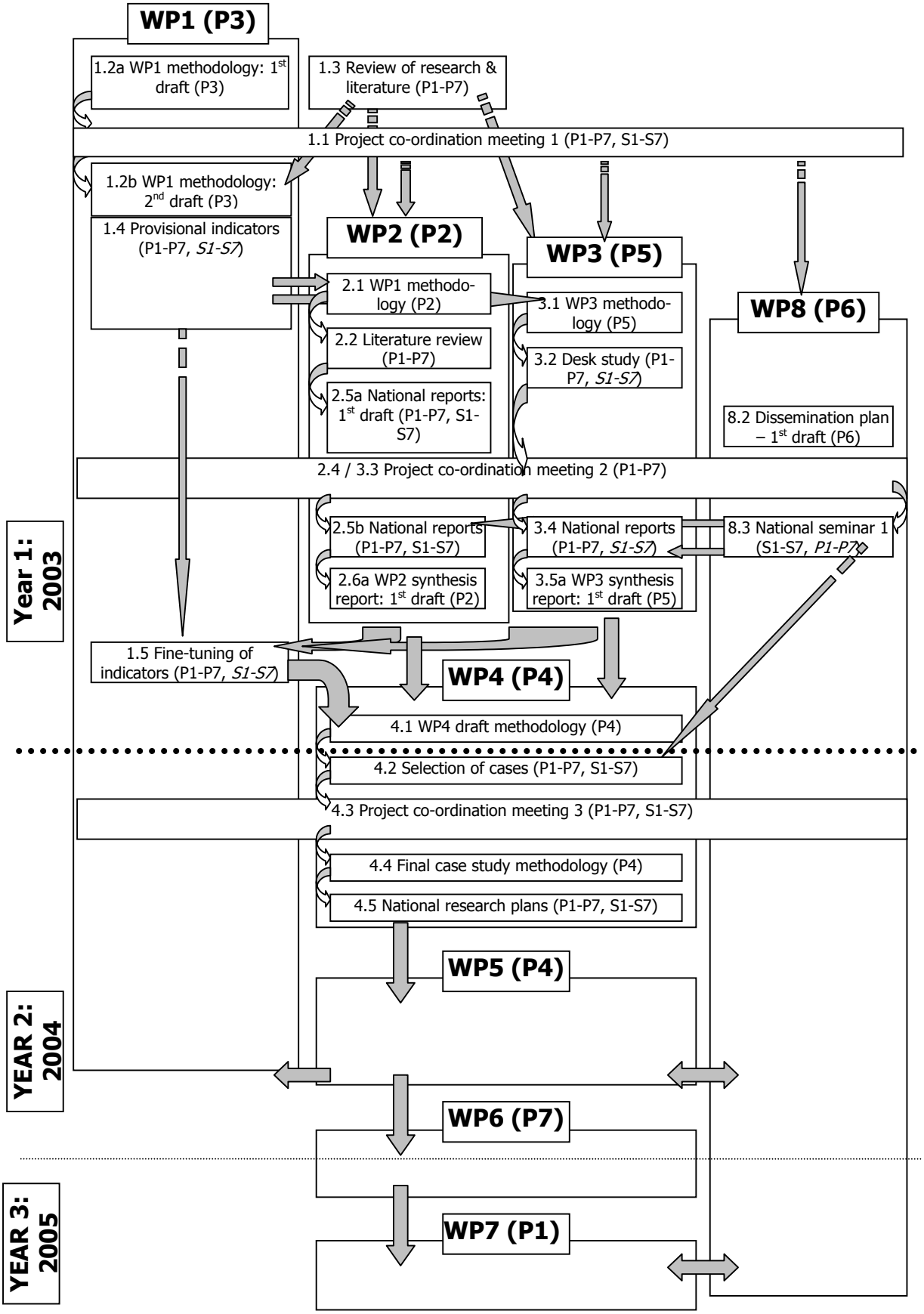



***Figure 2b.*** *SUS-CHAIN structure and planning during the first year as achieved*

The table below presents an overview of the deliverables of the project, the expected delivery date and the status of the deliverables.

| Deliverable | Delivery date (according to TA) | Status | Comments |
|---|---|---|---|
| 1. Workpackage 1 methodology | 1 (March 2003) | Completed | See Annex 1b. D1 and D2 were combined into 1 document that has been updated and revised regularly throughout the first reporting period |
| 2. Provisional performance indicators | 2 (April 2003) | Completed | |
| 3. Workpackage 2 methodology | 2 (April 2003) | Completed | See Annex 2 |
| 4. Workpackage 3 methodology | 2 (April 2003) | Completed | See Annex 3a and 3b. First a methodology for collecting and assessing data was produced. |
| 5. Dissemination plan (Workpackage 8 methodology) | 6 (August 2003) | Completed / in progress | A draft version has been written (see Annex 5a). The dissemination plan will be revised throughout the project. |
| 6. SUS-CHAIN website | 9 (Nov 2003) | Delayed | Will be launched during the 2nd reporting period |
| 7. National seminar 1 (feedback on workpackages 1, 2 & 3) | 9 (Nov 2003) | Completed / delayed | National seminars were held in Nov or Dec in Switzerland, Italy, Belgium and Lativa. The national seminars in the Netherlands, UK and Germany will take place in Jan or Feb 2004. |
| 8. FSC dynamics (national reports workpackage 2) | 10 (Dec 2003) | Completed | All 7 national reports were submitted to the WP2 co-ordinator on 31 Dec 2003 |
| 9. Consumers' attitudes (national reports workpackage 3) | 10 (Dec 2003) | Completed | All 7 national reports were submitted to the WP3 co-ordinator on 31 Dec 2003 |
| 10. FSC dynamics and diversity in Europe (synthesis report workpackage 2) | 10 (Dec 2003) | Delayed | Due to the fact that all national WP2 reports were finalised by 31 December 2003 it was impossible to finalise this deliverable during the first reporting period. |
| 11. Consumers' attitudes in Europe (synthesis report workpackage 3) | 10 (Dec 2003) | Delayed | Due to the fact that all national WP3 reports were finalised by 31 December 2003 it was impossible to finalise this deliverable during the first reporting period. |
| 12. Fine-tuned set of performance indicators | 11 (Jan 2004) | Completed | See Annex 1b. D12 is the last revision and update of D1 and D2 combined in the first reporting period |
| 13. Overall case study methodology (incl. brief description of selected cases) | 12 (Feb 2004) | In progress | See Annex 4a for a first draft of the case study methodology |
| 14. National research plans | 12 (Feb 2004) | In progress | See Annex 4b for guidelines for brief case descriptions |
| 15. National seminar 2 (feedback on case studies) | 20 (Oct 2004) | Not started | |
| 16. Case study reports | 21 (Nov 2004) | Not started | |
| 17. Final set of performance indicators | 22 (Dec 2004) | In progress | |
| 18. Transversal case analysis | 26 (Apr 2005) | Not started | |
| 19. National seminar 3 (feedback on provisional recommendations) | 31 (Sept 2005) | Not started | |
| 20. Policy recommendations (national reports) | 32 (Oct 2005) | Not started | |
| 21. Practical protocols (national reports) | 32 (Oct 2005) | Not started | |
| 22. International conference | 33 (Nov 2005) | Not started | |
| 23. Practical & Policy recommendations (synthesis report workpackage 7) | 34 (Dec 2005) | Not started | |
| 24. Scientific book | 36 (Feb 2006) | Not started | |
| 25. SUS-CHAIN final report | 36 (Feb 2006) | Not started | |

Most of deliverables that were to be completed during the first reporting period (i.e. between months 1 and 10) have been completed. The WP2 and WP3 synthesis reports (D10 and D11) have been delayed, although draft versions of both synthesis reports were ready by the end of the first reporting period. A similar delay in delivery holds true for the website (D6) and several of the national seminars (D7).

The realisation of the milestones (see the table below) is proceeding according to plan. That is, the state of the art (milestone 2) was foreseen to be ready in month 10 (i.e. the end of the first reporting period, taking into account a 2 months delay in the start of the actual work). This has more or less been achieved, albeit that the final versions of the synthesis reports of the two workpackages (2 and 3) contributing towards this milestone will be delivered during the second reporting period.

| ***Milestone*** | ***Delivery date*** | ***Short characterisation*** | ***Current status*** |
|---|---|---|---|
| 1. Food supply chain performance indicators | 22 *(31 Dec 2004)* | A methodological publication as final result of workpackage 1. Builds indirectly on workpackages 2, 3, 4, 5 & 6. | in progress |
| 2. State of the art | 10 *(31 Dec 2003)* | A descriptive and analytical macro-level overview of the dynamics and diversity of food supply chains in Europe in relation to their institutional setting and consumers' attitudes towards sustainable food products. Final result of workpackages 2 & 3. | National state-of-the-arts completed. International comparison and synthesis delayed (but in progress |
| 3. Case studies | 26 *(30 April 2005)* | A micro-level assessment of the dynamics, diversity and socio-economic performance of food supply chains and of the ways to improve the socio-economic sustainability of food supply chains. Final result of workpackages 4, 5 & 6. | in progress |
| 4. Marketing sustainable agriculture: protocol for stakeholders | 34 *(31 Dec 2005)* | A practical set of recommendations, tools, methods and strategies for improving the performance of food supply chain, aimed at actors in the food supply chain and different stakeholders. Final result of workpackage 7, builds on all previous workpackages | not started |
| 5. Marketing sustainable agriculture: policy recommendations | 34 *(31 Dec 2005)* | Policy recommendations for regional, national and European authorities on the kind of policies and/or policy-making processes needed to enhance the development of sustainable food supply chains. Final result of workpackage 7, builds on all previous workpackages. | not started |
| 6. The role of food supply chains in sustainable rural development | 36 *(28 Feb 2006)* | Empirical, methodological and theoretical results, summarising all findings of the project. Final result of workpackage 8, builds on all previous workpackages. | in progress |

In general it seems fair to conclude that the project is progressing as was foreseen in the Technical Annex, with the exception that a few deliverables are facing a minor delay.

### 2.2.2 Results, discussion and conclusions (first reporting period)

During the first reporting period workpackages 2 and 3 were finalised, albeit that the finalisation of the synthesis reports of both workpackages (deliverables no. 10 and 11) is delayed. Both synthesis reports will be completed

during the second reporting period. Together these workpackages contribute towards milestone 2: the state of the art. In this section the main findings and results of this milestone are presented and discussed. First we will discuss and draw conclusions on the macro-level dynamics and diversity of food supply chains in Europe (workpackage 2). Next we will discuss and draw conclusions on the attitudes and behaviour of consumers (workpackage 3).

## The macro-level dynamics and diversity of food supply chains in Europe

The macro-level dynamics and diversity of food supply chains in Europe will be discussed and summarised along three main themes:

1. Drivers of change in food supply chains
2. Areas of dynamism
3. Bottlenecks and constraints for improving the sustainability of food supply chains

### Drivers of change

The institutional setting for food supply chains has undergone dramatic change in all the countries included in this study. No longer are producers the dominant actors; the balance of power has shifted firmly in favour of an increasingly concentrated retail sector whose main focus is satisfying consumer expectations and demands. This has occurred against a background of increased consumer concerns about the environment, food quality and safety along with a redirection of policy to move away from the industrial model of agriculture and take into account the broadening scope of agriculture.

This section seeks to draw out similarities and differences across the countries using a PEST framework which includes:

- **P**olitical factors. For example: the relative power and agendas of those actors involved within FSCs; the multiple retailers as arbiters of quality; the waning power of the farming lobby; the impact of NGOs; the sustainable development of FSCs; health and diet; food access; control within FSCs at various levels.
- **E**conomic factors. For example: economic marginalisation; regional identity; falling farm incomes; globalisation and localisation; adding value; comparative advantage; acknowledgement of externalities such as 'food miles'.
- **S**ocial factors. For example: the individualisation of risk; changing perceptions of quality; the effect of food scares; ethical awareness of environmental and equity issues; food access; local identity; personal health; trust.
- **T**echnical factors. For example: distribution; scale; GMOs; the Internet; vacuum packing.

*Political*

At European level, the reform of the CAP in 2003 shifts the form of regulation in the farm sector away from production support towards direct payments. It can be argued that such an approach will lead farmers to reduce levels of production, especially in more marginal areas and this could result in adverse knock-on effects in some areas. However, alongside the decline in production-oriented support, there has been an increase in the level of support for diversified enterprises on farms (and rural development), as well as a necessity to introduce agri-environmental programmes, which are likely to impact beneficially on the environmental sustainability of farming systems.

The drive to decouple European farm policy from production can be seen to be influenced largely by WTO imperatives, although the eastward expansion of the EU can also be seen as an influence, because of concerns relating to the affordability of the old CAP. There is a principal difference in food cultures between countries that have a history of more open trading and those that have protected their national agricultures to a greater degree stands out. The UK and the Netherlands, with their long histories of international trade and their colonial enterprise, appear to have advanced further down the route, which more willingly throws their farming and food sectors open to market forces. The impacts of globalisation have proceeded faster where there is a policy predilection towards more open trade and a national culture that has fostered farm modernisation and a commodity production approach to farming.

Clear policy differences exist in the special case of Latvia, until 1991 a socialist republic in the Soviet Union; now on the threshold of EU membership. Inevitably, the Latvian situation is coloured by the massive extent of state ownership and by the problems of creating private companies from previously state owned assets and letting market forces rip in an agro-food sector that was struggling to reacquaint itself with markets.

The shift from an agricultural to a more rural policy is evident throughout Europe without exception, placing a new emphasis on opportunities for the development of sustainable food chains. However, as the Belgian report points out, the success of this process could be impeded by the fragmented nature of different political competencies. The acceptance of such a change differs and the precise configuration of the rural policy varies from country to country, but there is nowhere that has not experienced this trend and no-one who anticipates that it will not continue. In Latvia, the SAPARD programme of the EU has endeavoured to prepare the country for a more rural policy orientation after accession. In the other non-EU country, Switzerland, a more rural and more environmentally friendly agricultural policy is in place.

Food production and the utilisation of the countryside has become increasingly contested and political, incorporating a broad range of issues and interests, such as heightened consumer awareness of (the impact of) food production methods, a succession of food scares and associated concerns over food safety, nutritional issues, and environmental concerns. Fuelled by the emergence of strong public concern about food quality and safety and the emergence of a EU rural policy, the roles and spheres of responsibility of national government ministries are undergoing a process of restructuring or reorientation to develop a more integrated, regional approach to the development of agro-food systems, which addresses the needs of a broader range of rural and food stakeholders, in particular consumers. As the Dutch report puts it, its ministry has moved from a "*farmers' ministry*" to a "*ministry for consumer and citizen*". The British, German and Dutch ministries of agriculture have been replaced (or renamed) to encompass food safety and environmental responsibilities and/or consumer protection. Both the UK and Belgium have newly established agencies to deal with food safety and public health issues, whilst in Italy the roles of the Ministry of Environment and the Ministry of Health have become increasingly significant as far as food and agricultural policy is concerned. Although the Italian Ministry of Agriculture has apparently retained its influence over agricultural policy without major restructuring, this has been achieved by a change of focus that takes on board the changed circumstances of agriculture. In Italy, a much broader range of institutions is involved in the re-regionalisation of food systems and the policy integration is more regional than rural.

Against a backdrop of the diversification of agriculture and a shift towards integrated rural development, a process of territorialisation of policies has occurred. Regional governments and the local administrative level in both Italy and Germany have extended their roles beyond that of policy implementation and delivery to make a more strategic contribution. It is found in most highly developed form in Germany, where a profound restructuring of farming and food systems into a more regional model has underpinned FSC policy reform. Italy's strong regional orientation in policy is reinforced by an existing strong identity for regional food and where origin of production is a strong signifier of quality. Even a country as small as Belgium can and has

regionalised it farming and food policies. Agricultural policy in the UK, with its strong tradition of centralised government, has also undergone a process of regionalisation. Although this has no doubt been influenced by the general trend towards integrated rural development in the regions and latterly the fall out from the UK's Foot and Mouth crisis in 2001, at this stage it is more a by-product of the country's overall devolution process as opposed to a strategic change in direction for food and farming.

A significant policy difference is the extent to which FSC developments are seen holistically or as completely separate policy arenas. Germany and the UK stand out as taking a holistic and integrated view of policy for FSCs, what is described in the German report as a 'whole chain ethos'. The publication of the *Curry Report* in the UK and its demands to reconnect the production and consumption of food indicates a milestone in policy development. This message of reconnection might be pursued in a different way in Germany but the resonances of the policy are very similar. In other countries, the rather more traditional productivist sectoral policy for the farm sector still seems to prevail. The Belgian report notes how this strong production orientation remains as a major policy influence, and in the Netherlands, whilst there is no specific policy aim with regard to FSCs and rural development at national level, the willingness to engage in these issues is much higher at community or regional level.

The trend away from a producer-oriented policy setting is reflected in all countries, to a varying extent, in the waning influence of the traditionally powerful farming lobbies and unions in the policy making process. The one clear exception is Latvia where the *Latvian Agricultural Joint Consultative Council* (LOSP) uniting 48 agricultural organisations still has a significant role in policy making. Italian and, to a lesser extent, Belgian farming unions appear to have bucked this trend by moving away from a predominantly productivist ideology to embrace the concept of the multifunctional role of agriculture. Both Italy and Switzerland have reinforced the role of producers' associations and inter-professional bodies through legislation. Small-scale producers in general are politically less organised and represented in policy networks, but there are signs in the Netherlands and Belgium and, to a lesser extent, the UK that producers are (re)organising to regain the initiative by forming organisations that represent small-scale, regional or alternative methods of production, fostering greater collaboration between producers (and other rural stakeholders) so that they can take advantage of new marketing opportunities. Such developments represent new territory for these countries with their tradition of centralised policy making and food systems.

Simultaneously, other rural and food stakeholders and non-governmental interest groups are emerging as an important force in rural decision making processes. Increasing attention to the links between agriculture and other fields of activity such as tourism, the environment, health and food quality have progressively broadened the policy network. Some of these are well-established national organisations such as the German *Deutscher Verband für Landschaftspflege* (DVL), an umbrella organisation representing countryside conservation groups and *Legambiente* in Italy. International NGOs such as *Greenpeace* and *WWF* have also become heavily involved in the debate on food and farming, and, the *Slow Food* consumer movement has been particularly significant in Italy. In the UK, *Sustain* has emerged as a significant co-ordinating NGO over a relatively short period of time. It is an umbrella organisation for 100 NGOs with an interest in sustainability in the FSC from both a farming and health standpoint. At the same time, the Belgian report observes a tension between predominantly environment-oriented groups and other countryside inhabitants who are grouping together to preserve their traditional rural ways of life. This clash of interests is evident in both Belgium and the UK in the area of field sports such as hunting which, in the UK, is actively supported by the Countryside Alliance.

Some countries have witnessed increased activity at a regional/local level to revitalise rural areas by building up networks involving a range of local actors. A strategy of localisation through intensified interaction and cooperation is perceived as a way to (re)empower rural actors (including producers) and provide a buffer against the forces of globalisation. This process has been greatly facilitated by an increasingly devolved

administrative and political framework influenced by NGOs, and actions such as LEADER, whose projects are a prominent and pan-European example of local partnerships that have developed throughout Europe. These partnerships and coalitions of stakeholders have emerged, sometimes endogenously, but often with some public sector support as a form of resistance to the globalising tendencies in economy and society.

All of the country studies give evidence of a myriad of groups an initiatives, for example the Regionen Aktiv pilot programme in Germany, constituted as co-operatives or other coalitions, some sectoral, some regional, some organic, although the extent and impact varies between countries. Even in traditionally unitary action states as the UK have witnessed the emergence of such activity. Most are trying to reassert local control over development processes and regain power and retain more value added in the region in question, although the extent to which this trend is embedded in the notion of 'defensive localism' as opposed to an actual shift towards sustainable and quality food production and consumption has been questioned. Within LEADER there have been high grant rates, but unlike other measures, low volume spent. There is potential for additionality but the extent to which this is realised is questionable.

An agenda which underpins much policy is the commitment to Rio principles for sustainable development and the articulation of sustainability through/under Local Agenda 21. In most reports this is an invisible presence, whereas it was highlighted in the German report as part of the new regionalisation ethos.

The policy drive to increase the safety of food and better regulate the food from a quality perspective aims to ensure healthy and safe food following a spate of food scares (especially Belgium and the UK), and the dramatic decline in consumer confidence. Partly as a response to this, agencies were established in Belgium (Federal Agency for the Safety of the Food Chain) and the UK (Food Standards Agency) in 2000 to restore public confidence in the food system through providing a science-based and objective assessment of risk.

The demand of consumers for higher quality and food safety has triggered new initiatives both from the government and market-middlemen in a number of countries. There is now greater emphasis on self regulation and the BE, IT, NL and UK reports all observe how responsibility for food quality control has shifted away from government and public health authorities, towards industry actors (mostly the major retailers). For example, in the UK, the 1990 Food Safety Act effectively gave corporate retailers "political legitimacy for regulatory control" within the food chain. The 2002 EU food law has reinforced this by placing responsibility on the food operator to ensure compliance. In essence, these regulatory changes exemplify a change from public to private interest regulation, which has resulted in the regulatory domain becoming more closely aligned with the consumption end of the food chain, rather than the production end. Growing concerns that the regulation of the food chain had favoured economic actors over the public interest, led to the formation of the Directorate General for Consumer Protection (DG-XXIV), or DG-SANCO, in 1997 and the EFSA now takes responsibility for food science in order to restore public confidence in the food system and to protect the public interest.

*Economic*

The dominant economic force is that caused by competition in a highly competitive market place. This competition is the motor of the market economy. As mentioned above, in many but not quite all of the countries, there has been a marked shift of power away from producers and processors to retailers. The European farm sector has lost some of its mantle of protection as the CAP has reformed and the policies for the farm sector have been drastically altered in the accession states and Switzerland in the last decade. This has brought market forces to bear with a vigour not previously experienced since before the Second World War in the UK, and for even longer in some of the other countries.

The main economic outcome in FSCs has been the decline in the number of farmers, the cost-price squeeze affecting the farm sector, major price pressure on processors and attempts to strip out costs of production and distribution in a drive for competitive advantage. Particularly in the retail end of the chain, but to

a degree in processing, there has been a marked concentration of ownership, creating firms with very substantial buying power. Discount supermarkets, in particular in Germany and Belgium, are bringing increased pressure to bear on producer prices. These processes of consolidation and concentration are evident from Italy to Latvia.

Increased standardisation and concentration of power in the hands of major retailers raises concerns about the diminishing diversity of products and excluding smaller supply chains. Many supermarkets now deal with 'preferred suppliers', whereby suppliers are obliged to conform to the standards and specifications set by the multiples in order to have access to these markets. At the same time, whilst the concentration of the major retailers has a tendency to push towards greater industrialisation of the supply chain, it also forces producers to seek added value options, for example, by processing and marketing through alternative supply chains. In almost all of the countries there is a large number of small and medium sized enterprises (SMEs) and micro-businesses and a large number of small farmers, which create an almost dualistic industrial structure. In several countries, observers commented on the desperately difficult challenges of being a middle-sized firm (or farm) connected to the mainstream FSCs. The sharpness of the adjustment pressures in the farm sector can be seen in many countries as creating a search for alternative and usually shorter FSCs, over which farmers can exercise a greater degree of control.

A principal difference is the relative size of the alternative and traditional sectors. In some countries, such as the Netherlands and Belgium, this sector is very small indeed; probably at well under 2% of the market for food (although there is no clear definition as to what comprises the alternative food sector). In somewhere like Italy, the share of this sector is much larger, possibly as much as four or five times so. This re-regionalisation of food markets in Italy would appear to be largely a demand driven phenomenon, in contrast to the more policy driven approach in Germany.

In all countries, there is evidence of product differentiation and brand proliferation. Brands can be created by any chain actor, from biodynamic farmers, to food processors, to retailers and these may be producer driven, retail driven, demand driven or may be mediated by the state. Many smaller operators have sought to create value added and competitive advantage by capitalising on consumer demand trends through quality production and labelling, as well as labels of origin. Perhaps one of the most successful examples of this common to all countries is the organic sector. PDOs and PGIs are also a means of preserving regional traditions and economically marginal enterprises from international competition. Such measures are widely adopted in countries with more local or regional specialities such as Germany, Switzerland and Italy, but even in a country like the Netherlands with its industrialised food systems, farmers are looking interested in PDO products such as Parma ham. The UK report suggests that demand for PDOs and PGIs is most likely to come from those businesses that see it as a good marketing opportunity, rather than as a means of protecting SMEs.

Major retailers and other industry players have also perceived a demand trend towards sustainable agriculture products and are looking for differentiation and higher value added options. In Switzerland considerable efforts are undertaken upstream of the supply chain to develop production standards and control procedures. In the UK, there has been a growth of (private sector and NGO initiated) quality assurance schemes (QAS), which seek to positively differentiate food produce from the 'norm'. However, despite being 'independently' established, many QAS do eventually become linked with and in some cases dominated by the large retailers who may insist on sourcing through a particular QAS. In this way, standards for products that were initially earning a premium become 'normalised' and the minimum point of entry into the supermarkets. It has been suggested that these schemes are an attempt by the multiples to consolidate competitive advantage with a spin-off effect that responds to consumer's concerns. A great deal is invested in registering and promoting PDO/PGI products. However, according to the Swiss report, PDO/PGI products are de-facto de-classified on the shelves of the retailers, as there is no legal obligation to mention or use the PDO/PGI logo on

the packaging.

The extent to which there is transmissibility of production standards along the supply chain varies considerably between countries. In Switzerland, the branding strategies of the two major retailers have the potential to override new regional labelling initiatives, whereas in a number of other countries, there is clear transparency whereby the product attributes are evident and transmitted all along the FSC. There is widespread use of supermarket 'own labels' (also for organic products) in the UK and Switzerland with the accompanying implications for decision-making and negotiation within the supply chain. The German report points to the lack of clear regulations on labelling which has led to the unsubstantiated exploitation of environmental, animal welfare, nutritional and health claims on food labels leading to lack of transparency and loss in consumer confidence.

The mainstream food sector in the UK has proved adept at taking up certain products from the alternative food sector and mainstreaming them. Organic food is perhaps the best example of this, although it has been suggested that the economic advantage of local or regional sourcing may drive certain changes in the food system for major retailers in the foreseeable future. Swiss supermarkets have similarly taken up the mantle of organic food, whereas, for a variety of reasons, it is weakly represented in Dutch and German supermarkets. In general, the UK big retailers have been keener to embrace (albeit at slightly different pace/time) the more sustainable forms of food product than some of their continental counterparts. This partly stems from close cooperation between UK multiples and some sections of the organic farming sector to increase availability and access, whilst in Germany has a well-known tradition of marketing organic food through well-established customised retail channels.

*Social*

There is no doubt that social factors strongly shape the course of FSCs. Societal pressure has put issues such as the environment, animal welfare and food quality high on the agricultural policy agenda and these demands have been recognised as new opportunities for many farm households. A principal socio-cultural difference is the extent of consumer attachment to regional food production. This is flagged up as a key feature of the Italian food system. Although there are parts of the Swiss system that illustrate a partial consumer attachment to locally specific production, such demand constitutes a smaller proportion of the food system than in Italy. The German study also indicates how consumer surveys yield evidence of a strong desire for re-regionalisation of food. In the UK, amongst a minority of consumers, there is an ambivalent attitude to supermarkets and other large-scale elements of the FSC, and an increasing association between sustainability and locally produced food which has provided a context in which an alternative food sector has been able to develop. In the Flanders region of Belgium, consumers are apparently less interested in regional identity, while this approach has a certain success in the Walloon region where there is perhaps a closes association between origin and quality.

There is evidence that more sustainable products are conceptualised more in environmental terms in northern Europe and more in terms of local specificity of production in southern Europe. With only one southern European partner, it is difficult to get corroborative evidence, but the notions of 'specificity' and 'typicity' are much more strongly highlighted in the Italian report than any other.

Three general common trends stand out with respect to other social factors. First, many more people live in smaller households where more adults work, there is less time for meal preparations and more 'grazing' and snacking takes place than in the past. Second, increasingly affluent populations are spending a much greater proportion of expenditure on food outside the home. Third, there are now many NGOs operating from international down to local level that are energising the construction of alternative food futures. Their existence is itself a manifestation of concern about the contemporary state of FSCs.

In spite of all the hype surrounding the development of the alternative sector and the renewal of traditional food systems, and interest in short chain marketing initiatives, there has been a remarkable willingness of the

average consumer (if one exists) to embrace the conveniences of the supermarket. The inexorable rise of the supermarket system reflects its capacity to deliver a wide range of produce that the contemporary consumer wants or that he/she can be persuaded to want in a convenient place.

However, from a demand perspective, there is also widespread evidence of consumer distrust, which has arisen in different countries from different food scares, in almost all of which the large-scale food sector is implicated. The BSE crisis has cast a dark shadow not just over the red meat industry, but is seen as the prime example of where modern farming, feeding and meat processing practices have gone badly wrong. But, as noted above, behind the mistrust, there is still a remarkable willingness to use the large-scale sector with its enormous variety, its convenience and apparent low prices.

*Technological*

A number of technological factors have impacted on FSCs across all countries including the development of more efficient cool chains, allowing longer shelf life, easier long distance storage and the rapid advance of pre-prepared food technologies. Electronic tagging of food at reasonable cost, to be able to ensure traceability, is a core issue confronting large-scale processors and retailers. The Italian report notes a particular technical development in liquid milk, which allows a longer shelf life for the product. Whilst communications technologies such as the Internet have expanded distribution options for niche products, for example in Italy and the UK, this strategy has been successfully embraced by some of the major UK multiples creating an even more competitive environment for smaller scale operators. The issue of GMOs was mentioned as a factor in only four countries; Belgium, the UK, Switzerland and Germany.

## Areas of dynamism

A number of factors impacting on the dynamism of FSCs seem to be common across all the partner countries, although there are certainly differences in emphasis. These factors include: a succession of food scandals and crises that have led to a growing distrust and critical awareness amongst certain consumers concerning the production of their food; increasingly differentiated consumer demands; market liberalisation and a growing cost-price squeeze on mainstream producers (most noted in the NL and BE reports); a tendency towards de-territorialisation, standardisation and concentration within the conventional FSC, leading to a loss of transparency and a disconnection between producers and consumers; governmental introduction of food safety self-regulation within the FSC (especially within the UK, NL and BE reports), which has led to greater standardisation but also normalisation; average farm sizes are increasing and the numbers of farmers are decreasing; a reduction in the power of the agricultural policy community and a rise in corporate retailer power, whereby the latter are now (invariably) seen as the most powerful actors within the FSC; and the emergence of a myriad of small-scale, local, regional, artisan, organic, ethical, traditional and direct FSC initiatives.

As a result of these elements of dynamism, there is a widely identified bifurcation between those food supply chains linked to normalised and concentrated systems (dominated by corporate retailers and large processors), and those more intent on product differentiation linked to regional or localised production systems (typified by producer co-operation and more direct producer-consumer interaction). Within the context of the SUS-CHAIN project these have often been described as the 95% (in that in simplistic terms they deliver circa 95% of all food) and the 5%, respectively. The latter have attracted enormous attention as being inherently more 'sustainable' than the 95%, and yet they are relatively insignificant economically. Conversely, the 95% are generally perceived to be less 'sustainable', but of much larger economic significance. Arguably, therefore, dynamic processes that result in a small 'sustainability' gain within the 95% may have a larger overall impact on

aggregate welfare, than a proportionately larger 'sustainability' gain within the 5%. Critically, this suggested dichotomy is not impermeable and the two sectors are in a constant state of dynamic interaction, with critical implications for the future sustainability of FSC. However, what also seems to be likely is that there is no middle ground between these two extremes.

*The 95% - normalised, concentrated and conventional*

Within the context of SUS-CHAIN it is the growing dominance of the corporate retailers that is highlighted as the most dynamic element affecting the sustainability of FSCs. Their primacy within the FSC varies, but in many cases four or five companies (two in the case of Switzerland) are responsible for over 80% of food retail sales. Across many of the different food sectors described, and all the partner countries, there is a process of concentration and normalisation within conventional FSCs, driven forward by large food processing and marketing companies. Industrial logic and private regulation initiatives dominate, leaving little room for manoeuvre by individual producers and suppliers: either they follow the rules of the mainstream actors, or they must develop an alternative approach.

A major component of this concentration and normalisation has been a process of vertical integration between large-scale conventional farmers, industrial-scale processors, and the corporate retailers, whereby the retailers (in particular) have sought to control the quality (in food safety terms) of the produce they sell in order to ensure they comply with their obligations of 'due diligence'. Food safety legislation increasingly gives responsibility to the large private actors within the respective chains, and most now have their own codes of quality (such as EurepGap) which suppliers must adhere to if they wish to sell to the retailer (or processor) concerned. Within this context, sustainability is equated with the ability to compete on price, which in turn necessitates that suppliers/producers increase their scale of operation through concentration and intensification in order to remain economically viable. The effect is that smaller producers/suppliers are effectively denied access to this FSC. Nevertheless, in the Latvian report, the increased involvement of the large retailers is viewed as having improved quality control within the FSC.

Until recently, large companies engaged in food processing and retailing were essentially only interested in mainstream food products, but clearly they are now increasingly concerned to differentiate themselves through providing 'high quality' produce, wherein quality is equated with traceability and origin, artisan production methods and ethical concerns. As such, there has been a proliferation of private quality assurance schemes within the conventional FSC (usually driven by the corporate retailers), which seek to demonstrate 'higher' quality standards (with this focus on 'higher quality' being in addition to food safety concerns). In some cases these initiatives may result in extra income for the producers concerned, but it is apparent that they are frequently becoming the 'norm' if producers/suppliers want to access a particular outlet, at which stage there is commonly no longer a price premium available. In Belgium, for example, fruit and vegetable producers are not obliged to obtain the hallmark *Flandria*, but there is a recognition that their produce will not be accepted by the large-scale operators if they do not. The producer is then tied to particular production standards, even though there is no contract as such and often no financial premium in doing so. To some extent it seems that large-scale producer cooperatives are redressing the power imbalance between corporate retailers and relatively smaller-scale producers, particular in Italy, but less so in other countries (most notably the UK and Latvia).

In relation to the *quantities* of 'sustainable' produce sold, the strategy of the large retailers is critical. In many countries, for example, organic produce has until fairly recently been sold through specialist outlets, or by direct sales, meaning that in economic terms it has remained marginal. Organic produce continues to be sold through these traditional outlets, but progressively (even in Germany) the large retailers are selling more and more organic produce (markedly raising its profile and economic significance), and in the UK over 80% is now sold in this way. Likewise, the Swiss report noted the impact of the Coop supermarket starting to sell organic

produce in 1993 (as a means of differentiating itself from its main competitor). Similar tendencies were noted in the UK report with respect to 'fairtrade' produce. Nevertheless, despite the involvement of actors within the 95% (most notably the corporate retailers) in providing greater quantities of 'sustainable' produce, there are widespread concerns amongst the reports that less benefit/value added will go to the producers concerned; that the mainstream actors emphasis on sourcing produce at the lowest possible price (whether of higher quality or not) means that the produce is often sourced on a global basis, thereby bringing into question its environmental sustainability (as identified with some organic produce); and the lucrative nature of certain 'quality' produce is prompting large-scale actors to industrialise what were once artisan processes in order to capture the value-added potential. As highlighted within the Dutch report, it is critical to understand the dynamics between smaller-scale (5%) operations within the FSC and those of the large-scale (95%).

In rural development terms, the dynamics of the 95% lead inevitably towards industrialised farming and a reduction in the number of farmers, as well as international sourcing which means that those rural areas unable to supply what is demanded by the mainstream players are marginalised.

*The 5% - diversified, regionalised and alternative*

Those suppliers and/or regions unable (or unwilling) to compete within the mainstream FSC have sought to create production niches, often utilising traditional species or varieties, artisanal skills, and making specific quality claims related to the origin of production (including ethical considerations), thereby increasing the transparency of food provision ('food with a story'). Coupled with this, direct and regional marketing initiatives are perceived to produce additional income and employment in rural areas, as well as enabling synergies with other rural development activities such as rural tourism. However, it is stressed that these initiatives must always be seen against the ever increasing concentration of the mainstream (or 95%) FSC. It is also pertinent to ask to what extent these processes are the result of market and producer-driven pressures, or supply-side driven (by ethical consumers, for example).

As mentioned in the introduction to this section, a myriad of what might be termed 5% initiatives have emerged across the partner countries, although there are certainly differences in emphasis. It is also the case that the figure '5%' is somewhat arbitrary: useful descriptively, but in reality the economic market share of these initiatives is likely to range from perhaps 1-2% (in the case of the UK, BE, NL), up to perhaps 10-15% in the case of Italy and more still in the case of Latvia. These figures are little more than guesswork, but the point is that the economic significance of the '5%' is not uniform across the SUS-CHAIN partners.

In the Dutch report, the primary motivation is on providing 'alternatives' to the mainstream FSC in order to diversify production, add value, and circumvent the cost-price squeeze. However, even within these 'alternatives' the aim is often towards extending their range to a national or pan-national level, and ensuring convenience to the consumer. Nevertheless, there are also initiatives intent on circumventing the 95% structures and enabling direct relations between producers and consumers, such as farmers' markets and specialist farm shops. There seems to be a certain ambivalence as to whether the 95% and the 5% should remain as separate identities, or whether there is any future in bridging the divide (and if so, how). Although not articulated in quite the same terms, these ideas find a resonance within the Belgium report, where a wide range of 'alternatives' are identified. Yet, at the same time they are described as being rather limited, usually linked to organic farming (often sold through the 95%), the promotion of specific quality attributes (adding value to counter the cost-price squeeze), or making direct linkages between producers and consumers (such as within farmers' markets).

As with the NL and BE reports above, the UK report suggests that initiatives within the 5% are an opportunity for producers (and consumers) to overcome some of the constraints of the 95%, even though some of these initiatives often end up becoming part of the 95%. Again, as with the NL and BE reports,

initiatives such as farmers' markets and farm shops are an important and rapidly growing development within the 5%, distinct from the 95%. The 5% initiatives are specifically linked to rural development and a strongly emerging regional agenda. This is encapsulated with the twin notions of 'local' and 'locality' food products, with the former intent on localising the FSC (i.e. remaining within the 5%), and the latter on valorising local/regional food products (which may, or may not, remain within the 5%). The German report indicates an even stronger regional emphasis, coupled with organic production and the direct marketing of produce. The notion of 'food with a story', which is told either through direct contact between the producers and consumers concerned, or through ensuring that consumers have access to good information about the produce they are buying. Again it seems likely that some of this produce will remain within the 5%, but some will also be channelled through the 95%.

Dynamism within the Italian report is heavily focused towards regionalisation and the promotion of traditional products. Some of this production remains orientated towards the local or regional level, utilising local markets and shops; some retains strong linkages to its production roots and yet is large scale and sold through large national retailers, or even internationally (e.g. where large cooperatives are involved); some even starts off with a regional identity, but becomes part of a 95% actor's marketing strategy. These tendencies are also evident in the Swiss report, although more in terms of artisan production rather than regional identity *per se.* Artisan production is seen to be vital for the protection of the way of life in particular (usually mountainous) areas, through enabling better prices for smaller producers. As with many of the reports, localised outlets for these products certainly exist, but the introduction of PDO/PGI certification is perceived as a real opportunity for traditional products to enter large retailers and to access to the export market.

Dynamism within the 5% sector of the Latvian FSC differs from the other reports, mainly due to Latvia's recent history of state ownership and the emergence of a market economy since 1991. Unlike the other partner countries, a much more significant localised 'alternative' structure has continued to exist within Latvia[4] (household production, direct sales to local markets etc.), whatever the overarching structures. As such, the continuance of these FSCs is not considered to be new or dynamic, but traditional, making up perhaps 30% of the whole FSC. New 5% FSC initiatives in Latvia refer to new products, new production methods and new marketing outlets. Nevertheless, in large part due to Latvia's imminent entry to the EU, there is an emphasis on engaging the larger-scale actors in these initiatives in order to increase their economic scope and developmental potential.

It seems clear, therefore, that although FSC dynamism can be identified in terms of the 95% and the 5%, there is very considerable interaction between the two sectors. As suggested in a number of the reports, it is critical to understand what happens to the sustainability criteria inherent within the 5% once they engage with the 95%, whether this be in terms of selling through the corporate retailers, or being appropriated by a large processor. It is also critical to understand the nature of the permeability between the two sectors, in order to clarify the nature of the bottlenecks inhibiting the development of more sustainable FSCs.

### Bottlenecks and constraints for improving the sustainability of food supply chains

Below a synthesis of the national WP2 reports is discussed in order to facilitate an understanding of the issues that might hinder the development of sustainability within FSCs:

- Regulations within the FSC tend to relate to the 95%, meaning that they may sometimes be inappropriate for emerging FSC relations within the 5%. For example, in the Dutch report it is suggested that a dominant

[4] The current continuance of this 'alternative' structure is a function of the transition process towards a market economy, and the economic casualties of this transition needing to find cheap food in local markets and from household plots.

expert system is exclusively science-based (appropriate for the 95%), whereas within alternative FSC non-scientific motivations and trust negotiations may also be valued and yet not recognised within the dominant expert system.

- Most financial support still goes to mainstream production and marketing (the 95%) in order to support their business competitiveness, and is not well targeted to the support of alternatives (the 5%). An increased regional emphasis within many countries would seem to be changing this, but the whole system of subsidies needs to be examined and their legitimacy questioned.
- Particularly within the Dutch, UK and Belgium reports there is a recognition that policy is mainly oriented towards agricultural production for the world market, which cannot easily be combined with improving the overall sustainability of FSCs.
- The liberalisation of trade is contributing to a cost-price squeeze, wherein many cheaper food imports are perceived as unfair competition for domestic producers due to less strict regulations, most notably concerning animal welfare standards. Within the Latvian report there are particular concerns about illegal imports of food, and in general there is a recognised need for clearer country of origin labelling.
- A lack of appropriate small and medium scale processing, storage, preservation and marketing facilities is adversely affecting the development of alternative small-scale FSCs. These facilities are mainly geared towards large-scale production and marketing structures. Many of the reports highlight the recent closure of large numbers of smaller-scale abattoirs as a problem. A lack of specific organic processing facilities is recognised in many of the reports as leading, on occasions, to organic produce being sold as conventional with no price premium being paid.
- There has been a general 'stripping out' of the middle within FSCs through processes of competition. This is manifest in the declining numbers of regional wholesalers; the demise of medium-sized processors; and the huge reduction in smaller and medium-sized retailers. The effect of this has been that it is now much harder to scale up smaller-scale (5%) initiatives, because in many cases there is no longer an infrastructural stepping stone available.
- There is often an asymmetry in negotiation power between small-scale producers and large scale processors/retailers, meaning that the latter are able to (unfairly?) determine contracts and conditions of supply. Even where 'quality' products are involved, there is a danger that the emphasis on lowering costs leads to a replication of conventional supply chain relationships. This tendency is recognised in all of the reports, although the Italian report in particular stresses that sustainable food production often takes place on very small units and the need, therefore, for these small (and often fragmented) producers to coordinate their actions.
- The high percentage of food sold in supermarkets is recognised as highly significant across all the countries. In terms of being a bottleneck, this is generally understood in terms of the emphasis on price competition and the pursuit of profit, which may have the effect of undermining the ethical or sustainability attributes of a product and reducing margins to the suppliers concerned. The German report, in particular, highlights the need for fair prices to be paid for food, or else sustainability and rural development generally becomes impossible.
- The Swiss corporate retailer duopoly poses specific problems, most notably the retailers' reluctance to include origin of production labelling at the point of sale. However, it is also indicative of the more widespread recognition that the large retailers will only promote a particular initiative if it is in their own commercial interests to do so.
- Poor communication to the end-consumer about the sustainability attributes of a particular food product denies the opportunity to persuade them of the broader 'value' of a product they might wish to pay a price premium for. Within the Latvian report, low financial purchasing power is seen as limiting the demand for

food that needs to command a price premium.

- Domestic organic production is often highlighted as being insufficient to meet the domestic demand (often due to climatic limitations, but in the Italian report associated with EU quota restrictions), meaning that organic produce frequently needs to be imported. This tendency is particularly noted in the UK where 85% of organic produce is imported, with clear sustainability implications.
- A critical factor in improving the sustainability of FSC is to increase the volumes involved (within the 5%), whilst retaining the underlying quality and exclusivity of the product concerned. There is a recognition that a balance needs to be found between practical market elements and underlying philosophical considerations. Coupled with this, are concerns that 'high quality' initiatives that exhibit sustainability potential (within the 5%) are often being appropriated by the large-scale actors (the 95%) once they are perceived to be sufficiently lucrative. Again, the question is how to balance their 'quality' sustainability credentials with their scale of operation.

## Consumers´ attitudes and behaviour

This section of the progress report discusses the synthesis of the national WP3 country report of the seven SUS-CHAIN partners. It gives an overview of the different aspects and elements that can contribute to a growing demand for sustainable food products and more sustainable consumption patterns. The following aspects will be discussed:

- General food consumption trends
- Consumer behaviour
- Strategies to stimulate sustainable consumption

### General food consumption trends

Consumer preferences and habits can change rapidly, also with respect to agricultural and food products. The observed trends in food consumption will make it easier to understand and interpret the consumers' decision-making process and final purchase or consumption. The food consumption trends in the different countries are summarised in the table below. This summarising overview has to be interpreted very cautiously for two reasons. A first reason is the fact that the absence of an 'X' in the table does not automatically mean that this trend does not occur in that particular country. It is possible that a trend is thought to be so obvious that it was not mentioned in the national report, but in some cases there is also a lack of data and research to proof a certain trend. A second reason to handle this table very cautiously is the fact that different trends are related or one trend can be the consequence of another. Individualisation and socio-demographic changes are for example an explanation for the increasing demand for convenience food.

Important trends in food consumption, as they were mentioned most by the individual countries, are the observation that the basic needs are fulfilled, the socio-demographic changes and the greater consumer awareness and concerns. Although five countries mention the fulfilment of the basic needs, this probably is the case in all countries, but the consequences that are attributed to this phenomenon differ amongst the countries. It concerns the low willingness to pay for food products, the decreasing budget spent on food products and the complex nature of food consumption. The tendency towards individualisation, hedonism and attention for well-being, which was mentioned by three national reports, is in many cases also a consequence of the fact that the basic needs are satisfied.

*Overview of the occurrence of food consumption trends in the individual country reports*

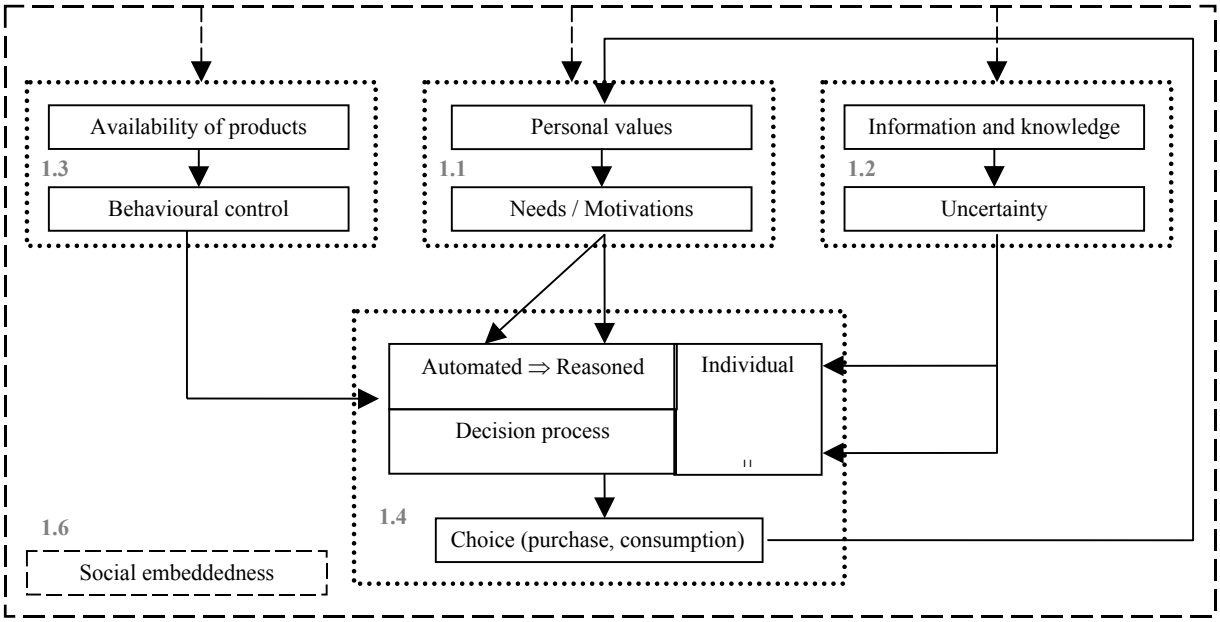
| **Trend** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| Basic needs are fulfilled | X | | | X | X | X | X |
| More individualisation, hedonism, attention for well-being | X | X | | X | | | |
| Socio-demographic changes | X | | X | X | X | | |
| Globalisation and modernisation | X | | | X | | | |
| Growing interest for new, sustainable and ethnical products, other using situations | X | | | X | X | | X |
| Greater consumer awareness and concerns | | | X | X | X | | X |
| Increasing demand for convenience food | | X | | X | X | | X |
| Different type of food consumption | | | X | X | | | X |
| Tendency towards reflexivity within a post-modern society | | X | | | | | |
| Low involvement and over-segmentation | | | | | | | X |
| Importance of purchasing process, experiences and possibilities | | | | | X | | |
| Recognition influence of consumption on sustainable societies | | X | | | | | |
| Changing structure of the retail sector | | | | X | | X | |
| Supply of organic products does not meet the demands | | | | | | X | |

The socio-demographic changes are another obvious tendency that probably occurs in many (all) countries. Examples are the increasing number of double-income and one-person households, the presence of women in the workforce and the ageing of the population. Several other trends seem to be a consequence of these socio-demographic changes. It concerns for example the increasing demand for convenience food in order to manage time and work more efficiently, but the changes in type of food consumption and distribution can also be linked to this. The catering sector and supermarkets (e.g. in Italy and Latvia) know for instance an increasing success.

A third important element is the increased consumer awareness and concerns. These observations are in many cases a result from the several food crises and scares in Europe and can lead to an increased interest in health-related food and organic products. The growing interest for new and alternative products can also be linked with the growing awareness and concerns and the fulfilment of the basis needs, but it has to be understood in a broader context. Many consumers are nowadays interested in ethnical products and other using situations. This can (amongst others) be a consequence of the increasing globalisation and modernisation.

## Consumer behaviour

The purchase and consumption of food products by consumers is the result of a complex decision-making process. In the SUS-CHAIN project, the conceptual framework that is derived from Jager (2000) and is shown in the figure below has been used to explore consumer behaviour towards sustainable products.




*Conceptual framework to investigate consumer behaviour towards sustainable food products (according to the consumer behaviour model of Jager, 2000)*

Below the different aspects of this complex decision-making process will be discussed, by summarising the differences and similarities between countries.

*Consumers' values, needs and motivations*

A general claim is that food is a low involvement product. This explains why consumers do not link their food consumption with environmental and societal problems. However, in every country, it is mentioned that individualistic motives, such as health (as the key issue), price, taste and appearance, convenience, are important for the consumer. There is however also an increasing part of the consumers that is concerned about sustainability issues and these consumers mention altruistic motives to buy sustainable products. Therefore, a combination of personal advantages (such as security for health) with the benefits of sustainable products (e.g. protection of the environment, animal welfare, fair trade, regional identity) should be targeted. These personal advantages are often seen as essential conditions, since these are important for almost every consumer.

*Overview of the values, needs and motivations mentioned in the individual country reports*

| **Values, needs and motivations** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| Environmental concern | X | | X | X | X | | X |
| Health concerns | X | X | | X | X | X | X |
| Food safety/security | | | X | X | X | | X |
| Value for money/Price | | X | | X | X | X | |
| Taste/Good quality | X | X | X | X | X | X | X |
| Appearance | X | X | | X | | | |
| Identification/social motive | X | X | X | | X | | |
| Transparency of the production process | | | | X | | | |
| Desire for local tradition/regional image | | | X | X | | | |
| Hedonism | | | | X | X | X | |
| Support for the regional economy | | | | X | X | | X |

The table above shows the values, needs and motivations for the different countries. A variety of needs and motivations are present in all the countries. However, this table does not indicate the importance of the different

needs in the decision process and the results have to be interpreted very carefully because of reasons that were already discusses concerning the table summarising general consumption trends.

*Information, knowledge and uncertainty*

The table below shows the major findings with respect to information, knowledge and uncertainty; but as already mentioned before, this table has to be interpreted with care.

*Elements on information, knowledge and uncertainty mentioned in the individual country reports*

| **Information, knowledge and uncertainty** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| Limited search behaviour/lack of active interest | X | X | | | X | | X |
| Limited and inaccurate knowledge | X | X | X | X | X | X | X |
| Low understanding/Not capable to interpret | X | X | | X | X | | |
| Confusion caused by the great number of sustainable systems and labels | X | | | X | X | X | X |
| An increased level of uncertainty | | X | | | X | | X |
| Need for confidence/trust/credibility | X | X | X | | X | | |

A major problem, mentioned by all country reports, is the limited and inaccurate knowledge of the consumer on agricultural and food production in general, but it is also mentioned several times that the consumers has a low understanding and is not capable of interpreting information concerning food production. This confusion is furthermore enhanced by the large and still increasing amount of sustainable labels, initiatives, and certification systems on the market. The issue of limited knowledge is also related with the fact that consumers have nowadays a limited search behaviour, their lack of interest, but is also a consequence of the growing gap between producers and consumers.

Uncertainty is another important issue and this is in many cases a consequence of the recurring food crises in Europe. Consumers try to reduce their uncertainty by establishing a relation based on trust with the retailer or even the producer of the food. Another possibility is to find credibility in the claims of labels and hallmarks.

*Product availability and behavioural control*

As for the other issues a schematic overview of the elements mentioned in the country reports is presented in a table. Many sustainable products (e.g. organic products) do not longer belong to a niche market but have an increased availability, due to the increased number of distribution channels (mainly supermarkets) that are selling these products. An increase in organic convenience food has been reported by the UK. However, sustainable products are still seldom offered in a broad and deep assortment. Consumers claim that a higher availability could increase their consumption.

*Overview on the issues mentioned in the country reports concerning availability and behavioural control*

| **Availability and behavioural control** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| Limited availability as a reason for non-purchase | X | | | | X | | |
| Availability has increased | X | X | X | X | X | X | X |
| Still limited assortment | X | | | | | | |
| Difficulties with local foods/origin labelled food | | X | X | | | | |
| New innovative channels | | | | X | | X | X |
| Inefficient distribution of fair trade products | | | | X | X | | |
| Sustainable food is presented in a less attractive way | | | | | | | X |

For local food, there appear some (often practical) difficulties, which could be solved by some new innovative systems. These new and innovative marketing channels are not mentioned by all reports, but different initiatives

of course exist in each country. The sales of fair trade products are in evolution in several countries as these products are nowadays also available in supermarkets. Two countries, however, report an inefficient distribution of these products.

*Decision-making process*

The summarising overview of the factors that influence the decision-making process has to be interpreted cautiously as was mentioned before. The most mentioned issue is the gap between the positive attitude and intention of consumers and their actual purchase behaviour. Different explanations are suggested and price is hereby considered to be an important obstacle. Another problem is that consumers often perceive other essential attributes like taste and convenience negatively.

*Overview of the elements of the decision-making process that are mentioned in the country reports*

| **The decision-making process** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| Gap between positive attitude/intention and actual purchase behaviour | X | X | X | | X | X | |
| Routine behaviour (food low involvement) | X | | X | | | | |
| Trust and image of label/trademark/producer is very important | X | | X | X | X | | X |
| Low score on essential attributes such as taste | X | X | | | X | | X |
| Price seems to be the most mentioned obstacle | X | X | | X | X | | X |
| Purchase behaviour often situational influenced | X | | X | | | | |
| Regional/local products are perceived very well | X | X | | X | | | X |

Next to these attributes, the sustainable aspects of the product should be trusted, which means that the image of the products, the producer, the trader should be able to convince the consumer to buy the product. Furthermore, behaviour based on habit has also been proposed as a reason for the low market share of sustainable products. Even if consumers have good intentions to buy sustainable products, once in the shop consumers will search for their habitual products or will be influenced by situational factors such as promotion. Several national reports mention a positive perception of regional and local food products, since they have the image of freshness and quality and contribute to the regional economies and identity.

*Synthesis on the socio-demographic profile of consumers*

In order to simplify the comparison of the outcomes of research considering the socio-demographic profile of consumers, an overview is given in the table below. In general, this table mentions issues that have a positive influence on the purchase and recognition of three types of sustainable products. Elements that have a rather negative influence on the purchase decision are indicated with '-'. The table comprises furthermore three types of sustainable products: (i) ecological products but most studies mentioned in the national reports concern organic products, (ii) regional and typical products, and in some cases farm products, but this is mentioned explicitly, and (iii) ethical products which are in all cases fair trade products. A problem with the interpretation of these results is the fact that no distinction can be made between regular and occasional buyers. This could lead to different findings because both groups do not have the same expectations and involvement.

If the results of the different studies on ecological products are compared, the presence of children or young families as a positive factor can be noticed in almost all countries. This has probably to do with the health concerns of parents towards their children. Another element that occurs frequently is the beneficial effect of a higher income, although this is seen as an negative element in a Belgian study for the highest and lowest income classes. Organic consumers seem to have a rather high level of education, but not all research could prove this tendency. The results concerning the age of the consumers and their gender differs from country to country, but the relatively higher presence of the age group 40-44 among organic consumers seems a

common element over the countries. In several countries, there are also differences notices in the purchase behaviour of organic products according to the region where the consumers live.

*Overview of the socio-demographic profiles of sustainable products*

| Country | Ecological products (organic) | Regional products | Ethical products (fair trade) |
|---|---|---|---|
| **NL** | 1. No differences<br>2. Elderly, with children, higher income<br>3. Higher education, involved in societal organisations | | 1. Better educated<br>2. Better educated, age 40-49, smaller families |
| **UK** | Families, age 35-44, ABC1 | 1. Age 55+, ABs & Es, family groupings, women<br>2. Farm products: rural consumers | |
| **CH** | German speaking part, age 40-49, income effect | French speaking part, city, men,<br>- younger | |
| **IT** | 1. Male, high socio-economic level, graduate, age 40-49, North, self-employed<br>2. (Medium-) high income, young families, North, 3-4 members in family | | Age 35-55, academically well-qualified, North, buy in World Shops, men or women |
| **BE** | 1. Women, city, age 25-45, young children,<br>- highest & lowest income class<br>2. Similar results gender & age, decreasing trend social class | Farm products: older consumers,<br>- 1 person households, upper social class | Age 31-44, male, higher educated, men |
| **LV** | Better educated, better off, city dwellers and women | | |
| **DE** | 1. Higher incomes, higher formal education, relatively young, with children<br>2. Relative high willingness to pay in dink-households<br>3. Socio-demographic criteria lose explanatory potential<br>4. Confirmation results 1. | 1. Wide-minded, high willingness to pay, relatively high revenues<br>2. Patriotism<br>3. Elderly people with low level of formal education | Young families, high formal education |

The socio-demographic profiles of consumers of regional and traditional products don't seem to have common elements, except for a relatively higher age in the UK, Belgium and Germany, and a younger age is a negative indicator in Switzerland.

A high formal education is a characteristic of consumers who buy fair trade products that occurs in all countries that dispose of studies in this matter. These consumers are in many cases also relatively young (35-40), except for the Dutch case where the group 40-49 is more present. Other socio-demographic characteristics of buyers from ethical products are that they have a young or small family, but no statement can be made about their gender.

There are some important differences between the socio-demographic profiles for the three groups of sustainable products and so it is impossible to identify 'the consumer of sustainable products'. It can however be stated that educated people with a relatively high income and that are between 35 and 45 years old have a higher chance to buy sustainable products.

*Social embeddedness*

A first dimension of social embeddedness that was mentioned in several country reports is the involvement of consumers and citizens in the food supply chain, the reconnection of consumers with the food they eat and the increasing significance of social relations within the FSC. The link of consumers with the rest of the chain is at this moment not widely developed and in some countries, a disconnection can even be noticed. Measures to improve this situation are for example the covenants in the Netherlands. Improved relations between the different levels in the FSC will inevitably lead to a situation of more trust and transparency. The UK report mentions the definition of local embeddedness. This concept adds the relevance of the location to the social embeddedness, which gives more recognition to the social ramifications of the exchange process.

A second aspect of social embeddedness is the fact that a consumer is only a small part of the entire society and hence undergoes influences from that society. Examples are the food scares and crises, fashion trends, familial judgement and decisions made by other actors in the food supply chains. Other influences come from the process of post-modernity and the milieu the consumer belongs to.

*The barriers for consumption of sustainable food products*

The table below provides an overview of the barriers for sustainable consumption that were mentioned in the country reports in order to gain some insights on the similarities and differences between the 7 countries that participate in the SUS-CHAIN-project. The reader has to interpret these results very carefully because a barrier can exist although not mentioned in the national report but many of the barriers are also closely related to each other.

*Overview of the barriers for the consumption of sustainable food products mentioned in the individual country reports*

| **Barriers for the consumption of sustainable food** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| Limited knowledge of agriculture, production processes; implication of food purchase decisions | X | X | | X | X | X | X |
| Sustainability: logos and labelling, confusion, lack of information, authority, trust and credence | X | X | | X | x | | X |
| Availability of the products | X | X | | X | X | | |
| Consumers' decision process | X | X | | | X | | |
| Price and justification of the premium | X | X | X | X | x | x | X |
| Necessity to respond to the consumers' needs | | X | | | X | | |
| Appearance and quality of the product | | | X | X | | | |
| Change is a slow process | | | X | | | | |
| Ambivalence on the source of food | | X | | | | | |
| Lack of transparency, anonymisation | | | | | | | X |
| Concentration destroys sustainable local supply networks | | | | | | | X |
| Limited purchasing power of the consumers | | | | | | X | |
| Nature of the organic sector | | | | | | X | |
| Attitude of actors in the FSC | | | | | | X | |

X: element mentioned in the national report; x: element indirectly mentioned in the national report

Price seems to be the most important barrier of sustainable products as it was (in)directly mentioned by all countries. The consumers perceive the price for sustainable products as being too high and this has several reasons. The country reports mention the low willingness to pay a price premium, a lack of insight on the origin of the price premium, the unfair comparison with non-sustainable products, etc.

A second barrier is the remoteness between production and consumption, as it was called in the Dutch report. It concerns the consumers' limited knowledge of agriculture and production processes and a lack of insight of the implications of food purchase decisions on the lower levels of the food supply chain. This lack of

information does not only concern agricultural and food production, but in many countries there is also a lack of knowledge or confusion on the concept sustainability and the corresponding logos and labelling. A problem is that sustainability is a credence quality and this hampers the creation of authority and trust.

Another barrier that was rather generally mentioned in the national reports is the availability of sustainable products. These problems are related to problems of local food shops (difficult access, opening hours, …), the presence of sustainable products in supermarkets as this is the major purchasing point of many consumers, but also to the continuous presence of products expected by the consumers.

Other elements that were mentioned more than once are the importance of the consumer's decision process with for example the problem of a negative attitude towards sustainable food products, the necessity to respond to consumers' needs (because it is otherwise unlikely that the consumer will buy the product) and finally the appearance and quality of the product. It is very doubtful that a consumer will be prepared to pay a higher price for a products that do not match his expectations.

The barriers derived from the desk studies in the 7 countries are also identified in other countries and available literature.

*Possibilities to remove above-mentioned barriers*

The proposed measures to overcome barriers for sustainable food consumption are summarised in the table below. The measures are hereby grouped as possibilities to remove five different (groups of) barriers: the price barrier, limited knowledge, consumer decision-making process and needs, confusion about logos and labelling and, finally, the availability of sustainable products. There has to be repeated that this table is only an aid to summarise the national findings and that it has to be interpreted with the greatest care.

Most of the proposed measures concern the limited knowledge of the consumers of agricultural and food production; in some cases this is however extended to a limited knowledge of all actors in the chain. Almost all national reports agree that important elements hereby are education and providing information without specification of its nature. Other elements that could improve the knowledge are the stimulation of alternative food supply chains and a greater access to suitable information. The Swiss case is a very particular one as almost the entire agriculture meets prescriptions concerning ecological sustainability, but the discussion remains if this should be communicated to the consumers.

Previously, the higher price and price premium of sustainable products were quoted more than once as the most important barriers for sustainable consumption and there are also several measures proposed to overcome this barrier. Governmental intervention and self-regulation are the tools that were most frequently mentioned. Examples are subsidies for sustainable and taxes for non-sustainable products, internalisation of sustainability aspects in price setting and a greater availability of sustainable products in supermarkets which will lead to a price reduction. Other possibilities are that non-buyers are persuaded of the value of sustainable products and become willing to pay a higher price for these products; a reduction of production costs through collaboration between actors and FSCs and finally, the concept of 'transparent price' could also be useful.

The measures to limit the confusion about logos and labels are all different, but still they aim at a better understanding by the consumer. This can be done through a continuous dialog, better contact, limitation of the number of sustainability hallmarks and improved knowledge.

*Overview of the proposed measures to overcome barriers for the consumption of sustainable food products*

| **Possibilities to remove barriers** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| ***Price barrier*** | | | | | | | |
| Convince non-buyers to pay a higher price | X | | | X | | | |
| Reduce costs | X | | | | | | |
| Governmental- and self-regulation tools | X | X | | | X | | |
| Transparent price | | | | X | | | |
| Link higher price with emotional benefits | | | | | | | X |
| ***Limited knowledge*** | | | | | | | |
| Stimulation of development, up-scaling and professionalisation alternative FSCs | X | | | | | | X |
| Greater access to suitable information | | X | | | | | |
| Education or providing information | | | X | X | X | | X |
| Highlighting/ promoting wider benefits to improve understanding | | X | | | | | |
| Discussion on communication about production method | | | X | | | | |
| Provide necessary market information | | | | | | X | |
| ***Consumer's decision-making process and needs*** | | | | | | | |
| Differentiation and segmenting | X | X | | | | | X |
| Generating consumer interest | | X | | | | | |
| Ability to satisfy consumer demands | | X | | | X | | |
| Influence through information | | | | X | | | X |
| ***Confusion about logos and labels*** | | | | | | | |
| Continuous and pro-active dialog between stakeholders | X | | | | | | |
| Limited number of hallmarks that are simple and easy accessible | X | | | | | | |
| Implementation of quality and security systems with common national labels | | | | | | | X |
| Better visibility, consistency, credibility and simplicity | | X | | | | | |
| Improve knowledge on certification systems | | | | X | | | |
| ***Availability of sustainable products*** | | | | | | | |
| Improve the availability of sustainable products | X | X | X | X | X | | |
| ***Other measures*** | | | | | | | |
| Policy measures such as political support, improvement rural development… | | | | | | | X |
| Promotion of different occasions to consume sustainable products by creating synergies with other initiatives of rural development | X | | | | | | |
| Evaluation of opportunities and risks in producing and selling sustainable food products | | | | | | X | |
| Collective marketing initiatives | | | | | | X | |

The increased availability of sustainable products is also frequently mentioned by the national reports, but this is not the case for the way in which this can be achieved. It is however a fact that many of the measures don't work on one single barrier, but also have effects on other barriers. If the consumer demand for sustainable products for example grows, because the consumer are better informed and prepared to pay the inevitable (but perhaps lower) price premium, the availability in supermarkets will grow as these actors don't want to loose their market share.

The proposed possibilities envisage to change consumer decision-making from automated to reasoned processing and from social to individual processing. After deliberation and consequently the purchase of a sustainable product, consumers will need heuristics to develop a new routine in buying these sustainable products. Heuristics are hereby defined as behavioural rules that are used to reduce complex themes to a level that can be used in consumers' daily life.

**Strategies to stimulate sustainable consumption**

An overview of the different strategies to improve or stimulate sustainable consumption is given in the table below. Three elements occur in several country reports: improving the availability of sustainable products, the need for police involvement and the provision of information. Although these issues are not mentioned directly by all reports, they are particularly relevant for most of the countries.

*Overview of the strategies to stimulate sustainable consumption*

| **Strategies to stimulate sustainable consumption** | **Countries** | | | | | | |
|---|---|---|---|---|---|---|---|
| | NL | UK | CH | IT | BE | LV | DE |
| Improved availability - also in supermarkets | X | X | | X | X | X | X |
| Overcome price issues | | X | | | | | |
| Sustainability of the entire product and marketing | | X | | X | X | | X |
| Policy involvement | X | X | | X | X | | X |
| Differentiation of supply | X | | | | | | |
| Looking for combinations and synergy (networking) | X | | | | | X | X |
| Process dynamics of sustainability | X | | | | | | |
| Scenarios: status quo and voluntary marketing | | | X | | | | |
| Providing information | | | | X | X | X | X |
| Program for the development of organic farming | | | | | | X | |
| Train actors in modern applied marketing, to communicate professionally | | | | | | | X |

The desk study on consumers´ attitudes and behaviour has shown that the availability of sustainable products is a major problem and it is therefore not surprising that improving the availability of sustainable products is mentioned as a major strategy to improve sustainable consumptions. Several country reports mention thereby that it is important that these produce are present in all marketing channels and thus also in supermarkets. A major condition hereby is a changed perception from the big retailers, in many cases combined with a better organisation of the producers to provide enough products at the right time. The example of fair trade products, which are in several countries present in the supermarkets, shows that this type of broader availability is possible. There is of course also the danger this will lead to unwanted side effects; e.g. the presence of many foreign sustainable products in the supermarkets.

A second element that deserves attention is information. At was shown several times in this report that the average consumer is unaware of the agricultural production practices and has also limited knowledge of food production, the concept of sustainability and so on. A major strategy should thus be to provide information to the consumers about all these issues. A side-effect could be that a better informed consumer is willing to pay a higher price for sustainable products as he can now assess the benefits of these products and the reasons for the price premium.

A last element concerns the policy involvement in the process of promoting sustainable production and consumption. It was mentioned several times that the government has its responsibilities to create a better context for sustainable production and should also give incentives to motivate the consumer to buy sustainable products. A broad set of tools and measures can be used for this, as well on the level of agricultural production as consumption and on the other levels in the food supply chain.

### 2.2.3 A look ahead to the second reporting period

The first months of 2004 (i.e. the second reporting period) will be devoted to the finalisation of the synthesis reports of workpackage 2 (macro-level description and analysis of the dynamics and diversity of food supply chains) and workpackage 3 (desk study on consumers' attitudes and behaviour). As the building blocks (i.e. the national reports) for both synthesis reports were completed by the end of the first reporting period, the workpackage co-ordinators should be able to finalise these synthesis reports in the first few months of the second reporting period. The national reports contain ample, well documented information that allows for an interesting comparison between the countries involved in the project.

The majority of the work during the second reporting period will be dedicated to the in-depth case studies. Given the fact that an early start was made with the development of the case study methodology and that the envisaged methodological approach is supported by all consortium members, the SUS-CHAIN team is confident it will manage to complete the majority of the case study work during the second reporting period. As part of workpackage 2 an impressive database, containing over 300 examples of food supply chain initiatives across the seven countries, has been built up. From this database 14 principal cases will be selected, which together represent the diversity in food supply chain approaches encountered in the state-of-the-art phase of the project. In addition to these 14 principal cases a larger number of satellite cases will be selected, first in order to create opportunities for comparison within a case study (being the study of a principal case and its satellite cases) and second to broaden the empirical basis from which general conclusions can be drawn. The co-ordinators of WP1, WP2 and WP4 have developed several taxonomies and typology grids, which enable us to assess the diversity within the set of cases proposed.

The second reporting period should also result in a final set of indicators for the assessment of the socio-economic performance and sustainability of food supply chains. Due to the good interaction between workpackage 1 and the other workpackages the WP1 co-ordinators will be able to develop this set of indicators in due time.

### 2.2.4 Action requested from the Commission during the second reporting period

According to the Technical Annex the following action is requested from the Commission during the second reporting period:

1. To comment on and approve the case study methodology, including the sample of case studies.
2. To develop, together with the SUS-CHAIN co-ordinator, a protocol for the mid-term review of the project (due to take place in November 2004) and to select / propose experts to carry out this mid-term review.

In addition to these two activities the Commission is requested to comment on the final draft of the set of performance indicators, specifically to assess the relevance of these indicators for EU policies with regard to sustainable development, rural development and food quality and safety.

# 2.3 Description of the workpackages

## 2.3.1 Development and fine-tuning of food supply chain performance indicators (WP1)

**Phase:** 1
**Start date:** 1 March 2003
**Completion date according to TA:** 31 December 2004
**Expected completion date:** 31 December 2004
**Current status:** in progress
**Partners responsible:** P3
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 4.50 | 1.50 | 6.75 | 1.50 | 1.50 | 1.50 | 1.50 | 18.75 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 2.20 | 0.85 | 3.75 | 1.25 | 1.00 | 1.00 | 1.80 | 11.85 |

### *Objectives*

The main objective of this workpackage is to develop and fine-tune (through literature review, policy analysis and case-studies) food supply chain performance indicators. These indicators will be used for:

- mapping and analysing the socio-economic dynamics of food supply chains;
- assessing the socio-economic performance and ecological sustainability of food supply chains;
- identifying constraints and opportunities for improving the collective performance of food supply chains towards sustainability;
- identifying 'entrance' or 'nodal' points for intervention aimed at enhancing the collective performance of food supply chains towards sustainability.

### *Methodology and study materials*

The work for this workpackage is divided into 6 consecutive tasks:

1. Project co-ordination meeting 1: In month 1 all participants (P1-P7) and their subcontractors (S1-S7) will meet to discuss the overall framework of the project and to outline the work to be done for WP1.
2. WP1 methodology: After the meeting (and based upon it) the workpackage co-ordinator ETHZ (P3) will, in collaboration with the scientific co-ordinator (P1), construct a methodology for WP1. The methodology will entail guidelines on how to collect, describe and assess performance indicators for three different aspects of food supply chains:
   a The organisational structure of food supply chains.
   b The sustainability of food supply chains in terms of socio-economic performance and discourses on ecological sustainability.
   c The institutional setting of food supply chains.

3. Review: Following the WP1 methodology, P1-P7 will conduct a review of literature on food supply chains and of completed and ongoing research on food supply chains, in order to collect, describe and assess relevant and interesting food supply chain performance indicators for three different aspects of food supply chains.
4. Provisional indicators: At national level the results of the review will be discussed by the national teams of participants and subcontractors, resulting in national sets of provisional indicators. These national sets of provisional indicators will be collected, compared and assessed by P3 (in collaboration with P1) in order to develop general provisional sets of indicators. This provisional framework will be used as input for WP2 & WP3.
5. Fine-tuned indicators: Based upon the results of WP2 & WP3 and the feedback given at the first national seminars (see WP8), P1 to P7 and S1 to S7 will assess the provisional sets of indicators and propose improved sets of indicators. All proposals will be collected, compared and assessed by P3 (in collaboration with P1) in order fine-tune the sets of indicators. This fine-tuned framework will be used as input for WP4 (case study methodology).
6. Final indicators: Based upon the results of the case studies (WP5) and the feedback given at the second national seminars (see WP8), P1 to P7 and S1 to S7 will assess the fine-tuned sets of indicators and propose final sets of indicators. All proposals will be collected, compared and assessed by P3 (in collaboration with P1) in order finalise the sets of indicators. The final sets of indicators will be used as input for the comparative case-study analysis (WP6) and for the recommendations (WP7).

***Progress during the first reporting period***

Due to the fact that on the one hand the actual work formally commenced two months later than the legal (i.e. contractual) start of the project and on the other hand the first project co-ordination meeting had already been scheduled for the beginning of March 2003, P1 decided to modify the sequence of WP1 tasks as proposed in the TA. P3 produced a first draft of the WP1 methodology (task 1.2) before the first project co-ordination meeting (task 1.1), based upon which P1 prepared a format (see annex 7.1a) for the research and literature review (task 1.3). This review was carried out in each country with the aim to provide input for the development of provisional FSC performance indicators (i.e. D2). In addition, the review also provided input for workpackages 2 and 3, by briefly discussing general trends and diversity in food supply chains and in consumers´ attitudes and behaviour. All national reviews were written prior to the first project co-ordination meeting and presented and discussed at this meeting. The reviews and the discussion following the presentations at the first project co-ordination meeting were used by P3 to compile a provisional set of FSC indicators (D2). In this, a distinction was made between profile indicators (to be used for describing and analysing the dynamics and diversity in the structure, organisation and governance of FSCs) and performance indicators (to be used to assess the sustainability performance of FSCs). Given the objectives of the state-of-the-art analysis (WP2 and WP3) P3 proposed to work on the development of profile indicators during the first project year and shift the focus to performance indicators during the second year, as these would be highly relevant for assessing the case studies. This provisional set of indicators was ready by the beginning of April 2003 and was incorporated in the methodology for WP2. In addition to this P3, together with P1, also produced a format for a database of sustainable food supply chain initiatives (see Annex 1c). Descriptions of initiatives according to this format were included in the WP2 national reports.

Based on the draft WP2 national reports, which were finalised in August 2003, P3 produced a first update of the indicators prior to the second project co-ordination meeting. A second update, which also included a first overview of performance indicators (i.e. D12 – see Annex 1b) was made by P3 at the end of the first reporting period. This was used by P4 and P1 in the development of the WP4 case study methodology.

***Deliverables***

| Deliverable | Delivery date (according to TA) | Status | Comments |
|---|---|---|---|
| D1) Workpackage 1 methodology | March 2003 | completed | *Has been revised and updated several times during 2003 together with D2 (see Annex 1b)* |
| D2) Provisional sets of FSC performance indicators | April 2003 | completed | *Has been revised and updated several times during 2003 together with D1 (see Annex 1b)* |
| D12) Fine-tuned sets of FSC performance indicators | January 2004 | completed | *Annex 1b refers to the final update of D1 and D2 combined (into D12) during the 1st reporting period* |
| D17) Final sets of FSC performance indicators | December 2004 | in progress | |

***Milestones***

| Milestone | Completion date (according to TA) | Status | Comments |
|---|---|---|---|
| M1) Food supply chain performance indicators | December 2004 | in progress | *The work on performance indicators is continuously updated throughout the project on the basis of results of WPs 2 – 6. See Annex 1b for state-of-the-art at the end of the first reporting period.* |

## 2.3.2 Macro-level analysis of food supply chain dynamics and diversity (WP2)

**Phase:** 2
**Start date:** 1 March 2003
**Completion date according to TA**: 31 December 2003
**Expected completion date:** 31 March 2004
**Current status:** delayed / in progress
**Partners responsible:** P2
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 4.50 | 6.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 23.50 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 4.10 | 5.40 | 4.00 | 2.50 | 2.50 | 2.50 | 3.70 | 24.70 |

***Objectives***

1. To get a general overview of the territorial diversity of the socio-economic dynamics of food supply chains regarding sustainability and transparency in relation to their socio-institutional environment. This includes:
   - Approaches to and organisational forms of food supply chains;

- Policies and regulations with respect to sustainable food production in general and food supply chains in particular;
- Stakeholders' perceptions of and involvement in food supply chains.

2. To assess the general performance (sustainability, transparency, trust) of food supply chains.
3. To identify major bottlenecks with respect to improving the collective performance of food supply chains towards sustainability.

***Methodology and study materials***

The work for this workpackage is divided into 6 consecutive tasks:

1. WP2 Methodology: The workpackage co-ordinator (P2) will develop, in collaboration with the scientific co-ordinator P1, a methodology for the workpackage. The provisional sets of indicators (D2 - see WP1) will serve as input for the development of the methodology of WP2. The methodology for the workpackage will include the following aspects:
   - The kind of literature to be reviewed: e.g. policy documents, scientific papers, empirical descriptions, etc.;
   - A guideline for assessing the reviewed literature;
   - The kind of actors to be interviewed: e.g. policy-makers, consumer organisations, environmental groups, farmers' unions, retailers, researchers, etc.;
   - A guideline or questionnaire for conducting the interviews;
   - A framework (i.e. detailed table of contents) for the WP2 national reports.
2. Literature review: All participants (P1-P7) will carry out a review of literature on different aspects of food supply chains to assess the socio-economic dynamics of food supply chains in relation to their socio-institutional environment (e.g. policies, regulations, institutional arrangements, stakeholders' perceptions and actions).
3. Interviews: P1 to P7 and S1 to S7 will conduct interviews with different experts and stakeholders to complete the macro-level analysis of the socio-economic dynamics and performance of food supply chains. At national level the participants and their subcontractors will decide on the allocation of interviews.
4. Project co-ordination meeting 2: In month 8, after having completed the literature review and the interviews, P1 to P7 will meet to exchange research findings and to assess the kind of feedback wanted on the provisional results of WP2 from the target groups at the first national seminars (see WP8).
5. WP2 national reports: Based on the literature review (task 2.2), the interviews (task 2.3), the decisions made at the second project co-ordination meeting (task 2.4) and the feedback from the target groups at the first national seminars (task 8.3) national WP2 reports will be written by P1-P7 in collaboration with S1-S7.
6. WP2 synthesis report: Based on the national reports P2, in collaboration with P1, will write a synthesis report, which will:
   - stress the diversity of approaches, socio-economic dynamics and socio-institutional settings with respect to food supply chains;
   - identify the main similarities and differences between countries or European regions regarding these topics;
   - assess the performance of different forms of food supply chains;
   - identify major bottlenecks and opportunities for enhancing the performance of food supply chains.

***Progress during the first reporting period***

At the first project co-ordination meeting P2 (the WP2 co-ordinator) presented a first outline of the WP2 methodology. Based on the comments of and questions raised by all participants P2 produced a final version of

the WP2 methodology (see also Annex 2) within one month after the meeting. At this first meeting the decision was made to first focus exclusively on a review of literature (scientific and professional articles, research reports and policy documents) and to postpone the interviews with stakeholders (task 2.3) until the literature review was completed. A guideline for these interviews would be discussed at the second project co-ordination meeting. All national teams worked on the literature review according to the WP2 methodology from April 2003 onwards and succeeded in producing draft (partially incomplete) national reports by the end of August 2003. Based on these draft reports P2 made a summarising overview of the differences and similarities in FSC dynamics. This draft synthesis, which also included an overview of items and issues missing in each national report, was ready by and presented at the second project co-ordination meeting held in Cheltenham (UK) on October 1st, 2nd and 3rd 2003. At this meeting P2 also presented a first general guideline for interviews with stakeholders (task 2.3). However, most of the consortium members questioned the added value of conducting interviews with stakeholders. As all national teams had carried out a thorough literature review, to which they had devoted much more time than was foreseen in the TA, the general opinion was that the description and analysis of food supply chain dynamics and diversity would not or hardly improve by means of a limited number (given the time remaining) of interviews. Furthermore, the national seminars (WP8 – task 8.3) were seen as an important means to validate the results of the literature review. Upon this, the SUS-CHAIN co-ordinator decided to cancel the interviews as a mandatory task and to leave it up to the national teams whether or not they would conduct any interviews as long as they were able to address the WP2 objectives. In the months following the second project co-ordination meeting all national teams were able to finalise the WP2 national reports before the end of the first reporting period. Due to the fact that most reports were submitted to the WP2 co-ordinator by the end of December 2003, P2 was unable to finalise the WP2 synthesis report before the end of this first reporting period.

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D3) Workpackage 2 methodology | April 2003 | completed | *See Annex 2* |
| D8) FSC dynamics (national reports WP2) | December 2003 | completed | *All 7 national reports were finalised at the end of the first reporting period.* |
| D10) FSC dynamics and diversity in Europe (synthesis report WP2) | December 2003 | in progress (delayed) | *Due to the fact that all national reports were sent to the WP2 co-ordinator by the end of December 2003, it was impossible to finalise the synthesis report before the end of the first reporting period.* |

***Milestones***

| **Milestone** | **Completion date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| M2) State of the art | December 2003 | in progress (partially delayed) | *National state-of-the-arts were completed by the end of the first reporting period. At project level (cross country analysis and synthesis) this milestone is slightly delayed* |

## 2.3.3 Desk study on consumers' attitudes towards sustainable food products (WP3)

**Phase:** 2
**Start date:** 1 March 2003
**Completion date according to TA:** 31 December 2003
**Expected completion date:** 31 March 2004
**Current status:** delayed / in progress
**Partners responsible:** P5
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 3.75 | 1.75 | 1.75 | 1.75 | 6.50 | 1.75 | 1.75 | 19.00 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 3.25 | 1.05 | 1.25 | 1.75 | 5.00 | 1.35 | 2.35 | 16.00 |

### *Objectives*

The objective of this workpackage is to identify and assess the diversity in consumers' attitudes towards sustainable food products by means of a desk study summarising previous findings.

### *Methodology and study materials*

The work for this workpackage is divided into 5 consecutive tasks:

1. WP3 methodology: At the start of the workpackage P5 will produce a workpackage methodology, specifying the research methods to be used for the desk study, the kind of literature to be reviewed and a framework for assessing the reviewed literature and for documenting the findings of the desk study.
2. Desk study (literature review): On the basis of the methodology all participants will carry out a desk study for their own country. The provisional results of the national desk studies will be discussed with the subcontractors for feedback and comments.
3. Project co-ordination meeting 2: All participants will meet to exchange national findings of the desk studies to identify differences and similarities between regions and countries regarding the consumers' attitudes.
4. National reports: The participants, assisted by their subcontractors, will document their findings in a national report.
5. Synthesis report: Based on the national reports and the project co-ordination meeting, P5 will write a synthesis report, summarising the results of this workpackage.

### *Progress during the first reporting period*

As WP3 is a desk study, the focus was exclusively on the analysis of secondary, i.e. existing data sources. Therefore P5 (the WP3 co-ordinator) decided to develop the WP3 methodology in two stages. First P5 developed a guideline for constructing a database on available literature and other sources of information (e.g. consumer panel data) concerning consumers´ attitudes and behaviour (see Annex 3a). This first stage of the WP3 methodology was presented at the first project co-ordination meeting. In the months after this meeting all national teams worked according to these guidelines and provided input for the overall SUS-CHAIN WP3 database, which was completed by the end of July 2003. Upon this P5 developed a draft

version for the second stage of the WP3 methodology (i.e. guidelines for the national reports), which was presented and discussed at the second project co-ordination meeting. This draft version was modified according to the comments and questions of the participants expressed at the meeting. A final version (see Annex 3b) was sent to all partners together with the Belgian WP3 report, which served as an example for the other 6 national reports. All national teams worked according to these guidelines and submitted their national report to the WP3 co-ordinator by the end of the first reporting period. P5 will finalise the synthesis report in the first months of the second reporting period.

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D4) Workpackage 3 methodology | April 2003 | completed | *See Annex 3a and 3b* |
| D9) Consumers´ attitudes (national reports WP3) | December 2003 | completed | *All 7 national reports were finalised at the end of the first reporting period.* |
| D11) Consumers´ attitudes in Europe (synthesis report WP3) | December 2003 | in progress (delayed) | *Due to the fact that all national reports were sent to the WP3 co-ordinator by the end of December 2003, it was impossible to finalise the synthesis report before the end of the first reporting period.* |

***Milestones***

| **Milestone** | **Completion date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| M2) State of the art | December 2003 | in progress (partially delayed) | *National state-of-the-arts were completed by the end of the first reporting period. At project level (cross country analysis and synthesis) this milestone is slightly delayed* |

## 2.3.4 Case study methodology (WP4)

**Phase:** 3
**Start date:** 1 November 2003
**Completion date according to TA:** 28 February 2004
**Expected completion date:** 30 April 2004
**Current status:** in progress
**Partners responsible:** P4
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 2.75 | 0.75 | 0.75 | 3.25 | 0.75 | 0.75 | 0.75 | 9.75 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 1.20 | 0.00 | 0.25 | 1.75 | 0.25 | 0.20 | 0.25 | 3.90 |

***Objectives***

1. To develop a methodology for conducting in-depth qualitative and quantitative studies of food supply chains.
2. To develop methodologies for assessing the dynamics and performance of food supply chains.
3. To select 2 cases per country, ensuring that together the case studies are representative for the diversity of food supply chains in the participating countries.
4. To develop a national research plan, based upon the overall case study methodology.

***Methodology and study materials***

The work for this workpackage is divided into 5 consecutive tasks:

1. Draft methodology: In collaboration with P1, P4 will develop a draft version of the case study methodology.
2. Selection of cases: In each country the participants in collaboration with their subcontractors select 2 case studies. They will present their proposed cases by means of a brief description of the food supply chains they intend to study.
3. Project co-ordination meeting 3: All participants and their subcontractors will meet to comment on, discuss and fine-tune the draft version of the methodology. At this meeting the complete collection of proposed case studies will be discussed to assess whether all case studies together represent the diversity observed by means of the macro-level description and analysis (WP2). Important criteria for assessing the representativeness are organisational forms of food supply chains, success and failure and sustainability issues (e.g. environmental aspects, economic aspects or socio-cultural aspects).
4. Final case study methodology: After the meeting P4 (in collaboration with P1) will develop a final version of the case study methodology.
5. National case-study research plans: All participants and their subcontractors will translate the case study methodology to their national context. This may, for instance, include the translation of questionnaires (for interviews or surveys) into the national language. All participants and their subcontractors will develop national research plans, entailing e.g. the persons to be interviewed, the number of interviews and surveys, the division of work between the participant and its subcontractor, etc.

***Progress during the first reporting period***

As the success and innovativeness of the project will largely depend on the results of the case study, the WP4 co-ordinator (P4) and the SUS-CHAIN co-ordinator decided to start two months sooner (than foreseen in the TA) with the development of a case study methodology. A first draft was written in November 2003 and send for comments to all participants by e-mail. Based upon those comments P4 and P1 elaborated a second version of the case study methodology. This was sent to all project participants before the end of the first reporting period (see Annex 4a). In this second draft, P4 and P1 propose to increase the number of cases by conducting multiple-case case studies; i.e. one case study consists of one principal FSC initiative (the core of the case study) and several (national and/or international) satellite FSC initiatives (which will be supplementary to the principal case). Every national team was asked to propose two (multiple-case) case studies and to provide information about the principal and satellite cases according to a guideline prepared by P4 (see Annex 4b). This information will be used by P4 and P1 to assess whether the total of 14 principal and X satellite cases represent the diversity in food supply chains described in the WP2 reports.

***Deliverables***

| Deliverable | Delivery date (according to TA) | Status | Comments |
|---|---|---|---|
| D13) Overall case study methodology | February 2004 | in progress | Second draft completed (see Annex 4a) |
| D14) National research plans | February 2004 | in progress | |

***Milestones***

| Milestone | Completion date (according to TA) | Status | Comments |
|---|---|---|---|
| M3) Case studies | April 2005 | in progress | First step (i.e. draft case study methodology) towards this milestone has been set. |

## 2.3.5 Case studies (WP5)

**Phase:** 3
**Start date:** 1 March 2004
**Completion date according to TA:** 30 November 2004
**Expected completion date:** 31 December 2004
**Current status:** not started
**Partners responsible:** P4
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 9.75 | 6.75 | 6.75 | 8.75 | 6.75 | 6.75 | 6.75 | 52.25 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

***Objectives***

The general objective of this WP is to conduct 2 in-depth case studies per country. Specific objectives of the case studies are:

- A detailed description and analysis of the socio-economic dynamics of different food supply chains;
- An assessment of the performance of different food supply chains;
- Identification (per case study) of bottlenecks that constrain the improvement of the collective performance towards sustainability

***Methodology and study materials***

The work for this workpackage is divided into 6 consecutive tasks:

1. Data collection: interviews and surveys: All participants and all subcontractors will collect data by means of interviews, surveys, transaction costs analysis. The methods of data collection are outlined in D13 (see WP4) and may differ according to varying national or regional circumstances (see D14).
2. Description and analysis per case: All participants and all subcontractors will produce a draft description and analysis of the dynamics of the food supply chains being studied.

3. Project co-ordination meeting 4: The draft descriptions and analyses will be discussed at a meeting of all participants. The aim of the meeting is to exchange research findings and to assess whether sufficient data have been collected to meet the objectives of WP5. Depending on the outcome of the meeting, additional data may have to be collected by the participants and their subcontractors.
4. Assessment of food supply chain performance: All participants and subcontractors will assess the performance of the food supply chains they have studied. The fine-tuned sets of performance indicators (D14 – see WP1) will be a crucial instrument for performance assessment.
5. Identification of opportunities & constraints: All participants and subcontractors will identify opportunities and constraints for improving the performance of the food supply chains they have studied.
6. Case study reports: All participants and subcontractors will publish their findings in case study reports, which will address the objectives of the workpackage.

***Progress during the first reporting period***

No progress has been made as this workpackage will commence on the 1st of March 2004 (i.e. the second reporting period).

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D16) Case study reports | November 2004 | not started | |

***Milestones***

| **Milestone** | **Completion date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| M3) Case studies | April 2005 | in progress | First step (i.e. draft case study methodology) towards this milestone has been set. |

## 2.3.6 Comparative case study analysis (WP6)

**Phase:** 3
**Start date:** 1 December 2004
**Completion date according to TA:** 30 April 2005
**Expected completion date:** 30 April 2005
**Current status:** not started
**Partners responsible:** P7
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 2.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 3.75 | 7.25 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

***Objectives***

The overall aim of this workpackage is to conduct a transversal analysis of all case studies. Specific objectives of the transversal analysis are:

1. To identify major patterns and trends regarding the socio-economic evolutionary dynamics of food supply chains by building typologies;
2. To identify key factors that determine the performance of food supply chains.

***Methodology and study materials***

1. Analysis of case study reports: Using the finalised sets of performance indicators (D17) P7 will review and analyse all case study reports (i.e. the executive summaries of the case study reports as for dissemination purposes the case study reports will be written in the national languages).
2. Provisional typologies of food supply chains: In collaboration with P1, P7 will build provisional typologies of food supply chains to order the diversity of food supply chain dynamics.
3. Provisional assessment of constraints and opportunities: P7 will, together with P1, identify (per typology) the key factors that determine the performance of the food supply chain and assess the
4. Feedback on provisional typologies and assessment: All subcontractors will comment on the provisional typologies and assessment of constraints and opportunities.
5. Project co-ordination meeting 5: The provisional typologies, the provisional assessment of constraints and opportunities and the feedback from the subcontractors will be discussed at a meeting.
6. Comparative case study report: Based on the feedback from the subcontractors and the discussions during the meeting, P7 will write a comparative case study report, summarising all findings from the case studies.

***Progress during the first reporting period***

No progress has been made as this workpackage will commence on the 1st of December 2004 (i.e. the second reporting period).

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D18) Transversal case analysis | April 2005 | not started | |

***Milestones***

| **Milestone** | **Completion date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| M3) Case studies | April 2005 | in progress | First step (i.e. draft case study methodology) towards this milestone has been set. |

## 2.3.7 Recommendations (WP7)

**Phase:** 4
**Start date:** 1 May 2005
**Completion date according to TA:** 31 December 2005
**Expected completion date:** 31 December 2005
**Current status:** not started
**Partners responsible:** P1
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 5.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 12.75 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

***Objectives***

1. To provide policy recommendations for policy-makers at regional, national and European level with respect to improving the collective performance of food supply chains towards sustainability.
2. To recommend tools, methods and strategies to actors in food supply chains and surrounding actors (e.g. farmers' unions, consumer organisations, environmental groups), which can be used to improve the collective performance of food supply chains towards sustainability

***Methodology and study materials***

1. Provisional policy recommendations: All participants will develop provisional policy recommendations for regional and national public authorities, based on the results of workpackages 1, 2, 3 and 5.
2. Provisional practical protocols: All subcontractors will develop provisional practical protocols for actors in the food supply chain and different stakeholders in the institutional environment of food supply chains, based on the results of workpackages 1, 2, 3 and 5.
3. Project co-ordination meeting 6: All participants and all subcontractors will meet to comment on and fine-tune the provisional national policy recommendations and provisional practical protocols. Through a comparative analysis the participants and subcontractors will propose ideas for a European report entailing practical and policy recommendations.
4. Policy recommendations (national reports): All participants will finalise the national policy recommendations, taking the comments given at the meeting into account, by writing a national report.
5. Practical protocols: All subcontractors will finalise the national practical recommendation, taking the comments given at the meeting into account, by writing a national protocol for actors in the food supply chain and stakeholders in the institutional environment of food supply chains.

***Progress during the first reporting period***

No progress has been made as this workpackage will commence on the 1st of May 2005 (i.e. the third reporting period).

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D20) Policy recommendations (national reports) | October 2005 | not started | |
| D21) Practical protocols (national reports) | October 2005 | not started | |
| D23) Practical & policy recommendations (synthesis report WP7) | December 2005 | not started | |

***Milestones***

| **Milestone** | **Completion date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| M4) Marketing sustainable agriculture: protocol for stakeholders | December 2005 | not started | |
| M5) Marketing sustainable agriculture: policy recommendations | December 2005 | not started | |

## 2.3.8 Dissemination and feedback (WP8)

**Phase:** 5
**Start date:** 1 August 2003
**Completion date according to TA:** 28 February 2006
**Expected completion date:** 28 February 2006
**Current status:** in progress
**Partners responsible:** P6
**Person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 9.05 | 1.55 | 1.55 | 1.55 | 4.80 | 5.05 | 1.55 | 25.10 |

**Already devoted person months per partner and total:**

| Participant no. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | Total |
|---|---|---|---|---|---|---|---|---|
| Person-months | 0.60 | 0.00 | 0.30 | 0.10 | 0.10 | 1.25 | 0.05 | 2.40 |

***Objectives***

To have feedback on the provisional results of the project and to disseminate the final results of the project to three different target groups:

1. stakeholders in the social and institutional environment of food chains (e.g. politicians, consumer organisations, environmental groups, etc.)
2. actors in the food chain (e.g. farmers, retailers, processing industry, etc.)
3. the scientific community (agricultural sciences, environmental sciences, consumer studies, economy, sociology, rural studies, etc.).

***Methodology and study materials***

1. SUS-CHAIN website: As soon as the project starts P1 will develop a SUS-CHAIN website, which will be launched at the start of this workpackage. P1 will maintain and update the website throughout the project. All synthesis reports, executive summaries of national reports and reports of the national seminars will be placed on the website. The website will also entail descriptions of the participants and subcontractors, brief CV's of the scientific teams and links to websites of relevant stakeholders' organisations. The website is a means to disseminate results to different target groups.
2. Dissemination plan : At the start of the workpackage P7 (in collaboration with P1) will write a dissemination plan, outlining in detail the practical implications (e.g. target groups, timetable for deliverables, methodology for the national seminars, etc.) of the dissemination strategy as described in section 5 of the technical annex.
3. National seminar 1: In month 9 the subcontractors will organise the first national seminar to disseminate the provisional results of WP1, 2 & 3 to the target groups and to get feedback on the provisional sets of performance indicators (WP1) and on the state of the art concerning the dynamics of food supply chains (WP2) and consumers' attitudes (WP3). The seminar is also intended to get suggestions from the target groups for the case studies (WP5).
4. National seminar 2: In month 20 the subcontractors will organise the second national seminar to disseminate the provisional results of the case studies and get feedback on these provisional results. In addition the second seminar is intended to collectively assess the opportunities and constraints for improving the performance of food supply chains.
5. National seminar 3: In month 31 the subcontractors will organise the third national seminar to disseminate the provisional practical and policy recommendations and to fine-tune the recommendations on the basis of the feedback given by the target groups.
6. International conference: In month 33 P5 will, in collaboration with P1 organise an international conference especially oriented at Commission representatives and policy makers / stakeholders' organisations from the participating countries. At the conference the major policy recommendations and the protocol to enhance the collective performance of sustainable food chains will be presented.
7. Scientific book: P1 will, together with P5 and P6, edit a scientific book, which will discuss the potential role of new food supply chains in sustainable rural development. All contractors and subcontractors will contribute to this book by writing and submitting empirical, methodological and/or theoretical papers.
8. Final report: P1 will write a final report according to the Commission guidelines.

***Progress during the first reporting period***

During the first reporting period the main dissemination activities were related to the elaboration of dissemination plan, establishing links with stakeholders and preparing the organisation of first national seminars. The first draft of the dissemination plan has been prepared and discussed at the second project coordination meeting in Cheltenham (October 2003). Simultaneously it was sent for comments to the Commission. These comments were incorporated in a revised version of the dissemination plan (see Annex 5a), which will be discussed at the third coordination meeting in Pisa (January 2004).

During the project's first year the national teams established links with food supply chains stakeholders. The first national dissemination seminars were organised in Switzerland, Latvia, Belgium and Italy (the national seminars in the Netherlands, the UK and Germany will be organized in January or February 2004). These seminars enabled to verify and discuss results of workpackage 2 reports (macro level analysis of food supply chains) and provided inputs for workpackage 1 (food supply chain indicators) and workpackage 4 (case studies). They helped the teams to build networks for further cooperation with stakeholders and communicating

research results to policy makers. The national teams will report on the results of national seminars according to a guideline developed by the WP8 co-ordinator (see Annex 5b). The results of the national seminars will also be presented orally at third project meeting in Pisa. The synthesis report highlighting the main outcomes and issues raised at national seminars will be prepared during the second reporting period.

Other dissemination activities undertaken by SUS-CHAIN Project consortium in 2003 included organisation of a special Workshop Nr. 15 "The contribution of new food supply chains to sustainable rural development" at the XI$^{th}$ World Congress of Rural Sociology in Trondheim, Norway, July 2004. Several partners have submitted abstracts and will deliver papers based on SUS-CHAIN research. The planning of further scientific publications and a project book will continue in the second year, as the project will progress and in-depth case studies will be carried out.

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D5) Dissemination plan | August 2003 | completed/ in progress | A 1$^{st}$ and 2$^{nd}$ version (see Annex 5a) were written during the first reporting period. D5 will be revised and updated throughout the project |
| D6) SUS-CHAIN website | November 2003 | delayed / in progress | Will be launched during the 2$^{nd}$ reporting period |
| D7) National seminars 1 | November 2003 | completed / delayed | National seminars were held in Switzerland, Italy, Belgium and Latvia. The ones in the Netherlands, UK and Germany will take place in Jan or Feb 2004 |
| D15) National seminars 2 | October 2004 | not started | |
| D19) National seminars 3 | September 2005 | not started | |
| D22) International conference | November 2005 | not started | |
| D24) Scientific book | February 2006 | not started | |
| D25) SUS-CHAIN final report | February 2006 | not started | |

***Milestones***

| **Milestone** | **Completion date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| M6) The role of food supply chains in sustainable rural development | February 2006 | in progress | All workpackages, tasks and deliverables contribute towards this final milestone of the project. |

# 3 ROLE OF PARTICIPANTS

## 3.1 Wageningen University – Rural Sociology Group (P1)

***Name and address of the participating organisation***

Wageningen University - Rural Sociology Group
Hollandseweg 1, 6706 KN Wageningen, The Netherlands
Tel. +31 317 484507
Fax +31 485475
E-mail han.wiskerke@wur.nl

***Scientific team***

| | |
|---|---|
| Dr. ir. J.S.C. Wiskerke | Associate Professor/Senior Lecturer & Research co-ordinator |
| Prof.dr.ir. J.D. van der Ploeg | Professor |
| Ir. H. Renting | Assistant professor/Lecturer |
| Ir. R.E. van Broekhuizen | Sr. researcher (hired for this project) |
| Ir. P.J. Brandsma | Jr. researcher (hired for this project) |
| Ir. J. Wiersum | Jr. researcher (hired for this project) |

***Contractual links to other participants***

None

***Objectives***

The overall aim of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets.

Specific objectives for the work to be carried out in the Netherlands are:

- To map the current definitions of sustainability that are associated with new food supply chains in the Netherlands. To examine the extent to which sustainability claims are interwoven with other quality attributes. To map, on the basis of a set of indicators, the diversity of food chains in the Netherlands.
- To identify the bottlenecks which constrain the enhancement of sustainable food production in the Netherlands.
- To examine ways of communication and mechanism of economic co-ordination between the actors in the food chain in the Netherlands.
- To develop performance indicators and methods in order to assess the collective performance of the food chain as a whole towards sustainable food production.
- To examine the relevant policy environment for the development of sustainable food supply chains and to formulate policy recommendations for provincial and national authorities in the Netherlands.

The results derived from the research activities carried out in the Netherlands will be used to address the overall objectives (see section 1.1) of the SUS-CHAIN project.

***Workplan***

P1 is the administrative and scientific co-ordinator of the project and will therefore play a key role in the scientific co-ordination, development, monitoring and finalisation of all 8 workpackages (in collaboration with the respective workpackage co-ordinators). P1 is also co-ordinator of workpackage 7. In addition to these co-ordination tasks, P1 carries out the full range of research and dissemination activities in the Netherlands required to realise the project's objectives.

More specifically the workplan for the Dutch team (i.e. P1 and S1) is as follows:

- *WP1*: P1 will support P3 in the development of a methodology for WP1. According to the WP1 methodology, P1 will conduct a review of Dutch literature and research on food supply chains, in order to assess relevant and interesting FSC performance indicators for three different aspects of FSCs, and to develop national sets of provisional indicators with S1. Based upon the results of WP2 & WP3 and the feedback from the first national seminar, P1 and S1 will contribute to the assessment of the provisional indicators and propose improved sets of indicators. Based upon the results of the case studies and feedback from the second national seminar, P1 and S1 will contribute to the assessment and finalisation of the fine-tuned sets of indicators.
- *WP2*: P1 will support P2 in developing a methodology for the workpackage. The provisional sets of indicators will serve as input for this. P1 will carry out a literature review for the Netherlands on different aspects of FSCs to assess their socio-economic dynamics. P1 and S1 will carry out interviews to supplement this. Based on the review and the interviews P1 will write a national report in collaboration with S1 (D8).
- *WP3*: P1 will support P5 in developing a methodology for the workpackage. P1 will carry out a desk study and (in collaboration with S1) write a national report for the Netherlands on consumer attitudes to sustainable food products (D9).
- *WP4*: P1 will support P4 in developing a methodology for the case studies. P1 and S1 will propose and select 2 case studies for in depth study in the Netherlands. Following the finalisation of the case study methodology, P1 and S1 will translate the case study methodology to the Dutch context and develop a national case study research plan (D14).
- *WP5*: P1 and S1 will collect data for the two Dutch case studies according to the methods outlined in D13 and D14. The Dutch team will also produce a draft description and analysis of the dynamics of the Dutch FSCs being studied and will assess their performance making use of the indicators developed for performance assessment (i.e. WP1). From this, the Dutch team will identify opportunities and constraints for improving the performance of the FSCs under study. Finally, the Dutch team will publish the findings in two case study reports (D16).
- *WP6*: P1 will support P7 in the transversal analysis of the case studies report. The Dutch team will comment on the provisional typologies and assessment of constraints and opportunities produced by P7 and P1.
- *WP7*: P1 will develop provisional policy recommendations for the Dutch regional and national public authorities based on the results of WPs 1, 2, 3 and 5. S1 will develop provisional practical protocols for Dutch FSC actors and different stakeholders in the institutional environment of FSCs based on the results of WP 1, 2, 3 and 5. These will be fine-tuned at the third national seminar and at meeting 6, and Dutch national reports will be written on policy recommendations (D20) and practical protocols (D21) by P1 and S1 respectively. P1 will develop a synthesis report of workpackage 7 (D23), summarising and synthesising all national reports on policy recommendations and all national practical protocols as well as the results of the international conference.
- *WP8*: P1 will develop and regularly update a SUS-CHAIN website (D6). P1 will support P6 in developing

a dissemination methodology. S1 will organise the first Dutch national seminar to disseminate and get feedback on the provisional results of WP 1-3 (D7). S1 will also organise the second national seminar to disseminate and get feedback on the provisional Dutch case study results (D15). The provisional policy recommendations and practical protocols will be disseminated in the third national seminar (D19) organised by S1 where these results will be refined. Together with P5, P1 will organise an international conference aimed to discuss and fine-tune the scientific findings and the provisional practical and policy recommendations with Commission representatives and policy makers and stakeholders' organisations from the participating countries (D22). P1 will, together with P5 and P6, edit a scientific book, which will discuss the potential role of new food supply chains in sustainable rural development (D24). Both P1 and S1 will contribute to this book. Finally P1 will develop a final report summarising all project findings (D25).

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D6) SUS-CHAIN website | September 2003 | Delayed | *Due to internal organisation problems it was impossible to launch the website during the first reporting period.* |
| D7) National seminar (feedback on WP1, 2 & 3) | November 2003 | Delayed | *Due to a combination of logistical and personal reasons the national seminar was postponed to 12 February 2004* |
| D8) FSC dynamics (national report WP2) | December 2003 | Completed | |
| D9) Consumers´ attitudes (national report WP3) | December 2003 | Completed | |
| D14) National research plan | March 2004 | Not started | |
| D15) National seminar 2 (feedback on case studies) | October 2004 | Not started | |
| D16) Case study reports | November 2004 | Not started | |
| D19) National seminar 3 (feedback on provisional recommendations) | September 2005 | Not started | |
| D20) Policy recommendations (national report) | October 2005 | Not started | |
| D21) Practical recommendations (national report) | October 2005 | Not started | |
| D22) International conference | November 2005 | Not started | |
| D23) Practical & policy recommendations (synthesis report WP7) | December 2005 | Not started | |
| D24) Scientific book | February 2006 | Not started | |
| D25) SUS-CHAIN final report | February 2006 | Not started | |

***Research activities during the first reporting period***

*WP1: Development and fine-tuning of food supply chain performance indicators*

The Swiss team, as co-ordinator of WP1, continuously works on the development, improvement and fine-tuning of profile and performance indicators for food supply chains. First ideas and documents were discussed during the first and the second project co-ordination meetings (Utrecht, March 2003 and Cheltenham October 2003). The first results were used as input for the methodology of WP2 (developed by the UK-team with support of the Dutch-team): profile indicators of WP1, were used to design a format for the description of sustainable food supply chains initiatives. In December 2003 WP1 results were used to support the development of a first draft of the WP4 case study methodology and criteria for case study selection (by the Italian-team supported by the Dutch-team).

***Table 3.1.1*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 1 task as in the technical annex and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | *P1* | *S1* | *P1* | *S1* |
| Scientific co-ordination | 3.00 | | 1.10 | |
| Workpackage co-ordination | | | | |
| 1.1 Meeting | 0.25 | 0.25 | 0.25 | 0.25 |
| 1.2 WP Methodology | | | | |
| 1.3 Review of literature and ongoing research | 0.50 | | 0.50 | |
| 1.4 Development of provisional indicators | 0.25 | 0.10 | 0.25 | 0.10 |
| 1.5 Finetuning of indicators (input from WP2 & 3) | 0.25 | 0.10 | 0.10 | 0.10 |
| 1.6 Finalisation of indicators | 0.25 | 0.10 | | |
| | | | | |
| Total | 4.50 | 0.55 | 2.20 | 0.45 |

*Table 1 regards the deployed number of person months of project-hired labour in WP1. The involved permanent staff of the Wageningen University spent 78 hours on WP1.*

*WP2: Macro-level analysis of food supply chain dynamics and diversity*

WP-Methodology

The UK-team as co-ordinator of this WP was supported with the development of the methodology for this WP (a.o. formats for national Start-documents and the National Reports). Profile indicators, developed by the Swiss team as co-ordinator of WP1, were used to provide a format for the description of sustainable food supply chains initiatives.

Literature and interviews

For the national report a lot of literature has been analysed. There was no systematic interview round as regards food supply chains in the Netherlands in general, but during the writing of the national report several colleague-researchers and experts were consulted as for specific issues and questions (especially as regards the nine sector analyses with the attention focused on specific questions).

Meetings

For the first project co-ordination meeting in Utrecht (March 2003) a general description of Dutch FSC's was made and discussed. This discussion was also used to develop the final WP2-methodology. A first draft of the national report was written for the second project meeting in Cheltenham (October 2003). The discussion about the provisional WP2-results and the comments from the WP2 co-ordinator (the UK-team) were used to improve and fine-tune the report and to fill some gaps.

National report

According to the common methodology, the literature review, comments from the workpackage co-ordinator and the discussion during the second project co-ordination meeting in Cheltenham, in the first reporting period the extensive Dutch national report 'Macro-level analysis of food supply chain dynamics and diversity' (133 pp.) was written. In this report the following subjects are described and discussed: 1) the historical evolution of food supply chains in the Netherlands, 2) the general configuration of food supply

chains in the Netherlands, 3) the regulatory and policy environment and institutional setting in the Netherlands, 4) analysis of eight sectors (pig meat, poultry, cereals, dairy, potatoes, sugar, horticulture and beef), 5) drivers of change (political, economic, social and technical factors) in food supply chains in the Netherlands, 6) sustainable food supply chains initiatives in the Netherlands (analysis and description of 14 initiatives) and 7) a summary of the key issues.

***Table 3.1.2*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 2 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P1* | *S1* | *P1* | *S1* |
| Scientific co-ordination | 2.00 | | 1.80 | |
| Workpackage co-ordination | | | | |
| 2.1 WP Methodology | | | | |
| 2.2 Literature review | 1.00 | | 1.00 | 0.50 |
| 2.3 Interviews | 1.00 | 1.00 | 0.30 | 0.30 |
| 2.4 Meeting | | | | |
| 2.5 National reports | 0.50 | 0.50 | 1.00 | 0.50 |
| 2.6 WP synthesis report | | | | |
| | | | | |
| Total | 4.50 | 1.50 | 4.10 | 1.30 |

*Table 2 regards the deployed number of person months of project-hired labour in WP2. The involved permanent staff of Wageningen University spent 288 hours on WP2.*

*WP3: Desk study on consumers' attitudes towards sustainable food products*

WP Methodology

P5, as workpackage co-ordinator, elaborated the methodology. The first part, discussed during the first project co-ordination meeting in Utrecht (May 2003), consisted of a guideline and format for the collection of literature and data on consumer attitudes and behaviour. The second part, discussed during the second project co-ordination meeting in Cheltenham (October 2003), was a format and conceptual framework for the national reports. The Belgian team wrote their own country report at an early stage in order to serve as an example for the other country teams. The methodology was very clear and provided very workable and practicable guidelines.

Desk study (literature review)

In the summer of 2003, according to the guidelines provided by P5, a literature database was made. The topics of interest were consumer attitudes to food in general, food production systems, specific market channels and specific product attributes like food safety and food labelling. Furthermore the accessibility to consumption data and databases from primary research was examined. The Dutch database contains at this moment 80 references to articles and books on consumer attitudes and behaviour in the Netherlands. Five sources with primary data of panel- and marketing research were identified (but they were too expensive to use).

National report

On the basis of the literature database and according to the guidelines and format included in the

methodology, a report on consumer attitudes and behaviour towards sustainable food products in the Netherlands was written. In this report the following themes are described and discussed: a) definition of sustainability for food products, b) consumers of sustainable food products (aspects: consumers' values, needs and motivations; information, knowledge and uncertainty; availability of products and behavioural control; the decision process: attitude and consumption behaviour; socio-demographic profile; social embeddedness), c) barriers for consumption of sustainable food products, d) possibilities to remove barriers, and e) strategies to stimulate sustainable consumption.

***Table 3.1.3*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 3 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P1* | *S1* | *P1* | *S1* |
| Scientific co-ordination | 2.00 | | 1.00 | |
| Workpackage co-ordination | | | | |
| 3.1 WP Methodology | | | | |
| 3.2 Desk study (literature review) | 1.00 | 0.25 | 1.00 | 0.25 |
| 3.3 Meeting | 0.25 | | 0.25 | |
| 3.4 National reports | 0.50 | 0.25 | 1.00 | |
| 3.5 WP synthesis report | | | | |
| | | | | |
| Total | 3.75 | 0.50 | 3.25 | |

*Table 3 regards the deployed number of person months of project-hired labour in WP3. The involved permanent staff of the Wageningen University spent 90 hours on WP3.*

*WP4: Case study methodology*

Together with P4 as co-ordinator of WP4, a draft case-study methodology, included criteria for case-study selection has been written. Two times the SUS-CHAIN co-ordinator and the Italian workpackage co-ordinator had a meeting in the Netherlands to discuss the WP4-methodology.
Amongst others on the basis of exercises with classification of sustainable food chain initiatives according to a typology grid out of WP1 a first draft of the case-study methodology, criteria for case-study selection and design were elaborated together with the Italian workpackage co-ordinator. This first draft was sent to all the partners. The great many comments were utilised to improve and further develop the methodology and to produce a second more detailed draft. This draft will be discussed in the third project co-ordination meeting in January 2004 in Pisa.

***Table 3.1.4*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 4 task as in the technical annex and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | *P1* | *S1* | *P1* | *S1* |
| Scientific co-ordination | 2.00 | | 1.10 | |
| Workpackage co-ordination | | | | |
| 4.1 Draft methodology | | | | |
| 4.2 Selection of cases | 0.25 | 0.25 | 0.10 | 0.10 |
| 4.3 Meeting | 0.25 | 0.25 | | |
| 4.4 Final case study methodology | | | | |
| 4.5 National case-study research plans | 0.25 | 0.25 | | |
| | | | | |
| Total | 2.75 | 0.75 | 1.20 | 0.10 |

*Table 4 regards the deployed number of person months of project-hired labour in WP4. The involved permanent staff of the Wageningen University spent 60 hours on WP4.*

*WP8: Dissemination and feedback*

During the second project co-ordination meeting (October 2003, Cheltenham UK) a draft dissemination plan, elaborated by P6, was discussed. In November 2003 an improved dissemination plan was sent to all partners. The plan includes a guideline for the organisation of the national feedback seminars. Additional to the plan the WP8 co-ordinator provided a 'Guideline for reporting about National Seminars' with a format for the reports of the national seminars.

Initially the first Dutch national feedback seminar was planned in December 2003. Due to some organisational and personal reasons, the seminar has been postponed to February 12th 2004. The results of the seminar will not be integrated in the national WP2 en WP3 reports. A separate report on the Dutch national seminar will be written. Subsequently this Dutch seminar report will be used as input for an overall seminar report (of all the countries together) that will be written by the Latvian team as co-ordinator of WP8 (dissemination and feedback).

The Dutch subcontractor, the Centre for Agriculture and Environment, is responsible for the organisation of this seminar. The Wageningen University is and will be consulted and will be responsible for the presentation of the research results so far.

An additional dissemination activity that flows from the SUS-CHAIN project and that is part of the dissemination is the organisation of a working group "The contribution of new food supply chains to sustainable rural development" at the XIth World Congres of Rural Sociology (Trondheim, Norway, 26-30 July 2004). This working group is organised and will be chaired by P1.

***Table 3.1.5*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 8 task as in the technical annex and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | *P1* | *S1* | *P1* | *S1* |
| Scientific co-ordination | 2.00 | | 0.50 | |
| Workpackage co-ordination | | | | |
| 8.1 SUS-CHAIN website | 3.00 | | 0.10 | |
| 8.2 Dissemination plan | | | | |
| 8.3 National seminar 1 (assessment of phase 1) | 0.10 | 0.25 | | 0.15 |
| 8.4 National seminar 2 (assessment of phase 2) | 0.10 | 0.25 | | |
| 8.5 National seminar 3 (assessment of phase 3) | 0.10 | 0.25 | | |
| 8.6 International conference | 0.25 | 0.25 | | |
| 8.7 Scientific book | 2.50 | 1.00 | | |
| 8.8 Final report | 1.00 | | | |
| | | | | |
| Total | 9.05 | 2.00 | 0.60 | 0.15 |

*Table 5 regards the deployed number of person months of project-hired labour in WP8. The involved permanent staff of the Wageningen University spent 60 hours on WP8.*

### *Significant difficulties or delays experienced during the first reporting period*

There were no significant major delays or other problems. Compared to the technical annex there are some minor changes that did not and will not hamper the ongoing research activities:

1. The first national seminar in the Netherlands, part of WP8, was planned for December 2003 but, due to some problems, had to be postponed to 12 February 2004.
2. The launch of the SUS-CHAIN web-site (www.suschain.org) was delayed due to internal organisational problems. It is expected to be ready by the end of spring 2004.

### *Sub-contracted work during the first reporting period*

*Subcontractor (S1)*

Centre for Agriculture and Environment
P.O. Box 62, 4100 ABN Culemborg, The Netherlands
Tel. +31 345 470700
Fax +31 345 470799
E-mail noerlemans@wur.nl

The following persons have contributed to the project: N. Oerlemans, G. Verschuur, E. Hees and L. den Boer.

The two Dutch partners (the Rural Sociology Group of Wageningen University [P1] and the Centre for Agriculture and Environment [S1]) agreed to work as 'a team'. Each partner is responsible for their own tasks as defined in the technical annex, but crucial issues and decisions will be discussed jointly and both partners will mutually support each others activities (in order to optimise the use the present knowledge of all involved persons).

Activities carried out by the Centre for Agriculture and Environment during the first reporting period include:

- Contribution to the start-document for the first project co-ordination meeting. This start-document also

served as input for WPs 1, 2 and 3.
- Contribution to the WP2 national report by writing one of the sector analyses (i.e. horticulture), by describing 6 (of the 14) sustainable food supply chains initiatives in the Netherlands and by commenting on draft versions of the WP2 national report.
- Preparation and organisation of the first national seminar (February 12th 2004).

## 3.2 University of Gloucestershire - Countryside and Community Research Unit (P2)

### Name and address of the participating organisation

University of Gloucestershire
Countryside and Community Research Unit (CCRU)
Francis Close Hall
Cheltenham
GL50 4AZ
United Kingdom

### Scientific team

| | |
|---|---|
| Prof. Bill Slee | Professor |
| Dr. James Kirwan | Research Fellow |
| Nick Lewis | PT researcher (employed to help organise UK project meeting) |
| Carolyn Foster | FT researcher (employed for SUS-CHAIN from 01.01.2004) |

### Contractual links to other participants

None

### Objectives

The overall aim of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets.
Specific objectives for the work to be carried out in the UK are:
- To map the current definitions of sustainability that are associated with new food supply chains in the UK. To examine the extent to which sustainability claims are interwoven with other quality attributes. To map, on the basis of a set of indicators, the diversity of food chains in the UK.
- To identify the bottlenecks which constrain the enhancement of sustainable food production in the UK.
- To examine ways of communication and mechanism of economic co-ordination between the actors in the food chain in the UK.
- To develop performance indicators and methods in order to assess the collective performance of the food chain as a whole towards sustainable food production.
- To examine the relevant policy environment for the development of sustainable food supply chains and to formulate policy recommendations for regional and national authorities in the UK.

The results derived from the research activities carried out in the UK will be used to address the overall objectives (see section 1.1) of the SUS-CHAIN project.

***Workplan***

P2 will carry out the full range of research and dissemination activities in the UK required to realise the project's objectives. P2 is also responsible for WP2 coordination and all the research tasks in the UK. S2 will contribute to all workpackages by means of feedback and reflection on intermediate results and provisional conclusions. In addition S2 will carry out one case study, organise the UK national seminars and write the practical protocols for the UK.

More specifically the workplan for the UK team (i.e. P2 and S2) is as follows:

- *WP1*: According to WP1 methodology, P2 will conduct a review of UK literature and research on food supply chains, in order to assess relevant and interesting FSC performance indicators for three different aspects of FSCs, and to develop national sets of provisional indicators with S2. Based upon the results of WP2 & WP3 and the feedback from the first national seminar, P2 and S2 will contribute to the assessment of the provisional indicators and propose improved sets of indicators. Based upon the results of the case studies and feedback from the second national seminar, P2 and S2 will contribute to the assessment and finalisation of the fine-tuned sets of indicators.
- *WP2*: P2 will develop a methodology for the workpackage (D3). The provisional sets of indicators will serve as input for this. P2 will carry out a literature review for the UK on different aspects of FSCs to assess their socio-economic dynamics. P2 and S2 will carry out interviews to supplement this. Based on the review and the interviews P2 will write a national report in collaboration with S2 (D8). Based on all the national reports P2 will write a synthesis report (D10). As part of this workpackage and WP3, P2 organised a project coordination meeting in Cheltenham.
- *WP3*: P2 will carry out a desk study and (in collaboration with S2) write a national report for the UK on consumer attitudes to sustainable food products (D9).
- *WP4*: P2 and S2 will propose and select 2 case studies for in depth study in the UK. Following finalisation of the case study methodology, P2 and S2 will translate the case study methodology to the UK national context and develop a national case study research plan (D14).
- *WP5*: P2 and S2 will collect data for the two UK case studies according to the methods outlined in D13 and D14. P2/S2 will also produce a draft description and analysis of the dynamics of the UK FSCs being studied and will assess their performance making use of the indicators developed for performance assessment. From this, P2 and S2 will identify opportunities and constraints for improving the performance of the FSCs under study. Finally, P2/S2 will publish the findings in two case study reports (D16).
- *WP6*: P2 and S2 will comment on the provisional typologies and assessment of constraints and opportunities produced by P7 and P1.
- *WP7*: P2 will develop provisional policy recommendations for the UK regional and national public authorities based on the results of WPs 1, 2, 3 and 5. S2 will develop provisional practical protocols for UK FSC actors and different stakeholders in the institutional environment of FSCs based on the results of WP 1, 2, 3 and 5. These will be fine-tuned at meeting 6, and UK national reports will be written on policy recommendations (D20) and practical protocols (D21) by P2 and S2 respectively.
- *WP8*: S2 will organise the first UK national seminar to disseminate and get feedback on the provisional results of WP 1-3 (D7). S2 will also organise the second national seminar to disseminate and get feedback on the provisional UK case study results (D15). The provisional policy recommendations and

practical protocols will be disseminated in the third national seminar (D19) organised by S2 where these results will be refined. Both P2 and S2 will contribute to a scientific book based on the project.

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D3) WP2 methodology | April 2003 | Completed | *See Annex 2* |
| D7) National seminar (feedback on WP1, 2 & 3) | November 2003 | Delayed | *Due to logistical reasons the national seminar was postponed to 21 January 2004* |
| D8) FSC dynamics (national report WP2) | December 2003 | Completed | |
| D9) Consumers´ attitudes (national report WP3) | December 2003 | Completed | |
| D10) WP2 Synthesis report | December 2003 | Delayed | *Due to the fact that all national WP2 reports were finalised by 31 December 2003 it was impossible to finalise this deliverable during the first reporting period.* |
| D14) National research plan | March 2004 | Not started | |
| D15) National seminar 2 (feedback on case studies) | October 2004 | Not started | |
| D16) Case study reports | November 2004 | Not started | |
| D19) National seminar 3 (feedback on provisional recommendations) | September 2005 | Not started | |
| D20) Policy recommendations (national report) | October 2005 | Not started | |
| D21) Practical recommendations (national report) | October 2005 | Not started | |

***Research activities during the first reporting period***

*WP1: Development and fine-tuning of FSC performance indicators*

P2 participated in the 1st project meeting to discuss WP1 the methodological approach to this workpackage. Prior to this meeting P1 contributed to a start up document based on a (brief) review of literature and ongoing research, including proposals for profile and performance indicators. A number of sustainability indicators were proposed from the UK team. This information was used by the Swiss team to prepare a second version of the WP1 document as well as a format for describing the initiatives. Fine-tuning of WP1, based on e-mail discussions, has continued throughout the reporting period.

***Table 3.2.1*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 1 task as in the technical annex and in 2003*

| **Task** | ***Technical Annex*** | | **2003** | |
|---|---|---|---|---|
| | *P2* | *S2* | *P2* | *S2* |
| 1.1 Meeting | 0.25 | 0.25 | 0.25 | 0.25 |
| 1.2 WP Methodology | | | | |
| 1.3 Review of literature and ongoing research | 0.50 | | 0.10 | |
| 1.4 Development of provisional indicators | 0.25 | 0.10 | 0.30 | 0.10 |
| 1.5 Finetuning of indicators (input from WP2 & 3) | 0.25 | 0.10 | 0.20 | |
| 1.6 Finalisation of indicators | 0.25 | 0.10 | | |
| | | | | |
| Total | 1.50 | 0.55 | 0.85 | 0.35 |

*WP2: Macro-level analysis of FSC dynamics and diversity*

As WP2 coordinators, P2 developed a methodology to be applied by all partners for the data collection (see Annex 2). Time was spent on setting up a reference system (Endnote), devising a filing system, visiting other libraries to access secondary data sources and literature, surfing the web for secondary data sources, and attending appropriate conferences (such as the DEFRA organised conference on Public Sector Procurement and a Local Food Links conference). The data collected were integral to the literature review of the UK food supply chain, conducted as part of WP2 in order to identify the dynamics and diversity of food supply chains within the UK in relation to their institutional setting. The report ran to over 200 pages and was completed in December 2003 in conjunction with S2. As part of this workpackage and workpackage 3, P2 organised the second SUS-CHAIN meeting in Cheltenham between October 1st-3rd 2003, which included presenting some initial findings on the results of submitted drafts of WP2 national reports for discussion.

***Table 3.2.2*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 2 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P2* | *S2* | *P2* | *S2* |
| Workpackage co-ordination | 2.00 | | 2.00 | |
| 2.1 WP Methodology | 1.00 | | 1.00 | |
| 2.2 Literature review | 1.00 | | 1.40 | |
| 2.3 Interviews | 1.00 | 1.00 | | 0.20 |
| 2.4 Meeting | | | | |
| 2.5 National reports | 0.50 | 0.50 | 1.00 | 1.80 |
| 2.6 WP synthesis report | 1.00 | | | |
| | | | | |
| Total | 6.50 | 1.50 | 5.40 | 2.00 |

*WP3: Desk study on consumers' attitudes towards sustainable food products*

In the summer of 2003, according to the guidelines provided by P5, a literature database was made. The topics of interest were consumer attitudes to food in general, food production systems, specific market channels and specific product attributes like food safety and food labelling. Furthermore the accessibility to consumption data and databases from primary research was examined.

On the basis of the literature database and according to the guidelines and format included in the methodology, a report on consumer attitudes and behaviour towards sustainable food products in the UK was written. In this report the following themes are described and discussed: a) definition of sustainability for food products, b) consumers of sustainable food products (aspects: consumers' values, needs and motivations; information, knowledge and uncertainty; availability of products and behavioural control; the decision process: attitude and consumption behaviour; socio-demographic profile; social embeddedness), c) barriers for consumption of sustainable food products, d) possibilities to remove barriers, and e) strategies to stimulate sustainable consumption. The UK national WP3 report was submitted to the workpackage co-ordinators in December 2003. The report ran to 43 pages.

***Table 3.2.3*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 3 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P2* | *S2* | *P2* | *S2* |
| 3.1 WP Methodology | | | | |
| 3.2 Desk study (literature review) | 1.00 | 0.25 | 0.40 | 0.10 |
| 3.3 Meeting | 0.25 | | 0.25 | |
| 3.4 National reports | 0.50 | 0.25 | 0.40 | |
| 3.5 WP synthesis report | | | | |
| | | | | |
| **Total** | 1.75 | 0.50 | 1.05 | 0.10 |

*WP8: Dissemination and feedback*

Two abstracts have been submitted on behalf of the UK SUS-CHAIN team to the XI World Congress of Rural Sociology in Trondheim (26-30 July 2004), which will explore various aspects of the work undertaken on this project. The first UK national seminar will take place on 22 January 2004 (2nd reporting period).

***Table 3.2.4*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 8 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P2* | *S2* | *P2* | *S2* |
| 8.1 SUS-CHAIN website | | | | |
| 8.2 Dissemination plan | | | | |
| 8.3 National seminar 1 (assessment of phase 1) | 0.10 | 0.25 | | 1. |
| 8.4 National seminar 2 (assessment of phase 2) | 0.10 | 0.25 | | |
| 8.5 National seminar 3 (assessment of phase 3) | 0.10 | 0.25 | | |
| 8.6 International conference | 0.25 | 0.25 | | |
| 8.7 Scientific book | 1.00 | 1.00 | | |
| 8.8 Final report | | | | |
| | | | | |
| Total | 1.55 | 2.00 | | 1.14 |

***Significant difficulties or delays experienced during the first reporting period***

Little work was actually done on the WP2 synthesis report during this accounting period due to the late start of this project. Most of the synthesis work will be done in January and February 2004 following the final submission of individual national reports by the 31st of December 2003.

No interviews were conducted to supplement the literature review conducted within WP2. The decision was taken at the Cheltenham meeting of the SUSCHAIN partners not to conduct these interviews unless it was deemed to be absolutely necessary to the completion of the report. It was felt to be unnecessary to conduct any further interviews, not least because of the feedback that would be received at the National Seminar (held 22 January 2004), which will be written up as a separate document. The national seminar was delayed until the 2nd reporting period for reasons of logistics.

**Sub-contracted work during the first reporting period**

*Subcontractor (S2)*

International Institute for Environment and Development (IIED)
3 Endsleigh Street
London WC1H 0DD
UK
T: +44 2078727328
F: +44 2073882826
E-mail: Bill.Vorley@iied.org

The UK subcontractor, Bill Vorley, IIED (see above for details) has mainly been responsible for preparations for the 1st UK national seminar (WP8). In addition, he provided input into the start up document (WP1) and contributed a chapter on the sectoral context of UK FSCs to the WP2 report.

## 3.3 Swiss Federal Institute of Technology – Institute of Agricultural Economics (P3)

***Name and address of the participating organisation***

Institute of Agricultural Economics of the Swiss Federal Institute of Technology Zurich (ETHZ)
IER-AR/EPFL
GR-Ecublens
1015 Lausanne
Switzerland
T: ++ 41 21 693 57 13
F: ++ 41 21 693 57 17
E-mail: *jean.chappuis@iaw.agrl.ethz.ch*

***Scientific team***

| | |
|---|---|
| Dr. Jean-Marc Chappuis | Senior researcher |
| Dr. Sophie Réviron | Senior researcher |
| Prof.dr. Bernard Lehmann | Professor |

***Contractual links to other participants***

None.

***Objectives***

The overall aim of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets.

Specific objectives for the work to be carried out in Switzerland are:

- To map the current definitions of sustainability that are associated with new food supply chains in Switzerland. To examine the extent to which sustainability claims are interwoven with other quality attributes. To map, on the basis of a set of indicators, the diversity of food chains in Switzerland.
- To identify the bottlenecks which constrain the enhancement of sustainable food production in Switzerland.
- To examine ways of communication and mechanism of economic co-ordination between the actors in the food chain in Switzerland.
- To develop performance indicators and methods in order to assess the collective performance of the food chain as a whole towards sustainable food production.
- To examine the relevant policy environment for the development of sustainable food supply chains and to formulate policy recommendations for regional and national authorities in Switzerland.

The results derived from the research activities carried out in Switzerland will be used to address the overall objectives (see section 1.1) of the SUS-CHAIN project.

***Workplan***

P3 will carry out the full range of research and dissemination activities in Switzerland required to realise the project's objectives. P3 is also responsible for WP1 coordination and all the research tasks in Switzerland. S3 will contribute to all workpackages by means of feedback and reflection on intermediate results and provisional conclusions. In addition S3 will carry out one case study, organise the Swiss national seminars and write the practical protocols for Switzerland.

More specifically the workplan for the Swiss team (i.e. P3 and S3) is as follows:

- *WP1*: At the start of the project P3 will develop a methodology for WP1 (D1). According to this methodology, P3 will conduct a review of Swiss literature and research on food supply chains, in order to assess relevant and interesting FSC performance indicators for three different aspects of FSCs, and to develop national sets of provisional indicators with S3. Based upon all national reviews P3 will develop a provisional set of FSC performance indicators (D2). This deliverable will serve as input for the methodologies of WP2 and WP3. Based upon the results of WP2 & WP3 and the feedback from the first national seminars, P3 will assess the provisional indicators and propose improved sets of indicators (D12). Based upon the results of the case studies and feedback from the second national seminars, P3 will develop a final set of FSC performance indicators (D17).
- *WP2*: Based upon the WP2 methodology P3 will carry out a literature review for Switzerland on different aspects of FSCs to assess their socio-economic dynamics. P3 and S3 will carry out interviews to supplement this. Based on the review and the interviews P3 will write a national report in collaboration with S3 (D8).
- *WP3*: Based upon the WP3 methodology P3 will carry out a desk study and (in collaboration with S3) write a national report for Switzerland on consumer attitudes to sustainable food products (D9).
- *WP4*: P3 and S3 will propose and select 2 case studies for in depth study in Switzerland. Following finalisation of the case study methodology, P3 and S3 will translate the case study methodology to the Swiss national context and develop a national case study research plan (D14).
- *WP5*: P3 and S3 will collect data for the two Swiss case studies according to the methods outlined in D13 and D14. The Swiss team will also produce a draft description and analysis of the dynamics of the Swiss FSCs being studied and will assess their performance making use of the indicators developed for performance assessment. From this, the Swiss team will identify opportunities and constraints for improving the performance of the FSCs under study. Finally, the Swiss team will publish the findings in

two case study reports (D16).

- *WP6*: P3 and S3 will comment on the provisional typologies and assessment of constraints and opportunities produced by P7 and P1.
- *WP7*: P3 will develop provisional policy recommendations for the Swiss regional and national public authorities based on the results of WPs 1, 2, 3 and 5. S3 will develop provisional practical protocols for Swiss FSC actors and different stakeholders in the institutional environment of FSCs based on the results of WP 1, 2, 3 and 5. These will be fine-tuned at meeting 6, and Swiss national reports will be written on policy recommendations (D20) and practical protocols (D21) by P3 and S3 respectively.
- *WP8*: S3 will organise the first Swiss national seminar to disseminate and get feedback on the provisional results of WP 1-3 (D7). S3 will also organise the second national seminar to disseminate and get feedback on the provisional Swiss case study results (D15). The provisional policy recommendations and practical protocols will be disseminated in the third national seminar (D19) organised by S3 where these results will be refined. Both P3 and S3 will contribute to a scientific book based on the project.

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D1) WP1 methodology | March 2003 | Completed | *See Annex 1b* |
| D2) Provisional set of FSC performance indicators | April 2003 | Completed | *See Annex 1b. D2 is an updated and extended version of D1* |
| D7) National seminar (feedback on WP1, 2 & 3) | November 2003 | Completed | *Seminar took place on 2 December 2003* |
| D8) FSC dynamics (national report WP2) | December 2003 | Completed | |
| D9) Consumers´ attitudes (national report WP3) | December 2003 | Completed | |
| D12) Fine tuned sets of FSC performance indicators | January 2004 | Completed | *See Annex 1b. Completed before the delivery date in order to serve as input for the case study methodology. D12 is a revised and extended version of D1 and D2 combined* |
| D14) National research plan | March 2004 | Not started | |
| D15) National seminar 2 (feedback on case studies) | October 2004 | Not started | |
| D16) Case study reports | November 2004 | Not started | |
| D17) Final sets of performance indicators | December 2004 | In progress | |
| D19) National seminar 3 (feedback on provisional recommendations) | September 2005 | Not started | |
| D20) Policy recommendations (national report) | October 2005 | Not started | |
| D21) Practical recommendations (national report) | October 2005 | Not started | |

***Research activities during the first reporting period***

The project started on March 1st 2003. The project was accepted by the Swiss Federal Office for Education and Science on January 31st 2003, on the basis of the signed contract with the EU.

In the first reporting period the Swiss team was involved in the following tasks:

*Workpackage 1: Development and fine-tuning of food supply chain performance indicators*

The Swiss team (P3) is responsible for workpackage 1. According to the technical annex, the aim of workpackage 1 is to build up a relevant methodology in order to assess the general performance of food supply chains and analyse case-studies in each country; to identify common features and to propose common recommendations to users and political institutions. Due to its role in the project, WP1 is to be seen as work in progress, i.e. providing input for other workpackages and being updated and revised according to the results of other workpackages. The last version of the WP1 document (i.e. D12) developed during the first reporting period is included in this progress report as Annex 1b. The draft reports of WP1 (D1, D2 and in the end D12 – see Annex 1b) were finally divided in two parts, which are dedicated to two different scopes of analysis:

- Part 1 is dedicated to macro-level analysis. It proposes a method (A) for mapping food sectors and a typology of food supply chains (B). The main objective is to prepare the case-studies selection and the marketing issues analysis. The secondary objective is to assess the global performance of food supply chains, including conventional products.
- Part 2 is dedicated to case-studies indicators, organised in three themes. It proposes a state of the art on the research question, "profile" indicators which present actors' strategic choices and "performance" indicators, according to defined objectives.
  - Marketing issues, linked to WP3: choice of the type (product segment/ sales channel) and main competitors; "promises" of sustainability to the consumer, as a marketing argument; legal aspects of labelling; promotion strategy; commercial performance; credibility of the promise for the consumers and their associations, transparency, food safety.
  - Supply chain organisation and operation: initiators, present structure (actors, commercial links/contracts, other links...); history of the organisation, scaling-up process; management of the organisation (technical and commercial), co-ordination mechanisms/conventions, share of the added value and producers' negotiation power within the initiative.
  - Effects on rural development: theoretical links between sustainability, multifunctionality and rural development, credibility of the sustainability promise according to experts/stakeholders, conditions for positive effects of an initiative on rural development.

For the development of FSC indicators P3 proposed two kinds of indicators:

1. profile indicators that will help us to represent the organisational and institutional choices of the supply chains;
2. performance indicators that will allow us to assess success or failure according to objectives that are *specific / internal* (shared by the economic actors) *or external* (pursued by institutions).

In year one P3 worked 450 hours on WP 1, which corresponds so far to what was foreseen in the technical annex (6.75 person-months for 22 months).

*Workpackage 2: Macro-level analysis of food supply chain dynamics and diversity*

The Swiss team worked according to the guidelines provided by the UK team (P2). A big effort was made to produce cards for each important sector. Theses different cards help to identify the various market segments within a sector and their relative importance. They highlight the main operators, the possible bottlenecks due to the concentration of the enterprises, the role played by import and exports, the share of specific quality or environmental labels, etc. The cards were discussed with experts (interviews) in order to improve their accuracy. We selected 26 initiatives of interest and used grids with compulsory topics to present them. We put

a large emphasis on the PEST analysis and on the key issues because we discussed both issues during the national seminar. The section on institutional and political context was discussed with officers of the Federal Office for Agriculture.
The draft of the report evolved along the various meetings: For the first project co-ordination meeting in Utrecht (March 2003) a general description of the Swiss food supply chains was made and discussed. This discussion was also used to develop the final WP2-methodology. A first draft of the national report was written for the second project meeting in Cheltenham (October 2003). The discussion about the provisional WP2-results and the comments from the WP2 co-ordinator (the UK-team) were used to improve and fine-tune the report.

In year one P3 worked 500 hours on WP 2, which is more than what was foreseen in the technical annex (2,50 person-months for 10 months). This is due both to the time spent on the cards of the various sectors and on the interviews with experts conducted in order to consolidate the cards.

*Workpackage 3: Desk study on consumer's attitudes towards sustainable food products*

The Swiss team used the methodology elaborated by the Belgium team (P5). A draft of the Belgian report was sent to all the participants to serve as a model. Unfortunately, we did not find much literature on consumer's attitude in Switzerland because primary data is bought by large retailers who do not publish this information. We could report a larger number of surveys conducted in France on the same issue.
We explained the various strategies of the Swiss retailers regarding sustainable food and we presented a complete collection of the retailers' labels used in Switzerland to market sustainable food.
We could not make an assessment on consumers' attitudes toward sustainable food products in general but we found a complete and very interesting study on consumers' attitude regarding organic products. We completed D1 with a few proposals in order to stimulate sustainable consumption.

In year one P3 worked 200 hours on WP 3, which is a little less than what was foreseen in the technical annex (1,75 person-months for 8 months). This is due to the limited literature available (= free) on consumer's attitude in Switzerland. The literature review was then shorter than what could have been expected.

*Workpackage 4: case study methodology*

The workpackage on the case study methodology (WP4) was launched in November 2003. There were several mail exchanges between the Swiss team on the one hand and the WP4 co-ordinator and the SUS-CHAIN co-ordinator on the other hand. The three keys issues proposed by the Swiss team in WP 1 (*Market and consumer issues, Supply chain organisation and governance, Effects on rural development*) were recognised as fundamental topics for the case studies and as such included in a second draft of the case study methodology (see Annex 4). The Swiss team also provided an updated version of the FSC indicators (i.e. D12), which were included in a second draft version of the case study methodology.

In year one P3 worked 40 hours on WP 4. This task is not finished yet.

*Workpackage 8: Dissemination and feedback*

The national seminar took place in Bienne on 2nd of December. 25 out of 40 invited people participated in the seminar, mainly from the French speaking part of Switzerland. This implies we will have to improve the

participation of people from the German speaking part in the future. The two representatives of the retailers both cancelled a few days before the meeting.
The meeting had 5 highlights: (1) a presentation of the project, its objective and expected results; (2) a workshop on the perceived sustainability of food supply chain in Switzerland; (3) a workshop on the drivers of change affecting food supply chains in Switzerland (PEST analysis); (4) a presentation of the main results in the other countries involved in the project; (5) the identification of initiatives and their positioning on the grid we developed in WP1 to analyse the diversity of food supply chains. Participants were satisfied and willing to follow the project up to its end.

In year one P3 worked 50 hours on WP 8, which corresponds to what was foreseen in the technical annex (1,55 person-months for 30 months).

### *Significant difficulties or delays experienced during the first reporting period*

The budget of the Swiss participant was cut down by the Swiss Federal Office for Education and Science. The granted support was finally 454'908.- Swiss francs, for a period of 36 months (01.01.2003-31.12.2003), which is about 307'450 Euros.
Despite this difficulty the entire workplan of the Swiss team was respected and expected reports were delivered thanks to a higher involvement of the senior researchers. The first national seminar could also be organised in year one as foreseen.
The expected involvement of a junior researcher was not realized in year one, due to the budget reduction and to uncertainty on the entire financing of the project (the first decision of the Swiss Federal Office for Education and Science concerned the first 18 months of the project). We now know that the financing will be granted for the entire period of 36 months and we have seen after year one that we will be able to respect the budget. Therefore we plan to hire the junior researcher in year 2 for the realisation of the case studies.

### *Sub-contracted work during the first reporting period*

*Subcontractor (S3)*

Service romand de vulgarisation agricole (SRVA)
Avenue des Jordils 1,
CP 128,
1000 LAUSANNE 6,
Switzerland
Persons involved:

- Dr. Dominique Barjolle (SRVA) [d.barjolle@srva.ch]
- Peter Damary (SRVA) [p.damary@srva.ch]
- Pierre Praz (SRVA) [p.praz@srva.ch]

The collaboration with our subcontractor (SRVA) has been very good and productive.
SRVA was involved in the realisation of D8, the national report on food supply chain dynamics. SRVA has a good practical knowledge of operators in the food supply chains in Switzerland and it has been an asset for the project. SRVA was especially involved in designing the cards of the food sectors in Switzerland, a precious tool

that helps identify the various market segments and their relative importance. SRVA had the opportunity to discuss the accuracy of the cards with experts in the framework of the courses that SRVA organises for professionals.
SRVA and IAW-ETHZ had a two days meeting in July 2003 to discuss the first draft of D8. In a workshop the two partners identified the drivers of change affecting food supply chain using the PEST analysis framework. This analysis was discussed later with the participants of the national seminar. SRVA was also active in listing interesting initiatives and selecting a few ones of interest to be proposed for case studies. SRVA and IAW-ETHZ wrote together the section on key issues in Switzerland.
Finally, SRVA organised the national seminar that took place in Bienne on 2nd December 2003. It sent invitations to potential participants previously identified in collaboration with IAW-ETHZ. SRVA was also responsible for writing D7, the national seminar report.

In year one SRVA worked:

- 40 hours on WP 1, which corresponds to what was foreseen in the technical annex (0,55 person-months for 22 months).
- 300 hours on WP 2, which is more than planned in the technical annex (1,50 person-months for 10 months).
- 50 hours on WP 3, which is less than planned in the technical annex (0,50 person-months for 8 months).
- 70 hours on WP 8, which corresponds to what was foreseen in the technical annex (2 person-months for 30 months).
- 20 hours on WP4.

## 3.4 University of Pisa – Department of Agricultural Economics (P4)

***Name and address of the participating organisation***

University of Pisa, Department of Agricultural Economics
Via S. Michele degli Scalzi 2, 56124 Pisa, Italy
Tel. +39 050571553
Fax +39 050571344
E-mail gbrunori@agr.unipi.it

***Scientific team***

| | |
|---|---|
| Prof. G. Brunori | Associate Professor |
| Prof. L. Iacoponi | Professor – Chair of Agricultural Economics |
| Dr. M. Miele | Lecturer |
| Ir. A. Rossi | Senior Researcher |
| Ir. P. Pieroni | Junior Researcher (hired for this project) |
| Ir. F. Vanni | Junior Researcher (hired for this project) |
| Ir. A. Ara | Junior Researcher (hired for this project) |

***Contractual links to other participants***

None

***Objectives***

The overall aim of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets.

Specific objectives for the work to be carried out in Italy are:

- To map the current definitions of sustainability that are associated with new food supply chains in Italy. To examine the extent to which sustainability claims are interwoven with other quality attributes. To map, on the basis of a set of indicators, the diversity of food chains in Italy.
- To identify the bottlenecks which constrain the enhancement of sustainable food production in Italy.
- To examine ways of communication and mechanism of economic co-ordination between the actors in the food chain in Italy.
- To develop performance indicators and methods in order to assess the collective performance of the food chain as a whole towards sustainable food production.
- To examine the relevant policy environment for the development of sustainable food supply chains and to formulate policy recommendations for regional and national authorities in Italy.

The results derived from the research activities carried out in Italy will be used to address the overall objectives (see section 1.1) of the SUS-CHAIN project.

***Workplan***

P4 will carry out the full range of research and dissemination activities in Italy required to realise the project's objectives. P4 is also responsible for WP4 and WP5 co-ordination and all the research tasks in Italy. S4 will contribute to all workpackages by means of feedback and reflection on intermediate results and provisional conclusions. In addition S4 will carry out one case study, organise the Italian national seminars and write the practical protocols for Italy.

More specifically the workplan for the Italian team (i.e. P4 and S4) is as follows:

- *WP1*: According to WP1 methodology, P4 will conduct a review of Italian literature and research on food supply chains, in order to assess relevant and interesting FSC performance indicators for three different aspects of FSCs, and to develop national sets of provisional indicators with S4. Based upon the results of WP2 & WP3 and the feedback from the first national seminar, P4 and S4 will contribute to the assessment of the provisional indicators and propose improved sets of indicators. Based upon the results of the case studies and feedback from the second national seminar, P4 and S4 will contribute to the assessment and finalisation of the fine-tuned sets of indicators.
- *WP2*: Based upon the WP2 methodology P4 will carry out a literature review for Italy on different aspects of FSCs to assess their socio-economic dynamics. P4 and S4 will carry out interviews to supplement this. Based on the review and the interviews P4 will write a national report in collaboration with S4 (D8).
- *WP3*: Based upon the WP3 methodology P4 will carry out a desk study and (in collaboration with S4) write a national report for Italy on consumer attitudes to sustainable food products (D9).
- *WP4*: P4 will develop, with support of P1, a draft methodology for the case studies. P4 and S4 will propose and select 2 case studies for in depth study in Italy. Together with P1, P4 will assess the case studies proposed by the participants and make a final selection according to several criteria. The draft methodology and the selected cases will be discussed at third project co-ordination meeting, which will be organised by the Italian team. After this meeting P4, together with P1, will develop a final case study methodology (D13). P4 and S4 will translate the case study methodology to the Italian national context

and develop a national case study research plan (D14).

- *WP5*: The Italian team will collect data for the two Italian case studies according to the methods outlined in D13 and D14. The Italian team will also produce a draft description and analysis of the dynamics of the Italian FSCs being studied and will assess their performance making use of the indicators developed for performance assessment. From this, P4 and S4 will identify opportunities and constraints for improving the performance of the FSCs under study. Finally, the Italian team will publish the findings in two case study reports (D16).
- *WP6*: P4 and S4 will comment on the provisional typologies and assessment of constraints and opportunities produced by P7 and P1.
- *WP7*: P4 will develop provisional policy recommendations for the Italian regional and national public authorities based on the results of WPs 1, 2, 3 and 5. S4 will develop provisional practical protocols for Italian FSC actors and different stakeholders in the institutional environment of FSCs based on the results of WP 1, 2, 3 and 5. These will be fine-tuned at meeting 6, and Italian national reports will be written on policy recommendations (D20) and practical protocols (D21) by P4 and S4 respectively.
- *WP8*: S4 will organise the first Italian national seminar to disseminate and get feedback on the provisional results of WP 1-3 (D7). S4 will also organise the second national seminar to disseminate and get feedback on the provisional Italian case study results (D15). The provisional policy recommendations and practical protocols will be disseminated in the third national seminar (D19) organised by S4 where these results will be refined. Both P4 and S4 will contribute to a scientific book based on the project.

***Deliverables***

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D7) National seminar (feedback on WP1, 2 & 3) | November 2003 | Completed | *Held on 16 December 2003* |
| D8) FSC dynamics (national report WP2) | December 2003 | Completed | |
| D9) Consumers´ attitudes (national report WP3) | December 2003 | Completed | |
| D13) Overall case study methodology | February 2004 | In progress | |
| D14) National research plan | March 2004 | Not started | |
| D15) National seminar 2 (feedback on case studies) | October 2004 | Not started | |
| D16) Case study reports | November 2004 | Not started | |
| D19) National seminar 3 (feedback on provisional recommendations) | September2005 | Not started | |
| D20) Policy recommendations (national report) | October 2005 | Not started | |
| D21) Practical recommendations (national report) | October 2005 | Not started | |

***Research activities during the first reporting period***

*WP1: Development and fine-tuning of food supply chain performance indicators*

The Swiss team, as co-ordinator of WP1, continuously works on the development, improvement and fine-tuning of profile and performance indicators for food supply chains. First ideas and documents were discussed during the first and the second project co-ordination meetings (Utrecht, March 2003 and Cheltenham October 2003).

In collaboration with the subcontractor (IRIPA (ex Coldiretti)) we conducted a review of literature on food-supply chains in order to document interesting food supply chain performance indicators. The results of the

review were discussed within the P4 team and with the subcontractor, in order to frame a national set of provisional indicators.

- The literature review results were incorporated in the start-document and in the research made for the national reports on Workpackage 2 and 3.
- We used the national set of provisional indicators as base to work out the methodology for case studies, as co-ordinators of Workpackage 4.
- Fine-tuned indicators: on the basis of the results of WP2 and WP3 and the feedback given at the first national seminar we framed a provisional sets of indicators.

***Table 3.4.1*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 1 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P4* | *S4* | *P4* | *S4* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 1.1 Meeting | 0.25 | 0.25 | 0.25 | 0.25 |
| 1.2 WP Methodology | | | | |
| 1.3 Review of literature and ongoing research | 0.50 | | 0.50 | |
| 1.4 Development of provisional indicators | 0.25 | 0.10 | 0.25 | 0.10 |
| 1.5 Fine-tuning of indicators (input from WP2 & 3) | 0.25 | 0.10 | 0.25 | 0.10 |
| 1.6 Finalisation of indicators | 0.25 | 0.10 | | |
| | | | | |
| Total | 1.50 | 0.55 | 1.25 | 0.45 |

The involved permanent staff of Pisa University spent 62 hours on WP1

*WP2: Macro-level analysis of food supply chain dynamics and diversity*

The literature review, the discussions among different researchers in the field of sustainable development and the participation to meetings and conferences related to sustainable food-supply chains, as the SANA fair in Bologna, were the basis for writing the WP2 National Report.

Besides the National Report on WP2, other documents were written, under the supervision of the WP2 co-ordinator:

- WP2 Catalogue of FSC initiatives in Italy: a detailed description of 27 initiatives using the scheme given by the WP1 co-ordinator. The initiatives have been selected with the support and co-ordination with our national sub-contractor, IRIPA (ex Coldiretti), and have been all considered relevant in relation to sustainability, according to the provisional set of indicators elaborated by WP1 co-ordinator and revised by our national team.
- Summary of FSC initiatives in Italy: the catalogue of initiatives has been improved with documentation on other initiatives, so to reach around 35 initiatives. They have been all classified on the basis of a typology provided by the WP2 co-ordinator, so that to have an overview on all national initiatives and to make possible comparison with the other countries of the project.

***Table 3.4.2*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 2 task as in the technical annex and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | *P4* | *S4* | *P4* | *S4* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 2.1 WP Methodology | | | | |
| 2.2 Literature review | 1.00 | | 1.00 | |
| 2.3 Interviews | 1.00 | 1.00 | 1.00 | 1.00 |
| 2.4 Meeting | | | | |
| 2.5 National reports | 0.50 | 0.50 | 0.50 | 0.50 |
| 2.6 WP synthesis report | | | | |
| | | | | |
| Total | 2.50 | 1.50 | 2.50 | 1.50 |

The involved permanent staff of Pisa University spent 130 hours on WP2.

*WP3: Desk study on consumers' attitudes towards sustainable food products*

WP Methodology

The Belgian team, as workpackage co-ordinator, elaborated the methodology. The first part, discussed during the first project co-ordination meeting in Utrecht (May 2003), consisted of a guideline and format for the collection of literature and data on consumer attitudes and behaviour. The second part, discussed during the second project co-ordination meeting in Cheltenham (October 2003), was a format and conceptual framework for the national reports. The Belgian team wrote their own country report at an early stage in order to serve as an example for the other country teams. The methodology was very clear and provided very workable and practicable guidelines.

Desk study (literature review)

According to the guidelines provided by the Belgian team, a literature database was made. The topics of interest were consumer attitudes to food in general, food production systems, specific market channels and specific product attributes like food safety and food labelling. Furthermore the accessibility to consumption data and databases from primary research was examined.

National report

The WP3 National Report has been enriched with a database related to consumers' attitudes and literature.

***Table 3.4.3*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 3 task as in the technical annex and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | *P4* | *S4* | *P4* | *S4* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 3.1 WP Methodology | | | | |
| 3.2 Desk study (literature review) | 1.00 | 0.25 | 1.00 | 0.25 |
| 3.3 Meeting | 0.25 | | 0.25 | |
| 3.4 National reports | 0.50 | 0.25 | 0.50 | 0.25 |
| 3.5 WP synthesis report | | | | |
| | | | | |
| Total | 1.75 | 0.50 | 1.75 | 0.50 |

The involved permanent staff of Pisa University spent 65 hours on WP3.

*WP4: Case study methodology*

As part of WP4 the following activities were carried out by the Italian team:

- Start of organisation of the 3rd SUS-CHAIN meeting, scheduled to take place in Pisa on January 28th - 30th 2004.
- Preparation of a draft proposal of WP4 methodology, included criteria for case-study selection, as co-ordinators of Workpackage 4.
- Two meetings with the Dutch SUS-CHAIN co-ordinator in the Netherlands to discuss the WP4-methodology.
- On the basis of exercises with classification of sustainable food chain initiatives, according to a typology grid out of WP1, a first draft of the case-study methodology, criteria for case-study selection and design were elaborated. The comments were utilised to improve and further develop the methodology and to produce a second more detailed draft. This draft will be discussed in the third project co-ordination meeting in January 2004 in Pisa.
- Selection of three provisional case-studies and framing of those cases with the provisional case-study methodology.

***Table 3.4.4*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 4 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P4* | *S4* | *P4* | *S4* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | 1.00 | | 0.50 | |
| 4.1 Draft methodology | 1.00 | | 1.00 | |
| 4.2 Selection of cases | 0.25 | 0.25 | 0.25 | 0.25 |
| 4.3 Meeting | 0.25 | 0.25 | | |
| 4.4 Final case study methodology | 0.50 | | | |
| 4.5 National case-study research plans | 0.25 | 0.25 | | |
| | | | | |
| Total | 3.25 | 0.75 | 1.75 | 0.25 |

The involved permanent staff of Pisa University spent 90 hours on WP4.

*WP8: Dissemination and feedback*

During the second project co-ordination meeting (October 2003, Cheltenham UK) a draft dissemination plan, elaborated by the Latvian workpackage co-ordinator, was discussed. In November 2003 an improved dissemination plan was sent to all partners. The plan includes a guideline for the organisation of the national feedback seminars. Additional to the plan the WP8 co-ordinator provided a 'Guideline for reporting about National Seminars' with a format for the reports of the national seminars.

For workpackage 8, the following activities were carried out by the Italian team:

- Organisation, jointly with our National sub-contractor, IRIPA, of the first National Seminar, held in Florence on December, 16th 2004.
- Documentation of the seminar with a film, made by IRIPA (ex Coldiretti), and all the forms the participants filled in.
- Report on the First National Seminar according to the guidelines provided by the WP8 co-ordinator.

***Table 3.4.5*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 8 task as in the technical annex and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | *P4* | *S4* | *P4* | *S4* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 8.1 SUS-CHAIN website | | | | |
| 8.2 Dissemination plan | | | | |
| 8.3 National seminar 1 (assessment of phase 1) | 0.10 | 0.25 | 0.10 | 0.25 |
| 8.4 National seminar 2 (assessment of phase 2) | 0.10 | 0.25 | | |
| 8.5 National seminar 3 (assessment of phase 3) | 0.10 | 0.25 | | |
| 8.6 International conference | 0.25 | 0.25 | | |
| 8.7 Scientific book | 1.00 | 1.00 | | |
| 8.8 Final report | | | | |
| | | | | |
| Total | 1.55 | 2.00 | 0.10 | 0.25 |

The involved permanent staff of Pisa University spent 8 hours on WP8.

### *Significant difficulties or delays experienced during the first reporting period*

There were no significant major delays or other problems, apart from the occurrence of deadlines of different reports at the same time. Compared to the technical annex there are some minor changes that did not and will not hamper the ongoing research activities, mainly due to the fact that the actual start of the work was on 1st March 2003 (instead of 1st January 2003). The Italian national WP2 and WP3 reports were finished in December 2003. The work on WP4 even commenced two months earlier as planned, in order to gain time that was lost due to delayed start of the project.

### *Sub-contracted work during the first reporting period*

*Subcontractor (S4)*
IRIPA
Via Villa Demidoff 64/d
50127 Firenze
Italy
T: +39 553215064
F: +39 553246612
E-mail: toscana@IRIPA .it

Contribution of the subcontractor to SUS-CHAIN work:
WP1 – Development of sets of indicators: feedback on draft version of the provisional set of indicators.
WP2 – Macro-level analysis of different FSCs: selection of initiatives and collection of data and information for the WP2 national report.
WP3 – Desk study on consumers' attitudes: literature review and suggestions for national report.
WP8 – Organisation of the first national seminar, held in Florence on December, 16th.

## 3.5 University of Ghent – Department of Agricultural Economics (P5)

### Name and address of the participating organisation

University of Ghent - Department of Agricultural Economics
Coupure Links 653, 9000 Gent, Belgium
T: +32 9 2645926
F: +32 9 2646246
E-mail Guido.VanHuylenbroeck@UGent.be

### Scientific team

| | |
|---|---|
| Prof. dr. Guido Van Huylenbroeck | Professor |
| Prof. dr. Wim Verbeke | Professor |
| Ir. Anne Vuylsteke | Researcher |
| Ir. Isabelle Vackier | Researcher |

### Contractual links to other participants

None

### Objectives

The overall aim of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets.
Specific objectives for the work to be carried out in Belgium are:

- To map the current definitions of sustainability that are associated with new food supply chains in Belgium. To examine the extent to which sustainability claims are interwoven with other quality attributes. To map, on the basis of a set of indicators, the diversity of food chains in Belgium.
- To identify the bottlenecks which constrain the enhancement of sustainable food production in Belgium.
- To examine ways of communication and mechanism of economic co-ordination between the actors in the food chain in Belgium.
- To develop performance indicators and methods in order to assess the collective performance of the food chain as a whole towards sustainable food production.
- To examine the relevant policy environment for the development of sustainable food supply chains and to formulate policy recommendations for regional and national authorities in Belgium.

The results derived from the research activities carried out in Belgium will be used to address the overall objectives (see section 1.1) of the SUS-CHAIN project.

### Workplan

P5 will carry out the full range of research and dissemination activities in Belgium required to realise the project's objectives. P5 is also responsible for WP3 co-ordination and all the research tasks in Belgium. S5 will contribute to all workpackages by means of feedback and reflection on intermediate results and provisional conclusions. In addition S5 will carry out one case study, organise the Italian national seminars and write the practical protocols for Belgium.

More specifically the workplan for the Belgian team (i.e. P5 and S5) is as follows:

- *WP1*: According to WP1 methodology, P5 will conduct a review of Italian literature and research on food supply chains, in order to assess relevant and interesting FSC performance indicators for three different aspects of FSCs, and to develop national sets of provisional indicators with S5. Based upon the results of WP2 & WP3 and the feedback from the first national seminar, P5 and S5 will contribute to the assessment of the provisional indicators and propose improved sets of indicators. Based upon the results of the case studies and feedback from the second national seminar, P5 and S5 will contribute to the assessment and finalisation of the fine-tuned sets of indicators.
- *WP2*: Based upon the WP2 methodology P5 will carry out a literature review for Belgium on different aspects of FSCs to assess their socio-economic dynamics. P5 and S5 will carry out interviews to supplement this. Based on the review and the interviews P5 will write a national report in collaboration with S5 (D8).
- *WP3*: P5 will develop a methodology for the desk study on consumers´ attitudes and behaviour (D4). Based upon the WP3 methodology P5 will carry out a desk study and (in collaboration with S5) write a national report for Belgium on consumer attitudes to sustainable food products (D9). Based upon all national reports P5 will write a WP3 synthesis report, summarising and analysing differences and similarities in consumers´ attitudes and behaviour in the participating countries (D11).
- *WP4*: P5 and S5 will propose and select 2 case studies for in depth study in Belgium. P5 and S5 will translate the case study methodology to the Belgian national context and develop a national case study research plan (D14).
- *WP5*: The Belgian team will collect data for the two Belgian case studies according to the methods outlined in D13 and D14. The Belgian team will also produce a draft description and analysis of the dynamics of the Belgian FSCs being studied and will assess their performance making use of the indicators developed for performance assessment. From this, P5 and S5 will identify opportunities and constraints for improving the performance of the FSCs under study. Finally, the Belgian team will publish the findings in two case study reports (D16).
- *WP6*: P5 and S5 will comment on the provisional typologies and assessment of constraints and opportunities produced by P7 and P1.
- *WP7*: P5 will develop provisional policy recommendations for the Belgian regional and national public authorities based on the results of WPs 1, 2, 3 and 5. S5 will develop provisional practical protocols for Belgian FSC actors and different stakeholders in the institutional environment of FSCs based on the results of WP 1, 2, 3 and 5. These will be fine-tuned at meeting 6, and Belgian national reports will be written on policy recommendations (D20) and practical protocols (D21) by P5 and S5 respectively.
- *WP8*: S5 will organise the first Belgian national seminar to disseminate and get feedback on the provisional results of WP 1-3 (D7). S5 will also organise the second national seminar to disseminate and get feedback on the provisional Belgian case study results (D15). The provisional policy recommendations and practical protocols will be disseminated in the third national seminar (D19) organised by S5 where these results will be refined. Together with P1 P5 will organise an international conference (D22). Together with P1 and P6 P5 will edit a scientific book (D24). Both P5 and S5 will contribute to a scientific book based on the project.

***Deliverables***

| Deliverable | Delivery date (according to TA) | Status | Comments |
|---|---|---|---|
| D3) WP3 methodology | April 2003 | Completed | *See Annex 3a and 3b* |
| D7) National seminar (feedback on WP1, 2 & 3) | November 2003 | Completed | *Held on 15 December 2003* |
| D8) FSC dynamics (national report WP2) | December 2003 | Completed | |
| D9) Consumers´ attitudes (national report WP3) | December 2003 | Completed | |
| D11) WP3 synthesis report | December 2003 | Delayed | *National WP3 reports were submitted on 31 December 2003; finalisation of D11 will take place in January and February 2004* |
| D14) National research plan | March 2004 | Not started | |
| D15) National seminar 2 (feedback on WP4 & 5) | October 2004 | Not started | |
| D16) Case study reports | November 2004 | Not started | |
| D19) National seminar 3 (feedback on provisional recommendations) | September2005 | Not started | |
| D20) Policy recommendations (national report) | October 2005 | Not started | |
| D21) Practical recommendations (national report) | October 2005 | Not started | |
| D22) International conference | November 2005 | Not started | |
| D24) Scientific book | February 2006 | Not started | |

***Research activities during the first reporting period***

*WP1: Development and fine-tuning of food supply chain performance indicators*

The Swiss team provided, as coordinators of WP1, a first grid of performance indicators that could identify the sustainability and implications on rural development of initiatives. An Access-database was made in order to make the information gathering more simple and surveyable. The next step in the process of WP1 was the gathering of information on existing initiatives in Belgium. Different types of initiatives were considered and included in the database such as different hallmarks that had some kind of relation with sustainability, alternative marketing channels (both initiatives that originated from a group of farmers as initiatives coming from a single farmer), initiatives for social employment, organisations with a specific link with rural development and many others. These initiatives were identified through existing databases, the internet, brochures and folders, contact by telephone, mail or email. At this moment, the database gives an overview of 123 initiatives. Five groups of initiatives can be identified within it: short supply chains, new actors in the supply chains, hallmarks and brands, regional products, initiatives for specific processing and other initiatives.

***Table 3.5.1****. Person-months per participant (P) and per subcontractor (S) per Workpackage 1 task as in the technical annex and in 2003*

| Task | Technical annex | | 2003 | |
|---|---|---|---|---|
| | *P5* | *S5* | *P5* | *S5* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 1.1 Meeting | 0,25 | 0,25 | 0,25 | 0,25 |
| 1.2 WP methodology | | | | |
| 1.3 Review of literature and ongoing research | 0,50 | | 0,50 | |
| 1.4 Development of provisional indicators | 0,25 | 0,10 | 0,25 | 0,10 |
| 1.5 Finetuning of indicators (input from WP2 &3) | 0,25 | 0,10 | | |
| 1.6 Finalisation of indicators | 0,25 | 0,10 | | |
| Total | 1,50 | 0,55 | 1,00 | 0,30 |

*WP 2: Macro-level analysis of food supply chain dynamics and diversity*

According to the UK guidelines, information was searched to write the WP2 desk study reports. Information was collected in diverse libraries and internet sources in the different topics that had to be covered in the WP2 directives. This concerned a historical perspective of FSC in Belgium (2p), the general configuration of FSC in Belgium (9p), an overview of the regulatory & policy environment and the institutional setting in Belgium (3p). The most comprehensive part of the Belgian WP2 report is the sector by sector summary. This gives an overview structure and indications of the chain, the institutions, organisational forms and governance, the dynamism, a judgement of sustainability, transparency and rural development and finally the bottlenecks for further development of 9 sectors (dairy, beef, sheep, pork, poultry, fruits & vegetables, cereals, potatoes and sugar; 24p.). Other elements were a PEST-analysis (4p.), an overview of the database of initiatives (see also WP1, 5p), and a discussion of key issues found in the previous paragraphs (5p).

***Table 3.5.2.*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 2 task as in the technical annex and in 2003*

| | Technical annex | | 2003 | |
|---|---|---|---|---|
| **Task** | *P5* | *S5* | *P5* | *S5* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 2.1 WP methodology | | | | |
| 2.2 Literature review | 1,00 | | 1,50 | 0,25 |
| 2.3 Interviews | 1,00 | 1,00 | | 0,25 |
| 2.4 Meeting | | | | |
| 2.5 National reports | 0,50 | 0,50 | 1,00 | 1,00 |
| 2.6 WP synthesis report | | | | |
| Total | 2,50 | 1,50 | 2,50 | 1,50 |

*WP 3: Desk study on consumers' attitudes towards sustainable food products*

As co-ordinator of the workpackage on consumer attitudes, a methodology was elaborated. In a first phase, the different partners were asked to provide us with a database on available literature concerning consumer behaviour (see Annex 3a). This literature should mainly concern their own country, especially from sources with a limited availability e.g. proceedings, scientific reports and national scientific journals. The topics of interest were in the first place consumer attitudes towards food in general, but more specifically consumer attitudes towards sustainable food products and production systems, market channels and specific products attributes. Next to this, there was also asked if the different teams had access to primary data of consumer research and consumption data (whether free or not).

The results of the literature database proved to be quit well, but only few teams had access to primary and panel data; so it was decided to forget this element in the construction of the further WP3 methodology (see Annex 3b).

After examination of the existing international literature in this matter, a slightly modified version of the consumer behaviour model of Jager5 was chosen as conceptual framework and as basis for the structure of the country reports. This conceptual framework is given in figure 1. The case study methodology gave a short explanation of each element and an example of the type of literature that could be included in each paragraph. The different paragraph numbers were therefore included in the conceptual framework to provide a better insight to the reader.

[5] JAGER, W. (2000). *Modelling consumer behaviour*. PhD thesis, University of Groningen. www.ub.rug.nl/eldoc/dis/ppsw/w.jager/thesis.pdf

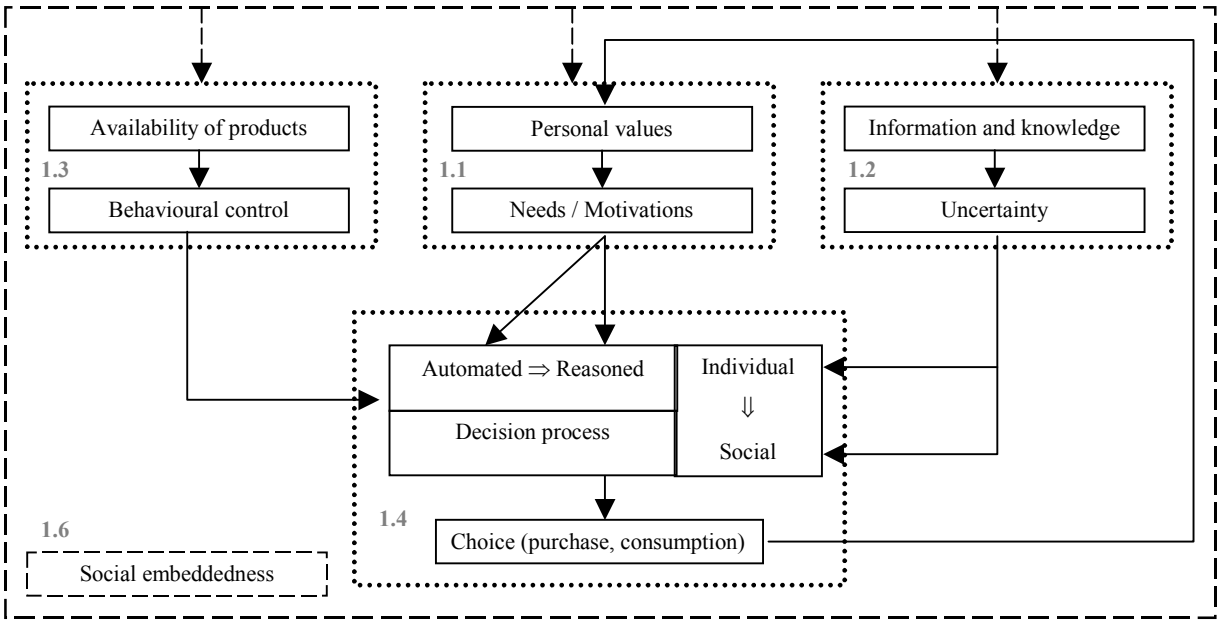



***Figure 3.5.1.*** *Conceptual framework to investigate consumer behaviour towards sustainable food products (according to the consumer behaviour model of Jager, 2000)*

Next to the actual consumer behaviour, it was thought to be important to firstly give an overview of the context of sustainability in each country. The first section of the description concerned the existing definitions of sustainability. Although literature generally agrees on the three main elements of sustainability, different practical definitions could occur in the SUS-CHAIN-countries. In the second part of the description, the national teams were asked to give some general food consumption trends in their country as these trends can explain to some extent what changes can be expected concerning sustainable consumption.
After the discussion of the different elements of the conceptual framework, the teams were asked to identify, based on all previous paragraphs, the occurring barriers for sustainable consumption and the ways in which these could be overcome. Finally, each country was asked to formulate the main findings in strategies for sustainable consumption.
Next to the elaboration of the methodology, a Belgian database and country report were prepared to serve as an example for the other partners. The database contains at this moment 64 references of (mainly national) articles and books on consumer behaviour in Belgium. There were furthermore 4 sources of panel data and several sources of primary data were identified. At the end of the year, preparations were also made for the construction of the WP3 synthesis report. International references were searched in order to verify the findings in the SUS-CHAIN -countries.

***Table 3.5.3.*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 3 task as in the technical annex and in 2003*

| | **Technical annex** | | **2003** | |
|---|---|---|---|---|
| **Task** | *P5* | *S5* | *P5* | *S5* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | 2,00 | | 2,00 | |
| 3.1 WP Methodology | 1,00 | | 1,00 | |
| 3.2 Desk study (literature review) | 1,00 | 0,25 | 1,00 | 0,25 |
| 3.3 Meeting | 0,50 | | 0,50 | |
| 3.4 National reports | 0,50 | 0,25 | 0,50 | 0,25 |
| 3.5 WP synthesis report | 1,50 | | 0 | |
| Total | 6,50 | 0,50 | 5,00 | 0,50 |

*WP 4: Case study methodology*

The work on the case study methodology was mainly done by the Italian coordinator, but at some moments feedback from the other partners was required and formulated. The initiatives identified in WP 1 and 2 were furthermore classified according to the grid proposed by the Swiss team and there was also a first selection of possible case studies in Belgium.

***Table 3.5.4.*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 4 task as in the technical annex and in 2003*

| Task | Technical annex | | 2003 | |
|---|---|---|---|---|
| | *P5* | *S5* | *P5* | *S5* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 4.1 Draft methodology | | | | |
| 4.2 Selection of cases | 0,25 | 0,25 | 0,25 | 0,25 |
| 4.3 Meeting | 0,25 | 0,25 | | |
| 4.4 Final case study methodology | | | | |
| 4.5 National case-study research plans | 0,25 | 0,25 | | |
| Total | 0,75 | 0,75 | 0,25 | 0,25 |

*WP 8: Dissemination and feedback*

The first dissemination activity from the project was the national seminar that was organised on December, 15th in Strombeek-Bever (near Brussels). The organisation of this day was mainly done by Vredeseilanden-Coopibo, as will be discussed later. Ghent University was at this day responsible for the presentation of the research results, moderation of the discussions and other elements.

***Table 3.5.5.*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 8 task as in the technical annex and in 2003*

| Task | Technical annex | | 2003 | |
|---|---|---|---|---|
| | *P5* | *S5* | *P5* | *S5* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 8.1 SUS-CHAIN website | | | | |
| 8.2 Dissemination plan | | | | |
| 8.3 National seminar 1 (assessment of phase 1) | 0,10 | 0,25 | 0,10 | 0,25 |
| 8.4 National seminar 2 (assessment of phase 2) | 0,10 | 0,25 | 0,00 | 0,00 |
| 8.5 National seminar 3 (assessment of phase 3) | 0,10 | 0,25 | 0,00 | 0,00 |
| 8.6 International conference | 2,00 | 0,25 | 0,00 | 0,00 |
| 8.7 Scientific book | 2,50 | 1,00 | 0,00 | 0,00 |
| 8.8 Final report | | | | |
| Total | 4,80 | 2,00 | 0,10 | 0,10 |

***Significant difficulties or delays experienced during the first reporting period***

Due to the fact that the national reports of WP3 were submitted by the end of December 2003, it was not possible to finalise the WP3 synthesis report within this reporting period. It will be finalised by March 2004. Not other delays or significant difficulties were experienced during the first reporting period.

**Sub-contracted work during the first reporting period**

*Subcontractor (S5)*

Vredeseilanden – Coopibo
Blijde Inkomststraat 50, 3000 Leuven, Belgium.
T: +32 16 316580
F: +32 16 316581
E-mail: Lieve.Vercauteren@vredeseilanden.be

They helped with different aspects of the workpackages from this first reporting period. It concerned for example the gathering of information for the inventory of initiatives, feedback on the WP 2 report and collaboration for the writing of the paragraph on key issues. The main tasks of the subcontractor was the organisation of the first national seminar. The list of participants was elaborated in mutual agreement with the University. The invitations were at first send by mail and people who did not react were contacted by telephone or a new mail. As location, a central place (near Brussels) was preferred. The subcontractor hence made arrangements for a meeting room (in the Cultural Centre of Strombeek-Bever), coffee and lunch. The day started with a short presentation of the SUS-CHAIN-project. Next, two participants were asked to give a short introduction of their activities in order to introduce the debate. The issues discussed were: key elements of sustainable food chains, relation between short and small FSC's and long FSC's; relations within food chains and the influence of policy and regulations.

## 3.6 Baltic Studies Centre (P6)

***Name and address of the participating organisation***

Baltic Studies Centre
Rostokas iela 60-24, Riga LV 1029, Latvia
Tel. +371 9417173
Fax +371 7089860
E-mail tt@lza.lv

***Scientific team***

| | |
|---|---|
| Dr.soc. Talis Tisenkopfs | Senior researcher/Director and country team co-ordinator in Latvia |
| Dr.soc. Aija Zobena | Researcher (hired for this project) |
| Ma. Soc. Sandra Sumane | Jr. researcher (hired for this project) |
| Ma. Soc. Ilze Lace | Jr. researcher (hired for this project) |
| Ma. Soc. Anita Kalnina | Jr. researcher (hired for this project) |
| Ma. Soc. Karina Janova | Jr. researcher (hired for this project) |
| Rita Sile | Assistant researcher (hired for this project) |

***Contractual links to other participants***

None

***Objectives***

The overall aim of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets. Specific objectives for the work to be carried out in Latvia are:

- To map the current definitions of sustainability that are associated with new food supply chains in Latvia. To examine the extent to which sustainability claims are interwoven with other quality attributes. To map, on the basis of a set of indicators, the diversity of food chains in Latvia.
- To identify the bottlenecks which constrain the enhancement of sustainable food production in Latvia.
- To examine ways of communication and mechanism of economic co-ordination between the actors in the food chain in Latvia.
- To develop performance indicators and methods in order to assess the collective performance of the food chain as a whole towards sustainable food production.
- To examine the relevant policy environment for the development of sustainable food supply chains and to formulate policy recommendations for regional and national authorities in Latvia.

The results derived from the research activities carried out in Latvia will be used to address the overall objectives (see section 1.1) of the SUS-CHAIN project.

***Workplan***

P6 will carry out the full range of research and dissemination activities in Latvia required to realise the project's objectives. P6 is also responsible for WP8 co-ordination and all the research tasks in Latvia. S6 will contribute to all workpackages by means of feedback and reflection on intermediate results and provisional conclusions. In addition S6 will carry out one case study, organise the Latvian national seminars and write the practical protocols for Latvia.

More specifically the workplan for the Latvian team (i.e. P6 and S6) is as follows:

- *WP1*: According to WP1 methodology, P6 will conduct a review of Latvian literature and research on food supply chains, in order to assess relevant and interesting FSC performance indicators for three different aspects of FSCs, and to develop national sets of provisional indicators with S6. Based upon the results of WP2 & WP3 and the feedback from the first national seminar, P6 and S6 will contribute to the assessment of the provisional indicators and propose improved sets of indicators. Based upon the results of the case studies and feedback from the second national seminar, P6 and S6 will contribute to the assessment and finalisation of the fine-tuned sets of indicators.
- *WP2*: Based upon the WP2 methodology P6 will carry out a literature review for Latvia on different aspects of FSCs to assess their socio-economic dynamics. P6 and S6 will carry out interviews to supplement this. Based on the review and the interviews P6 will write a national report in collaboration with S6 (D8).
- *WP3*: Based upon the WP3 methodology P6 will carry out a desk study and (in collaboration with S6) write a national report for Latvia on consumer attitudes to sustainable food products (D9).
- *WP4*: P6 and S6 will propose and select 2 case studies for in depth study in Latvia. P6 and S6 will translate the case study methodology to the Latvian national context and develop a national case study research plan (D14).
- *WP5*: The Latvian team will collect data for the two Latvian case studies according to the methods outlined in D13 and D14. The Latvian team will also produce a draft description and analysis of the dynamics of the Latvian FSCs being studied and will assess their performance making use of the

indicators developed for performance assessment. From this, P6 and S6 will identify opportunities and constraints for improving the performance of the FSCs under study. Finally, the Latvian team will publish the findings in two case study reports (D16).

- *WP6*: P6 and S6 will comment on the provisional typologies and assessment of constraints and opportunities produced by P7 and P1.
- *WP7*: P6 will develop provisional policy recommendations for the Latvian regional and national public authorities based on the results of WPs 1, 2, 3 and 5. S4 will develop provisional practical protocols for Latvian FSC actors and different stakeholders in the institutional environment of FSCs based on the results of WP 1, 2, 3 and 5. These will be fine-tuned at meeting 6, and Latvian national reports will be written on policy recommendations (D20) and practical protocols (D21) by P6 and S6 respectively.
- *WP8*: P6 will develop, together with P1, a methodology of dissemination and feedback (D5) S6 will organise the first Latvian national seminar to disseminate and get feedback on the provisional results of WP 1-3 (D7). S6 will also organise the second national seminar to disseminate and get feedback on the provisional Latvian case study results (D15). The provisional policy recommendations and practical protocols will be disseminated in the third national seminar (D19) organised by S6 where these results will be refined. Together with P1 and P5 P6 will be responsible for editing a scientific book (D24). Both P6 and S6 will contribute to this book based on the project.

### *Deliverables*

| **Deliverable** | **Delivery date (according to TA)** | **Status** | **Comments** |
|---|---|---|---|
| D5) Dissemination plan | August 2003 | Completed / in progress | *See Annex 5a. A first and second version of the dissemination plan have been written in the first reporting period. The aim is to update it regularly prior to the national seminars* |
| D7) National seminar (feedback on WP1, 2 & 3) | November 2003 | Completed | *Held in November 2003* |
| D8) FSC dynamics (national report WP2) | December 2003 | Completed | |
| D9) Consumers´ attitudes (national report WP3) | December 2003 | Completed | |
| D14) National research plan | March 2004 | Not started | |
| D15) National seminar 2 (feedback on case studies) | October 2004 | Not started | |
| D16) Case study reports | November 2004 | Not started | |
| D19) National seminar 3 (feedback on provisional recommendations) | September 2005 | Not started | |
| D20) Policy recommendations (national report) | October 2005 | Not started | |
| D21) Practical recommendations (national report) | October 2005 | Not started | |
| D24) Scientific book | February 2006 | Not started | |

### *Research activities during the first reporting period*

*WP1: Development and fine-tuning of food supply chain performance indicators*

The Swiss team, as co-ordinator of WP1, continuously works on the development, improvement and fine-tuning of profile and performance indicators for food supply chains. First ideas and documents were discussed during the first and the second project co-ordination meetings (Utrecht, March 2003 and Cheltenham October 2003). Profile indicators of WP1, were used to design a format for the description of sustainable food supply chains initiatives. The Latvian team prepared the national Start-document for the

first project coordination meeting in Utrecht, which served as input for WPs 1, 2 and 3.

***Table 3.6.1*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 1 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P6* | *S6* | *P6* | *S6* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 1.1 Meeting | 0.25 | 0.25 | 0.25 | 0.15 |
| 1.2 WP Methodology | | | | |
| 1.3 Review of literature and ongoing research | 0.50 | | 0.40 | |
| 1.4 Development of provisional indicators | 0.25 | 0.10 | 0.25 | 0.10 |
| 1.5 Finetuning of indicators (input from WP2 & 3) | 0.25 | 0.10 | 0.10 | 0.05 |
| 1.6 Finalisation of indicators | 0.25 | 0.10 | | |
| | | | | |
| Total | 1.50 | 0.55 | 1.00 | 0.30 |

*WP2: Macro-level analysis of food supply chain dynamics and diversity*

Literature and interviews

For the national report and collecting data about new food supply chain initiatives a literature has been analysed and media screening carried out. There was a specific interviewing carried out as regards performance of food supply chains in Latvia. These interviews included 15 direct on-farm interviews with agricultural producers and some 10 expert and stakeholder interviews with policy makers, agricultural, scientists and producers and processors associations. Small-scale survey data was analysed and included in WP2 report.

National report

Following the WP2 methodology a first draft of the national report was written for the second project meeting in Cheltenham (October 2003). The discussion about the provisional WP2-results and the comments from the WP2 co-ordinator (the UK-team) were used to improve and fine-tune the report and to fill some gaps. After the second project co-ordination meeting the final version of Latvian national report 'Macro-level analysis of food supply chain dynamics and diversity' (73 pp.) was written. Profile indicators, developed by the Swiss team were used to provide a format for the description of sustainable food supply chains initiatives.

In this report the following subjects are described and discussed: 1) the general description of evolution of food supply chains in Latvia, 2) the general configuration of food supply chains in Latvia, 3) overview of the regulatory and policy environment and institutional setting, 4) analysis of nine sectors (dairy, beef, sheep meat, poultry, pig meat, fruit and vegetables, cereals, potatoes, and sugar), 5) drivers of change (political, economic, social and technical factors) in food supply chains, 6) sustainable food supply chains initiatives in Latvia (analysis and description of 11 initiatives) and 7) a summary of the key issues.

***Table 3.6.2*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 2 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P6* | *S6* | *P6* | *S6* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 2.1 WP Methodology | | | | |
| 2.2 Literature review | 1.00 | | 0.50 | |
| 2.3 Interviews | 1.00 | 1.00 | 1.00 | 0.25 |
| 2.4 Meeting | | | | |
| 2.5 National reports | 0.50 | 0.50 | 1.00 | 0.50 |
| 2.6 WP synthesis report | | | | |
| | | | | |
| Total | 2.50 | 1.50 | 2.50 | 0.75 |

*WP3: Desk study on consumers' attitudes towards sustainable food products*

The Belgian team, as workpackage co-ordinator, elaborated the methodology. In the summer of 2003, according to the guidelines provided by the Belgian team, a literature database was made. The topics of interest were consumer attitudes to food in general, food production systems, specific market channels and specific product attributes like food safety and food labelling. Furthermore the accessibility to consumption data and databases from primary research was examined. The Latvian database contains at this moment 38 references to articles and books on consumer attitudes and behaviour in Latvia.

The main research activities of Partner 6, Baltic Studies Centre in the reporting period included preparing a macro level analysis of food supply chain dynamics and diversity in Latvia ( WP2 Report) and desk studies of consumer attitudes (WP3 Report). This included analysis of statistical data, review of published researches, documentary analysis, selected interviews and other methods. On the basis of the literature database and according to the guidelines and format included in the methodology, a report on consumer attitudes and behaviour towards sustainable food products in Latvia was written with a considerable assistance and input by subcontactor. A proportion of subcontactor's man moths was reallocated from WP2 to WP3. In this report the following themes are described and discussed: a) definition of sustainability for food products, b) general food consumption trends, c) consumers of sustainable food products (aspects: consumers' values, needs and motivations; information, knowledge and uncertainty; availability of products and behavioural control; the decision process: attitude and consumption behaviour; socio-demographic profile; social embeddedness), c) barriers for consumption of sustainable food products, d) possibilities to remove barriers, and e) strategies to stimulate sustainable consumption.

***Table 3.6.3*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 3 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P6* | *S6* | *P6* | *S6* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 3.1 WP Methodology | | | | |
| 3.2 Desk study (literature review) | 1.00 | 0.25 | 0.75 | 0.50 |
| 3.3 Meeting | 0.25 | | 0.10 | |
| 3.4 National reports | 0.50 | 0.25 | 0.50 | 0.75 |
| 3.5 WP synthesis report | | | | |
| | | | | |
| Total | 1.75 | 0.50 | 1.35 | 1.25 |

*WP4: Case study methodology*

The Italian team as co-ordinator of WP4, together with project coordinator drafted case-study methodology, based on classification of sustainable food chain initiatives provided by coutry teams. This first draft was sent to all the partners and the Latvian team contributed with comments to further develop the methodology and to produce a second more detailed draft. Partner 6 collected information and discussed potential cases at internal meetings.

***Table 3.6.4**. Person-months per participant (P) and per subcontractor (S) per Workpackage 4 task as in the technical annex and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | P6 | S6 | P6 | S6 |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | | | | |
| 4.1 Draft methodology | | | | |
| 4.2 Selection of cases | 0.25 | 0.25 | 0.10 | 0.10 |
| 4.3 Meeting | 0.25 | 0.25 | | |
| 4.4 Final case study methodology | | | | |
| 4.5 National case-study research plans | 0.25 | 0.25 | 0.10 | |
| | | | | |
| Total | 0.75 | 0.75 | 0.20 | 0.10 |

*WP8: Dissemination and feedback*

During the second project co-ordination meeting (October 2003, Cheltenham UK) a draft dissemination plan, elaborated by the Latvian workpackage co-ordinator, was discussed. In November 2003 an improved dissemination plan was sent to all partners (see Annex 5a). The plan includes a guideline for the organisation of the national feedback seminars. Additional to the plan the WP8 co-ordinator provided a 'Guideline for reporting about National Seminars' with a format for the reports of the national seminars (see Annex 5b). Subsequently all national seminar reports will be used as input for an overall seminar report (of all the countries together) that will be written by the Latvian team as co-ordinator of WP8 (dissemination and feedback).

Baltic Studies Centre together with the Latvian subcontractor Institute of Philosophy and sociology (FSI) established contacts with food supply chain stakeholders in Latvia and organized the first national seminar. This seminar was organized in November 2003 and was attended by representatives of producers organizations, consumers associations, trade organizations, the Ministry of Agriculture, academia, marketing organizations, and other stakeholders. The draft national seminar report was prepared. An additional dissemination activity was submission of an abstract "Communicating research results to the actors in food supply chains" for a special Suschain project working group "The contribution of new food supply chains to sustainable rural development" at the XI World Congress of Rural Sociology (Trondheim, Norway, July 2004).

***Table 3.6.5*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 8 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P6* | *S6* | *P6* | *S6* |
| Scientific co-ordination | | | | |
| Workpackage co-ordination | 1.00 | | 0.40 | |
| 8.1 SUS-CHAIN website | | | | |
| 8.2 Dissemination plan | 1.00 | | 0.75 | |
| 8.3 National seminar 1 (assessment of phase 1) | 0.10 | 0.25 | 0.10 | 0.25 |
| 8.4 National seminar 2 (assessment of phase 2) | 0.10 | 0.25 | | |
| 8.5 National seminar 3 (assessment of phase 3) | 0.10 | 0.25 | | |
| 8.6 International conference | 0.25 | 0.25 | | |
| 8.7 Scientific book | 2.50 | 1.00 | | |
| 8.8 Final report | | | | |
| | | | | |
| Total | 5.05 | 2.00 | 1.25 | 0.25 |

### *Significant difficulties or delays experienced during the first reporting period*

There were no significant delays. Compared to the technical annex there are some minor changes that did not and will not hamper the ongoing research activities.

One problem that had to be solved regarded the fact that at the start of project it became evident that the original subcontracting institution (the Latvian Institute of Agrarian Economics) was unable to effectively participate in SUS-CHAIN project (due to time constraints). This issue was discussed with the project coordinator and the decision was made to subcontractor another organization: the Institute of Philosophy and Sociology. This decision was approved by the European Commission.

### *Sub-contracted work during the first reporting period*

*Subcontractor (S6)*

Institute of Philosophy and Sociology
Akademijas laukums 1, Riga LV 1940, Latvia
Tel. +371 9418933
Fax +371 7210806
E-mail atabuns@lza.lv

The following persons have contributed to the project: Aivars Tabuns, Ausma Tabuna, Mareks Niklass, Kistaps Vecgr□vis, Laura S□na.

The subcontractor team headed by Dr.soc. Aivars Tabuns actively engaged in organization of national seminar and contributed substantially to the preparation of WP2 report and particularly the WP3 report on consumer attitudes in Latvia.

## 3.7 JW Goethe University – Institute for Rural Development Research (P7)

### Name and address of the participating organisation

IfLS - Institute for Rural Development Research at Johann Wolfgang Goethe University
Zeppelinallee 31, 60325 FRANKFURT am Main
Fon: ++49.69.775001 Fax: ++49.69.777784
E-Mail: Knickel@em.uni-frankfurt.de
Website: http://www.ifls.de

### Scientific team

| | |
|---|---|
| Dr. Karlheinz Knickel | Senior Researcher, Coordinator German team |
| Dipl.Ing.agr. Gundula Jahn | Junior Researcher (hired for this project for 2004-2005) |
| Dipl.soz. Sarah Peter | Junior Researcher (specific analyses / contributions) |
| Baerbel Nienhaus, M.A. | Junior Researcher (specific analyses / contributions) |
| Nadja Kasperczyk | Junior Researcher (specific analyses / contributions) |

### Contractual links to other participants

None

### Objectives

The overall aim of the project is to assess the potential role of food supply chains in the enhancement of sustainable food production and rural development by identifying critical points in food supply chains which currently constrain the further dissemination of sustainable production, and recommend actions that are likely to enhance the prospects for sustainable food markets.

Specific objectives for the work to be carried out in Germany are:

- To map the current definitions of sustainability that are associated with new food supply chains in Germany. To examine the extent to which sustainability claims are interwoven with other quality attributes. To map, on the basis of a set of indicators, the diversity of food chains in Germany.
- To identify the bottlenecks which constrain the enhancement of sustainable food production in Germany.
- To examine ways of communication and mechanism of economic co-ordination between the actors in the food chain in Germany.
- To develop performance indicators and methods in order to assess the collective performance of the food chain as a whole towards sustainable food production.
- To examine the relevant policy environment for the development of sustainable food supply chains and to formulate policy recommendations for regional and national authorities in Germany.

The results derived from the research activities carried out in Germany will be used to address the overall objectives (see section 1.1) of the SUS-CHAIN project.

### Workplan

P7 will carry out the full range of research and dissemination activities in Germany required to realise the project's objectives. P7 is also responsible for WP6 co-ordination and all the research tasks in Germany. S7 will

contribute to all workpackages by means of feedback and reflection on intermediate results and provisional conclusions. In addition S7 will carry out one case study, organise the German national seminars and write the practical protocols for Germany.

More specifically the workplan for the German team (i.e. P7 and S7) is as follows:

- *WP1*: According to WP1 methodology, P7 will conduct a review of German literature and research on food supply chains, in order to assess relevant and interesting FSC performance indicators for three different aspects of FSCs, and to develop national sets of provisional indicators with S7. Based upon the results of WP2 & WP3 and the feedback from the first national seminar, P7 and S7 will contribute to the assessment of the provisional indicators and propose improved sets of indicators. Based upon the results of the case studies and feedback from the second national seminar, P7 and S7 will contribute to the assessment and finalisation of the fine-tuned sets of indicators.
- *WP2*: Based upon the WP2 methodology P7 will carry out a literature review for Germany on different aspects of FSCs to assess their socio-economic dynamics. P7 and S7 will carry out interviews to supplement this. Based on the review and the interviews P7 will write a national report in collaboration with S7 (D8).
- *WP3*: Based upon the WP3 methodology P7 will carry out a desk study and (in collaboration with S7) write a national report for Germany on consumer attitudes to sustainable food products (D9).
- *WP4*: P7 and S7 will propose and select 2 case studies for in depth study in Germany. P7 and S7 will translate the case study methodology to the German national context and develop a national case study research plan (D14).
- *WP5*: The German team will collect data for the two German case studies according to the methods outlined in D13 and D14. The German team will also produce a draft description and analysis of the dynamics of the German FSCs being studied and will assess their performance making use of the indicators developed for performance assessment. From this, P7 and S7 will identify opportunities and constraints for improving the performance of the FSCs under study. Finally, the German team will publish the findings in two case study reports (D16).
- *WP6*: P7 will study and analyse all case study reports and in collaboration with P1 produce provisional typologies of FSCs and a provisional assessment of constraints and opportunities. S7 will comment on this. Based upon comments from the subcontractors and discussions during the 5th project co-ordination meeting P7 will write a comparative case study report, summarising all findings from the case studies (D18).
- *WP7*: P7 will develop provisional policy recommendations for the German regional and national public authorities based on the results of WPs 1, 2, 3 and 5. S4 will develop provisional practical protocols for German FSC actors and different stakeholders in the institutional environment of FSCs based on the results of WP 1, 2, 3 and 5. These will be fine-tuned at meeting 6, and German national reports will be written on policy recommendations (D20) and practical protocols (D21) by P7 and S7 respectively.
- *WP8*: S7 will organise the first German national seminar to disseminate and get feedback on the provisional results of WP 1-3 (D7). S7 will also organise the second national seminar to disseminate and get feedback on the provisional German case study results (D15). The provisional policy recommendations and practical protocols will be disseminated in the third national seminar (D19) organised by S7 where these results will be refined. Both P7 and S7 will contribute to the scientific book based on the project.

***Deliverables***

| Deliverable | Delivery date (according to TA) | Status | Comments |
|---|---|---|---|
| D7) National seminar (feedback on WP1, 2 & 3) | November 2003 | Delayed | *To take place in February 2004* |
| D8) FSC dynamics (national report WP2) | December 2003 | Completed | |
| D9) Consumers´ attitudes (national report WP3) | December 2003 | Completed | |
| D14) National research plan | March 2004 | Not started | |
| D15) National seminar 2 (feedback on case studies) | October 2004 | Not started | |
| D16) Case study reports | November 2004 | Not started | |
| D18) Transversal case study analysis | April 2005 | Not started | |
| D19) National seminar 3 (feedback on provisional recommendations) | September 2005 | Not started | |
| D20) Policy recommendations (national report) | October 2005 | Not started | |
| D21) Practical recommendations (national report) | October 2005 | Not started | |

***Research activities during the first reporting period***

*WP1: Development and fine-tuning of food supply chain performance indicators*

The German team provided feedback to the Swiss team, that is the coordinator of WP1, and that continuously works on the development, improvement and fine-tuning of profile and performance indicators for food supply chains. Feedback was in particular given during the first and the second project co-ordination meetings (Utrecht, March 2003 and Cheltenham October 2003).

***Table 3.7.1*** *Person-months per participant (P) and per subcontractor (S) per Work package 1 task as in the TA and in 2003*

| Task | TA | | 2003 | |
|---|---|---|---|---|
| | *P7* | *S7* | *P7* | *S7* |
| 1.1 Meeting 1 (Utrecht) | 0,25 | 0,25 | 0,25 | 0,25 |
| 1.2 WP methodology | | | | |
| 1.3 Review of literature and ongoing research for Germany | 0,50 | | 0,80 | |
| 1.4 Development of provisional indicators | 0,25 | 0,10 | 0,25 | 0,10 |
| 1.5 Fine-tuning of indicators | 0,25 | 0,10 | 0,50 | 0,10 |
| 1.6 Final set of indicators | 0,25 | 0,10 | | |
| | | | | |
| Total | 1,50 | 0,55 | 1,80 | 0,45 |

*WP2: Macro-level analysis of food supply chain dynamics and diversity*

Feedback given on WP-Methodology

Feedback was given to the UK-team that as coordinator of this WP developed the guidelines for this WP. Comments were also given on the profile indicators, that have been developed by the Swiss team as coordinator of WP1 for the description of sustainable food supply chains initiatives.

Literature and interviews

The actual national level research started with a review of relevant literature and data in Germany (incl. an extensive internet-based research). Interviews (telephone and personal) have been carried out in order to fill

gaps and clarify controversial issues and data. During the writing of the national report additional consultations took place for specific issues and questions.

Meetings

A general description of German FSCs and first evaluation of critical concerns and questions (Start-up document for Germany) has been prepared for the first project meeting in Utrecht (March 2003). The Start-up document for Germany has been presented and discussed in Utrecht.

National report

In the first reporting period the national report 'Macro-level analysis of food supply chain dynamics and diversity' for Germany (89 pp.) was written. The report follows the common methodology for the literature review and guidelines provided by the work package coordinator.

In this report the following subjects are described and discussed for the particular situation in Germany:

- the historical evolution of food supply chains,
- the general configuration of food supply chains,
- the regulatory and policy environment; reference is made to the GAK is supporting a sustainable development of rural areas and the support given to organic farming
- the institutional setting of FSC; reference is made to the role of regional and local level programmes, the CMA, the importance of farmer-managed initiatives and the very significant work of the *Deutscher Verband für Landschaftspflege (DVL)*,
- analysis of eight sectors (pig meat, poultry, cereals, dairy, potatoes, sugar, horticulture and beef),
- drivers of change (political, economic, social and technical factors) in food supply chains; the *"Agrarwende"* is discussed as a turning point in agricultural policy, consumer attitudes and the consumer's perception of regional food, food scares and the increasing lack of confidence in conventional chains, the changing perceptions of quality and new societal demands, technical factors and other factors such as the lack of clear regulations on labelling and regulations that are counterproductive are discussed,
- sustainable food supply chains initiatives, two cross-sectoral initiatives are described and analysed: the Quality and Safety (QS) Label for Conventional Food, and the *Biosiegel*
- twelve specific marketing initiatives are described and analysed,

In the summary of the key issues reference is made to

- institutional changes relating to FSCs and their implications,
- areas of dynamism within FSCs,
- the relative performance of FSCs on sustainability and transparency,
- the significance of emerging initiatives on rural development,
- the significance of short FSCs, and their potential to be scaled up,
- bottlenecks and the opportunities for enhancing the performance of FSCs, and
- stakeholders' perceptions of, and involvement in FSCs.

***Table 3.7.2*** *Person-months per participant (P) and per subcontractor (S) per Work package 2 task as in the TA and in 2003*

| Task | TA | | 2003 | |
|---|---|---|---|---|
| | *P7* | *S7* | *P7* | *S7* |
| 2.1 WP Methodology | | | | |
| 2.2 Literature review Germany | 1,00 | | 1,40 | |
| 2.3 Interviews Germany | 1,00 | 1,00 | 1,30 | 0,80 |
| 2.4 Meeting 2 (Cheltenham) | | | | |
| 2.5 National report Germany | 0,50 | 0,50 | 1,00 | 0,20 |
| 2.6 WP2 synthesis report | | | | |
| | | | | |
| Total | 2,50 | 1,50 | 3,70 | 1,00 |

*WP3: Desk study on consumers' attitudes towards sustainable food products*

WP Methodology

Feedback was given to the Belgian team that as coordinator of this WP developed the guidelines for this WP. The feedback was given during the first project co-ordination meeting in Utrecht (May 2003) and the second project co-ordination meeting in Cheltenham (October 2003).
The resulting format and conceptual framework was used for the German WP3 report.

Desk study

Mid 2003 the literature review on consumers' attitudes towards sustainable food products was carried out according to the guidelines provided by the Belgian team. It was found that a remarkable wealth of data is available on consumer attitudes and trends. Several sources with very goof primary data of panel- and marketing research were identified (in particular the data of GfK Nuernberg). The accessibility of consumption data and databases from primary research was examined. It was found that most data on consumer attitudes and trends are commercial and only available at a very high cost or not at all. As a whole approx. 80 articles and books on consumer attitudes and behaviour have been screened. All literature data have been compiled in an MS ACCESS data bank.

National report

A report on consumer attitudes and behaviour towards sustainable food products in Germany was written. The report reflects a very substantial literature database. It follows the guidelines and format included in the methodology, developed by the Belgian team.
The topics covered in the review included consumer attitudes to

- food in general,
- food production systems,
- specific market channels,
- specific product attributes like food safety and food labelling.
- definition of sustainability for food products,
- consumers of sustainable food products (values, needs and motivations; information, knowledge and uncertainty
- socio-demographic profile of consumers (typology: environmentally orientated group; privileged group; ambivalent traditionalists; "People who can't cope" / underprivileged); reference is being made to

- attitudinal aspects
- socio-demographic aspects
- "milieus"
- consumption styles

Other themes are:

- barriers for consumption of sustainable food products,
- possibilities to remove barriers, and
- strategies to stimulate sustainable consumption.

The discussion about the provisional WP3-results and the comments from the WP3 coordinator (the Belgian team) were used to improve and fine-tune the report and to fill some gaps.

***Table 3.7.3*** *Person-months per participant (P) and per subcontractor (S) per Work package 3 task as in the TA and in 2003*

| Task | Technical Annex | | 2003 | |
|---|---|---|---|---|
| | *P7* | *S7* | *P7* | *S7* |
| 3.1 WP Methodology | | | | |
| 3.2 Desk study (literature review) Germany | 1,00 | 0,25 | 1,30 | 0,25 |
| 3.3 Meeting (Cheltenham) | 0,25 | | 0,25 | 0,25 |
| 3.4 National report Germany | 0,50 | 0,25 | 0,80 | 0,25 |
| 3.5 WP3 synthesis report | | | | |
| | | | | |
| Total | 1,75 | 0,50 | 2,35 | 0,75 |

*WP4: Case study methodology*

Feedback has been given on a draft case-study methodology to the Italian team that is coordinator of WP4. The inputs related in particular to the question of the classification of sustainable FC, the actual case-study methodology, and the criteria to be used for case-study selection.

***Table 3.7.4*** *Person-months per participant (P) and per subcontractor (S) per Work package 4 task as in the TA and in 2003*

| Task | TA | | 2003 | |
|---|---|---|---|---|
| | *P7* | *S7* | *P7* | *S7* |
| 4.1 Draft methodology | | | | |
| 4.2 Pre-Selection of cases | 0,25 | 0,25 | 0,25 | 0,25 |
| 4.3 Meeting | 0,25 | 0,25 | | |
| 4.4 Final case study methodology | 0,25 | 0,25 | | |
| 4.5 National case-study research plans | 0,25 | 0,25 | | |
| | | | | |
| Total | 0,75 | 0,75 | 0,25 | 0,25 |

*WP8: Dissemination and feedback*

The first German national feedback seminar was prepared in the period November 2003 - January 2004 and held on the 20 February 2004 in Nuernberg. The overall preparation and coordination of the first national seminar was in the hands of the German sub-contractor ECOZEPT GbR (partner S7). Cooperation and coordination between ECOZEPT GbR and the IfLS worked very well and is promising for forthcoming work.

As a whole the national seminar confirmed the analysis given in the national WP2 en WP3 reports. A report on the national seminar will be written at the beginning of the 2nd reporting period. In addition the results of work packages 2 and 3 are being presented at various conferences and meetings (national and EU level). The idea is to actively engage in relevant national level discourses and to put the Germany SUS-CHAIN work in the centre of the debate.
The feedback received so far is remarkable, and it appears that the project is dealing precisely with the right questions at the right time.

***Table 3.7.5*** *Person-months per participant (P) and per subcontractor (S) per Workpackage 8 task as in the technical annex and in 2003*

| **Task** | **Technical Annex** | | **2003** | |
|---|---|---|---|---|
| | *P7* | *S7* | *P7* | *S7* |
| 8.1 SUS-CHAIN website | | | | |
| 8.2 Dissemination plan | | | | |
| 8.3 National seminar 1 (assessment of phase 1) | 0.10 | 0.25 | 0.05 | 0.10 |
| 8.4 National seminar 2 (assessment of phase 2) | 0.10 | 0.25 | | |
| 8.5 National seminar 3 (assessment of phase 3) | 0.10 | 0.25 | | |
| 8.6 International conference | 0.25 | 0.25 | | |
| 8.7 Scientific book | 1.00 | 1.00 | | |
| 8.8 Final report | | | | |
| | | | | |
| Total | 1.55 | 2.00 | 0.05 | 0.10 |

***Significant difficulties or delays experienced during the first reporting period***

Compared to the TA there are some minor changes that did not and will not hamper the ongoing research activities. The first national seminar in Germany was planned for December 2003 but due to the opportunity to hold it in the framework of the *Biofach* Congress and Fair at Nuernberg it was postponed to February 2004. There were no other significant delays or problems.

***Sub-contracted work during the first reporting period***

The sub-contractors during the first reporting period include ECOZEPT Freising/Montpellier and two minor sub-contracts that related to the compilation of information on particular FSC initiatives (Baerbel Nienhaus, M.A., Dipl.Geogr. Birte Sprenger).

ECOZEPT
3 rue du Cheval Vert
F- 34000 Montpellier
Tel. / Fax : +33(0)467584227
E-Mail: schaer@ecozept.com

Obere Hauptstrasse 29
D- 85354 Freising
Tel.: 08161/41315 Fax: 08161/41325
Website: www.ecozept.com

ECOZEPT Team
Dr. Burkhard Schaer
Claudia Strauch

The two German partners - the IfLS [P7] and ECOZEPT GbR [S7]) agreed to work as partners. Cooperation and coordination between the two partners worked very well in the first year and is promising for forthcoming work. Each partner is responsible for their own tasks as defined in the TA, but crucial issues and decisions will be discussed jointly and both partners will mutually support each others activities (in order to optimise the use the present knowledge of all involved persons).
The activities carried out by ECOZEPT GbR (S7) in 2003 were: assist in the compilation of the start-document for the first project co-ordination meeting (basis for the national WP2 report); writing of parts of the sector analysis's; analysis and writing of several sustainable food supply chains initiatives in Germany; preparations and organisation of the first national seminar (20 February 2004).

Work carried out by ECOZEPT

*Meetings*
In 2003, Ecozept researchers Claudia Strauch and Burkhard Schaer participated at the SUSCHAIN-Meetings in Utrecht (NL) and Cheltenham (UK). In preparation of the Utrecht meeting, the Ecozept contributed to the writing of the start document, foremost on the chapters on "Short characterization of FSC" and "Consumer aspects". Beforehand, a data and literature research was carried out.
The presentation of main start-document results was done jointly by Ecozept and IfLS. During the Cheltenham meeting, Ecozept (Burkhard Schaer) was responsible for the summing up the research interest papers and reported on this topic.

*Research and Reporting*
Ecozept contributed to the WP 2 and WP 3 reports of the German team by data and literature research and analysis. In May and June 2003, a broadly based research on literature and data sources was run. Through internet search engines and through the use of online libraries and university libraries, an overview on actual German literature.
For both reports, the following data and literature sources were scanned:

- Internet research engines: Google, Lycos, Yahoo
- Online data bases of the Technical University of Munich: Agris, Oekonom
- Library catalogues of German Universities: OPAC, LARS.

Furthermore, ECOZEPT collaborators used the data and literature resources of the chair of agro-food marketing of the Technical University of Munich / Weihenstephan (*Fachgebiet für Marktlehre*) and interviewed the chair-holder, Prof. Besch in order to obtain special information on several sub-sectors of the food market.

*National Seminar*
The preparations of the national seminar started immediately after the Cheltenham meeting in October 2003. Development of a mailing list and first concepts of the seminar contents were created. The seminar was planned for the end of November near Bonn in a location that is well-known to the food branch, as the German food marketing body (CMA) is often organizing its seminars there. But, it became rapidly clear that the food branch was not ready to accept such a short-dated planning. Partly because of the Christmas business, that is actually absorbing all manpower and capacities from mid November onwards, we got many negative reactions when trying to invite food chain actors. Finally we took the decision to postpone the seminar and to use the world biggest trade fare of organic products, the BIOFACH in Nuremberg, as a

forum.
During December 2003 the seminar concept was adapted to this new planning.

*Other activities*
All through 2003, Ecozept used contacts with the food branch actors and with researchers to disseminate information about the SUSCHAIN project. Some of the more significant examples:

- February 2003, Augsburg (Germany): Presentation of SUSCHAIN at "Bioland" – the biggest organic farmers union in Germany.
- March 2003, Montpellier (France): Presentation of SUSCHAIN at a colloquium of the food chain research group MOISA. Public: 25 researchers of ENSA and INRA.
- June 2003, Munich (Germany): Presentation of SUSCHAIN at a congress of the Bavarian Ministry of Consumer Affairs and Food Safety. Topic: European Food Safety Concepts. Public: 250 members of Bavarian food administration bodies and food chain actors.
- June 2003 Clermont-Ferrand (France): Presentation of SUSCHAIN at a collo-quium on organic and fair-trade food. Public: 20 postgraduate students and re-searchers of ENITA.
- October 2003, Braunschweig (Germany): Presentation of SUSCHAIN on a work-shop of FAL (Federal research institute for agriculture). Topic of the workshop: Public: 40 scientists and food chain actors

# 4 PROJECT MANAGEMENT AND COORDINATION

Electronic communication and project co-ordination meetings are the key instruments used in the management and co-ordination of the project. According to the Technical Annex *"the participants will meet 6 times. On 3 of the 6 project co-ordination meetings the subcontractors will also be present".* At the first project co-ordination meeting in the Netherlands it was decided that presence of the subcontractors at all 6 meetings would be important for the progress of the project, given the fact that the subcontractors play a specific and crucial role in all phases of the project. In the table below the dates, venues and topics of the 6 project co-ordination meetings are given. All meetings have been or will be held according to the schedule foreseen in the TA.

***Overview of project co-ordination meetings***

| Meeting no. | Date | Venue | Participants | Issues and workpackages to be discussed |
|---|---|---|---|---|
| 1 | 5 – 7 March 2003 | Stadskasteel Oudaen (Utrecht, The Netherlands) | P1 – P7, S1 – S7 | Overall framework of the project (i.e. decision-making structures, communication flows, procedures); Methodology of WP1, 2 & 3; Time table for progress monitoring of WP1, 2 & 3 |
| 2 | 1 – 3 October 2003 | University of Gloucestershire (Cheltenham, UK) | P1 – P7, S1 – S7 | Provisional results of WP2 & 3; Dissemination plan; Preparation of National Seminar 1 |
| 3 | 27 – 30 January 2004 | Pisa, Italy | P1 – P7, S1 – S7 | Provisional set of indicators; Case study methodology; Selection of cases; Time table for progress monitoring of WP5 |
| 4 | 10 - 12 November 2004 | Lausanne, Switzerland | P1 – P7, S1 – S7 | Final set of indicators; Evaluation of case studies; Preparation of National seminar 2 |
| 5 | May 2005 | Riga, Latvia | P1 – P7, S1 – S7 | Comparative case study analysis; Methodology for WP7; Time table for progress monitoring of WP7; Preparation of National seminar 3; Preparation of International Conference; Preparation of Scientific Book |
| 6 | November 2005 | Brussels, Belgium | P1 – P7, S1 – S7 | Evaluation of international conference; Provisional policy recommendations; provisional protocols; Finalisation and evaluation of project; Time table for remaining months |

## *4.1 First reporting period*

### 4.1.1 Project co-ordination meetings

During the first reporting period two project co-ordination meetings were organised. The first meeting was organised by P1 and was held in Utrecht (The Netherlands) on the 5th, 6th and 7th of March 2003. The objectives of this meeting were:

1. To get to know each other (team building)
2. To inform all participants about the scope, contents, objectives and workplan of SUS-CHAIN
3. To be informed (at a general level) about the situation in the participating countries with regard to the topics of the phases 1 and 2 of the SUS-CHAIN project (trends and diversity in the structure and

organisation of food supply chains; trends and diversity in consumer behaviour; sustainability discourses and indicators)

4. To discuss the methodologies of workpackages 1, 2 and 3.
5. To inform all participants about the organisational aspects of the project, such as management structure, communication flows and deadlines for the first reporting period.
6. To agree on and set the dates and venues of the forthcoming project co-ordination meetings.

To achieve the objectives mentioned above, the meeting was organised according the following program:

| **Date** | **Time** | ***Activity*** |
|---|---|---|
| Wednesday 5 March | 09.30 – 10.30 | *Meeting of co-ordinator and WP1 and WP2 co-ordinators to discuss meeting program of day 2* |
| | 10.30 – 11-30 | *Coffee and informal getting to know each other* |
| | 11-30 – 12.00 | *Formal introduction (name, organisation and expectations about the meeting)* |
| | 12.00 – 12-30 | *Overall SUS-CHAIN framework (Han Wiskerke)* |
| | 12.30 – 14.00 | Lunch break |
| | 14.00 – 14.20 | *FSC´s in the Netherlands: trends, discourses and indicators (Dutch team)* |
| | 14.20 – 14.40 | *FSC´s in the UK: trends, discourses and indicators (UK team)* |
| | 14.40 – 15.00 | *FSC´s in Switzerland: trends, discourses and indicators (Swiss team)* |
| | 15.00 – 15.20 | *FSC´s in Italy: trends, discourses and indicators (Italian team)* |
| | 15.20 – 15.40 | Coffee break |
| | 15.40 – 16.00 | *FSC´s in Belgium: trends, discourses and indicators (Belgian team)* |
| | 16.00 – 16.20 | *FSC´s in Latvia: trends, discourses and indicators (Latvian team)* |
| | 16.20 – 16.40 | *FSC´s in Germany: trends, discourses and indicators (German team)* |
| | 16.40 – 17.15 | *First assessment of differences and similarities regarding national trends, discourses and sustainability indicators: linking day 1 to day 2 & 3* |
| | 18.30 - | Dinner |
| Thursday 6 March | 08.30 – 09.00 | Coffee |
| | 09.00 – 10.10 | *Exchange of ideas (presentations of 5-10 minutes per national team) on:*<br>• *What is/are (a) sustainable FSC(s) / food product (s)?*<br>• *What should this project contribute to sustainable FSCs / food products* |
| | 10.10 – 10.30 | Coffee break |
| | 10.30 – 12.30 | *Workpackage 1 (Swiss team):*<br>• *Methodology*<br>• *Discussion about socio-economic sustainability indicators and discourses on ecological sustainability* |
| | 12.30 – 14.00 | Lunch |
| | 14.00 – 15.30 | *Workpackage 2 (Bill Slee):*<br>• *Presentation of draft methodology*<br>• *Comments / questions from participants* |
| | 15.30 – 16.00 | Coffee break |
| | 16.00 – 17.00 | *Meeting of project co-ordinator and WP1, WP2 & WP3 co-ordinators to assess comments of participants on proposed WP1 and WP2 methodology* |
| | 18.30 - | Dinner |
| Friday 7 March | 08.30 – 09.00 | Coffee |
| | 09.00 – 09.30 | *Workpackage 2 (Bill Slee):*<br>• *Presentation of revised (based on participants´ comments) WP2 methodology* |
| | 09.30 – 10.30 | *Workpackage 3 (Guido van Huylenbroeck):*<br>• *Presentation of draft methodology (building upon outcomes of days 1 & 2)*<br>• *Comments / questions from participants* |
| | 10.30 – 11.00 | Coffee break |
| | 11.00 – 11.15 | *Linking WP1, WP2 and WP3: main research challenges for the forthcoming period (Jan Douwe van der Ploeg)* |
| | 11.15 – 12.00 | *Organisational aspects of the SUS-CHAIN project: project planning, deliverables, next meetings, communication flow, etc. (Han Wiskerke)* |
| | 12.00 – 12.30 | *Evaluation of first project co-ordination meeting* |
| | 12.30 – 14.00 | Lunch |

The evaluation of the meeting showed that in general the meeting was considered to be successful in terms of realising its objectives. However, three issues of concern were raised by the participants:

1. The focus and direction of the project was considered to be unclear, especially in terms of the kind of food supply chains to be studied (i.e. what is to be understood by 'new' food supply chains) and the relation with rural development.
2. The role of the different participants (in particular of the subcontractors) was considered to be unclear, specifically in terms of their ambitions for this project.
3. The size of the consortium (on average 4 participants per country) makes it difficult for everyone to be involved in plenary discussions.

The following remarks and promises were made by the co-ordinator to resolve these issues:

1. For the state-of-the-art analysis (in particular WP2) the full scope of food supply chains (ranging from local artisanal chains to international industrialised chains) should be topic of investigation. Only upon a complete overview a decision can be made regarding the kind of food supply chains to be studied in-depth by means of the case studies. This implies that the focus of SUS-CHAIN will become clearer as the project proceeds. With respect to the issue of rural development, the focus should be on agriculture-based rural development. This means that the (potential) impact of new food supply chains will be assessed on the basis of indicators such as (re)distribution of value added, farm family income (direct and indirect impacts), rural employment, etc… .
2. All contractors and subcontractors are requested to write a brief 'research interest paper', specifying their specific expertise for the project, the (theoretical, methodological or practical) aspects / questions they would like to focus on, the role they would like to fulfil in the project and the ambitions they have with / for SUS-CHAIN. These research interest papers are to be written before the second project co-ordination meeting, where they will be discussed.
3. The forthcoming meetings will be organised in such a way that discussions will take place in smaller groups. Plenary sessions will be devoted to presentations of deliverables and results of group discussions.

The second project co-ordination meeting was organised by P2 and held in Cheltenham (UK) on the 1st, 2nd and 3rd of October 2003. The objectives of this meeting were:

1. To discuss the provisional results of WP2, especially with regard to the differences and similarities between countries.
2. To be informed by P2 on how to finalise the WP2 national reports.
3. To discuss the second stage of the WP3 methodology (i.e. guidelines for the national reports)
4. To discuss the WP1 update on profile and performance indicators.
5. To discuss the research interest papers prepared by all contractors and subcontractors.
6. To discuss the dissemination plan.
7. To prepare the first national seminars.

To achieve these objectives, the meeting was organised according the following program:

| **Date** | **Time** | **Activity** |
|---|---|---|
| Wednesday 1 October | 12.30 – 14.00 | Lunch |
| | 14.00 – 14.10 | Welcome & practical information (Bill Slee) |
| | 14.10 – 14.20 | Introduction to the programme (Han Wiskerke) |
| | 14.20 – 14.45 | WP2 – main issues and themes (Bill Slee) |
| | 14.45 – 15.30 | WP2 – Issues/themes & bottlenecks for and drivers of change (all)<br>Discussion in groups |
| | 15.30 – 16.00 | Coffee / tea break |
| | 16.00 – 16.45 | WP2 – Issues/themes & bottlenecks for and drivers of change (all) |
| | 16.45 – 17.15 | WP2 – Plenary presentation of outcomes of discussion groups |
| | 17.15 – 17.30 | WP2 – Reflection on main issues/themes, etc (Bill Slee) |
| | 19.00 – | Dinner |
| Thursday 2 October | 09.00 – 10.45 | WP3 data sets & format for national reports<br>(Guido van Huylenbroeck / Anne Vuylsteke) |
| | 10.45 – 11.15 | Coffee break |
| | 11.15 – 12.30 | WP1 update on profile indicators (Swiss team) |
| | 12.30 – 14.00 | Lunch |
| | 14.00 – 15.45 | SUS-CHAIN goals, research interests & role of (sub)contractors (all)<br>Discussion in groups followed by brief plenary presentations |
| | 15.45 – 16.15 | Coffee / tea break |
| | 16.15 – 17.00 | WP8 dissemination plan (Talis Tisenkopfs) |
| | 19.00 – | Dinner |
| Friday 3 October | 09.00 – 10.45 | WP8 national seminars (all)<br>Discussion in groups followed by brief plenary presentations |
| | 10.45 – 11.15 | Coffee break |
| | 11.15 – 12.00 | SUS-CHAIN planning (Han Wiskerke) |
| | 12.00 – 12.30 | Evaluation of the meeting (all) |
| | 12.30 – 14.00 | Lunch |
| | 14.00 – | Departure of participants |

Overall the meeting was evaluated positively. Several suggestions for improvement were made:

1. When organising group discussions, parallel groups should not discuss the same topic / theme, but rather different topics. This will increase the efficiency and output of the project co-ordination meetings.
2. To spend more time on theoretical debates, preferably by devoting at least half a day at the next meeting to the different theoretical approaches SUS-CHAIN is build on.
3. To include an excursion in the meeting program, so all participants can see (and taste) the empirical realities of SUS-CHAIN in different territorial settings.

These suggestions will be taken on board when preparing the program for the third project co-ordination meeting.

### 4.1.2 Other meetings

In addition to the project co-ordination meetings other kinds of meetings have been held during the first reporting period:

- Workpackage co-ordination meetings
- National co-ordination meetings

Workpackage co-ordination meetings

The SUS-CHAIN co-ordinator had short meetings with two of the workpackage co-ordinators:

- A meeting on 30 August in Utrecht (The Netherlands) with the WP8 co-ordinator to discuss and

elaborate the dissemination plan.
- A meeting on 9 November in Utrecht (The Netherlands) with the WP4 co-ordinator to exchange ideas on the contents, focus and outline of the first draft of the case study methodology.

National co-ordination meetings
At national level the research teams (contractors and subcontractors) have met on a regular basis to discuss the progress of the research activities and to decide on the allocation of tasks and responsibilities. The frequency, contents and objectives of these meetings differ per country.

### 4.1.3 Electronic communication

From the very start of the project the habit to send draft and final versions of workpackage methodologies, national reports and synthesis reports to all project members by e-mail has been internalised and respected by all project members. The same holds true for commenting on drafts. All in all this demonstrates the active involvement in and commitment to the project.
In the near future electronic communication will be organised in a slightly different manner, namely through a restricted access area on the SUS-CHAIN website.

# 5 EXPLOITATION AND DISSEMINATION ACTIVITIES

## 5.1 First reporting period

During the first reporting period the national seminars were the most important dissemination activity. Another dissemination activity that was carried out during the first reporting period were the preparation of a workshop on 'food supply chains and rural development' for the 11th World Congress of the International Rural Sociology Association (IRSA). Several project members have submitted abstracts for this workshop, which will be held in Trondheim (Norway) from 26 to 30 July 2004. The German subcontractor has given several presentations about SUS-CHAIN in Germany and France in 2003.
During the first reporting period no scientific papers, resulting from the project, have been published. These are foreseen for the 2nd and 3rd reporting period. As mentioned in other chapters of this progress report, the construction of the project's website has been delayed.

### 5.1.1 National seminars (WP8)

As part of workpackage 8 (dissemination and feedback) each national team was obliged to organise a seminar for a multiple target audience (e.g. FSC actors, scientists, policy-makers, interest groups, other stakeholders) during the first reporting period to present and get feedback on the provisional results of workpackages 1, 2 and 3. According to the TA these seminars were supposed to be held in November / December 2003, i.e. at the end of the first reporting period. Mainly due to logistic difficulties, the national seminars in the Netherlands, the UK and Germany were postponed to January or February 2004. We will therefore only discuss the national seminars held in Switzerland, Italy, Belgium and Latvia.

**National seminar Switzerland**
The Swiss national seminar took place in Bienne on the 2nd of December 2003. Of the 40 persons invited 25 participated in the seminar, mainly from the French speaking part of Switzerland. The two representatives of the retailers both cancelled a few days before the meeting.
The meeting had 5 highlights:

1. a presentation of the project, its objective and expected results;
2. a workshop on the perceived sustainability of food supply chain in Switzerland;
3. a workshop on the drivers of change affecting food supply chains in Switzerland (PEST analysis);
4. a presentation of the main results in the other countries involved in the project;
5. the identification of initiatives and their positioning on the grid developed in WP1 to analyse the diversity of food supply chains.

The participants mentioned that large retailing is a reality with which producers must live. They must be able to provide these outlets efficiently and producers' organisations should be able to master the infrastructure and logistics needed to supply them. On the other hand, the question was asked, is it a fatality:

- that the larger retailing chains should grow ever bigger at the expense of other forms ?
- that the raw material is ever less valued (or rather that the value of the raw material represents ever

less in the final price of a product ?)

How and where are the levels to slow this process? What initiatives bring in new factors and elements in relation to these general tendencies? Answering these two questions could, according to the seminar participants be a major contribution of the SUS-CHAIN study!

Another issue mentioned by the participants was that the alternative channels of distribution, even if they remain marginal, often impact (influence) the main stream distribution channels, and therefore their impact is higher than their market share indicates: the alternative supply chains may often be considered as "trials" for the "main stream".

Some conclusions drawn by the Swiss team:

- Participation was generally satisfactory. Most participants were interested and will continue to follow the progress of the study.
- Sadly, even though the meeting was located on the linguistic border, very few participants were from the German speaking part of the country. An effort for the second and certainly for the third national seminar should be made to translate certain documents into German and to get the full collaboration of the German speaking counterparts (LBL).
- The majority of the participants were from the scientific community, the authorities or representatives of "alternative" supply chains (proximity and/or "terroir"). The representatives of two of the main large retailers and of the main stream marketing organisation showed interest, but had to cancel their participation at the last minute. They have asked to be kept informed.

**National seminar Italy**

The Italian seminar was held on the 16th of December in Florence and was organised by the Italian subcontractor. A total of 30 persons participated in the seminar. These included representatives from the following stakeholder groups:

- Farmers' unions
- Producers' associations
- Environmental associations
- Local Administrative bodies
- Research centres
- Consumers' associations
- Producers and retailers

The seminar was divided into 6 sessions around key questions, each introduced by an "ice-breaker":

1. What are the main factors affecting at this moment the development of agro-food systems in Italy?
2. What are the elements that mainly give substance to the concept of sustainability in relation to food production?
3. What is your overall judgement on performance of Italian agro-food system, in relation to sustainability?
4. What are the most significant initiatives towards sustainability in Italian food supply-chains?
5. What are the main obstacles to a significant extension of success experiences in the achievement of sustainable food-supply chains?
6. To what extend agro-food policies could benefit the spread of success experiences in the fulfilment of sustainable food supply-chains?

The main conclusions of the seminar can be summarised as follows:

- There is a demand for scaling up sustainable chains
- There is a need of taking into consideration contradictions in the concept of sustainability
- It's important to develop understandable indicators of sustainability

- Agricultural policies are of great importance for the development of sustainable food supply chains
- Consumers are active players in building sustainable food supply chains
- The power of communication in producers-consumers relations should be topic of study

**National seminar Belgium**

The Belgian seminar took place on the 15th of December in Strombeek, near Brussels. The Belgian team invited 40 people and organisations, from the different stakeholders groups. A total of 20 persons actually participated in the seminar. All types of stakeholders were represented, though not evenly. There was a good representation of the organic sector, with producers, processors and retailers and of NGO's and farmers organisations or extension services and a fair representation of government institutions. All these people attending the seminar were highly motivated and interested in the subject. There was a weak representation of the scientific community and the retail sector. Several scientists were interested to come, but had schedule problems and had to cancel at the last moment. They remain interested and will be kept informed. The retailers are a different story. One consultant working for a big retailer attended, another representative was interested, but could not attend the seminar and the others did not reply even after the Belgian team insisted. It remains a challenge for the project to get the retailers interested in our work.

The seminar started at 10 a.m. with a brief presentation of the project and the results of WP2. The rest of the day was spent on group work on four main themes that were selected beforehand. Participants were informed about the themes in the invitation letter, but the questions had not been given in advance. The themes were:

- key elements of sustainable food chains;
- relation between short and small FSC's and long FSC's;
- relations within food chains;
- influence of policy and regulations.

The Belgian national seminar resulted in the following conclusions:

- In the seminar there was a clear focus on prices and transparency and fair relations within food chains. Every party in the food chain should get a decent price. This was also felt as one of the main problems at this moment, especially in long food supply chains. In most of the cases, farmers do not get a fair price, they have no negotiation power and can easily be replaced by another producer.
- There is al lack of cooperation between producers, most of them are rather reluctant to cooperate with others and therefore producers remain powerless in the food supply chains.
- Consumers and prices were considered as an important issue. Food in general is too cheap and compared to that, sustainable products are relatively expensive. If consumer have a choice for very cheap products, most of them are not willing to pay a lot more for a better product. Belgian consumers show no preference for local produce and have little or no consciousness about quality and taste.
- Sustainable products have to be present in supermarkets. They cannot be sold completely separately. Small alternative initiatives have a role to play to introduce the produce to the consumer, but consumer only keep buying if it is available everywhere. Supermarkets are well aware of the potential of sustainable products and of the fact that they need a specific strategy. They have initiatives on sustainable products, also locally bought, but this is very much a one way process: they search for producers and they set the rules.

The first national seminar in Belgium was very much aimed at getting input from the stakeholders. For the next seminars a balance between input from them and offering them something interesting needs to be ensured. This will be possible after the case studies. The European scale of the project should make it possible to present some interesting cases from other countries or some European comparison and

analysis. The Belgian team concluded that it is important to keep stakeholders informed also in between the national seminars. The project website could be a tool for that, but the Belgian subcontractor also proposes a regular e-mail newsletter to the stakeholders. Finally the Belgian team noticed that elements discussed by the project consortium at the project co-ordination meetings in Utrecht and Cheltenham also came to the fore at the national seminar. An example is the discussion on the 95% versus the 5%.

**National seminar Latvia**

The first National Seminar in Latvia was organised on 26th of November 2003. It took place in a rural conference centre outside Riga. In total, 40 participants representing different stakeholder groups were invited to the seminar. Despite the organisational and promotional efforts of the Latvian team, only 7 persons of 40 invited actually arrived. This low participation rate (20%) can be explained by several reasons:

1. Low turnout could be an indication of weak mutual communication between actors in the chains – an assumption greatly proved during seminar discussion.
2. This could be also an indication of misunderstanding or scepticism towards scientific research, which exists among food supply practitioners. However, the participants in their evaluation questionnaires stated that seminar was a good and rare opportunity to bring different stakeholders together.
3. The third hypothetical reason for low participation is related to relatively high positions that invited persons occupy in their organisations. These people are often invited to different meetings, might be "fed up with meetings", and might have experienced time constraints to participate. Later it turned out that another important agricultural meeting was held the same day in Riga.
4. The fourth aspect which might have reduced participation was locating the seminar outside Riga. It is characteristic for Latvia that decision-making is concentrated in the capital city, and joint agricultural meetings usually take place in Riga. The Latvian team supposed that bringing people outside in a comfortable conference venue might be stimulating for open discussion; however they did not expect that involved travel would reduce participation so drastically.
5. Finally the Latvian team concluded that they should have made more effort to urge participation – reiterate invitations, make telephone calls and checks – a lesson for the next seminar.

However, representation of stakeholders can be evaluated as sufficient from the point of view of diversity of actors: among the seven participants there was a representative of the Consumers' organisation, the Ministry of Agriculture, Agricultural Market Promotion Centre, LABAO (Latvian Association of Biological Agriculture Organisations), Biological Farmers' Cooperative, The Latvian Trade Association and a scientific institute of the Latvian University of Agriculture.

The outcomes of the seminar in terms of the main issues characterising the current performance of FSCs in Latvia, can be summarised as follows:

- The food supply chain concept, the role and potential of food supply chains in rural development are quite unfamiliar both for the society at large and the involved institutions and food chain actors/ stakeholder groups in particular;
- The communication between the institutions and chain actors is rather weak. Every participant in the chain perceives its action from the position of competition and neglects itself as an element of the whole chain; cooperation between chain actors is quite undeveloped;
- The involved chain actors try to maximize their profit irrespectively of their impact on other actors and opportunities of balanced future development of all FSC elements;
- The fragmentation of the chain actors can be regarded as the bottom line problem in food chains in Latvia. Despite to this, practically there are no measures and policies that would bridge this gap and

this harms agricultural production, processing and marketing as a whole;
- Development of sustainable food supply chains is hampered by a lack of information about sustainable production, lack of motivation to change, scarcity of financial means to re-orient towards fulfilment of increased quality demands as well as psychological factors and fear from the unknown;
- One may foresee, that in the few next years food supply chains will be substantially changed as a result of Latvia's accession into the EU, adjustment to the single market, and as a result reform of approaching common agricultural policy. Regardless of the forthcoming changes and the reform, the majority of chain actors underestimate the foreseeable changes and might be unready (unprepared) to face them;
- In order to facilitate involvement of stakeholders in improving food chains (and their engagement and cooperation with SUS-CHAIN project), it is necessary to start discussion in the agricultural society and beyond in a broader society about performance of food supply chains, thus raising public awareness and level of information as well as increasing interest of policy institutions, producers, processing industry, retailers and consumers in development of sustainable food chains.

Despite the low participation rate, the Latvian seminar was evaluated positively, by the stakeholders involved as well as by the Latvian SUS-CHAIN team.

**National seminars: a brief reflection**

The national seminars have proven to be a valuable tool for the SUS-CHAIN project. Dissemination of provisional results to and getting feedback from different kinds of stakeholders is considered to be an important means to validate and/or adapt research findings as well as to create commitment for and involvement in the project. For the forthcoming national seminars, it will be important to benefit as much as possible from the European scope of this project; i.e. stakeholders in different countries have emphasised that they are very interested in the socio-economic dynamics of food supply chains and in food supply chain approaches / configurations in other countries. Exchanging this kind of information is likely to be an asset of this project and a crucial strategy to maintain stakeholders´ commitment. For the forthcoming years it will, however, be a challenge to get the ´big players` (retailers and food processing industry) involved.

## 5.1.2 Scientific conference

In September 2003 a call for submitting proposals for workshops was launched by the program chair of the XI$^{th}$ World Congress of Rural Sociology. The SUS-CHAIN co-ordinator submitted a workshop proposal entitled The contribution of new food supply chains to sustainable rural development (See Annex 5c). This proposal was accepted and from October 2003 onwards abstracts for workshop presentations could be submitted. The following abstracts derived from SUS-CHAIN, which were accepted by the workshop convenors, were submitted by members of the SUS-CHAIN consortium:

1. The role of food supply chains in rural development: practices, policies and theories (Han Wiskerke)
   In recent years the shape and contents of food production and consumption have undergone drastic changes. Issues of food quality and safety, consumers' trust and sustainable rural development have emerged as central concerns in the future development of food and farming at European level. These concerns are likely to lead to different outcomes in different countries, conditioned partly by the different structures and co-ordination mechanisms of food supply chains, but also shaped by the nationally and regionally distinctive demands and the different disturbances and crises that have become a common feature of the agro-food system in developed countries. This paper aims to give an

overview of differential empirical expressions of food supply chain dynamics in the context of current political and scientific debates about the future direction of change in the agro-food sector and the connection between food supply chains and sustainable rural development.

2. Conceptual and methodological issues in studying the role of Alternative Food Networks in Rural Development (Henk Renting)

   In recent years an interesting debate has emerged concerning the (potential) role of new food supply chain initiatives (termed Alternative Food Networks by others) in delivering wider goals of sustainable agriculture and rural development. This debate is exemplified by special issues of journals like Sociologia Ruralis (October 2000 and October 2002), Journal of Rural Studies (January 2003) and Environment & Planning A (February 2003). The innovative nature of the debate lies in its contribution to new conceptual approaches for understanding the distinctive characteristics of new producer-consumer linkages within a generally anonymous and globalised agro-food system, but also in the fact that it is increasingly based on a rich variety of emprical case-studies and data-sets. This paper aims to further advance the debate on AFNs by raising a number of key conceptual and methodological issues in studying their role within wider sustainable rural development. More specifically two issues will be addressed: 1. how can the 'consumer-side' of AFNs be included more convincingly in the study of new food supply chains, both conceptually and methodologically? 2. To what extent is there evidence that AFNs actually represent the emergence of a new model or paradigm of rural development? In the discussion of these two issues ample reference will be made to a range of empirical case-studies of AFNs throughout the European countryside.

3. An overview of the dynamics & diversity of FSCs in Europe in relation to their institutional setting (James Kirwan, Bill Slee & Carolyn Foster)

   This paper reports on the results of Work Package 2 of the EU-funded project Marketing sustainable agriculture: an analysis of the potential role of new food supply chains in sustainable rural development (SUS-CHAIN). In providing a synthesis of the seven individual partner country reports (the Netherlands, Belgium, UK, Germany, Italy, Switzerland and Latvia), it describes the 'state of the art' with respect to our understanding of the socio-economic dynamics, socio-institutional settings, and diversity of food supply chains (FSCs) in Europe (as represented by the countries within the SUS-CHAIN project) with regard to their sustainability and transparency. More specifically, it identifies the main similarities and differences between the partner countries in relation to these topics, and highlights the major bottlenecks to, and opportunities for, enhancing the capacity of FSCs to contribute towards sustainable rural development. In so doing, it provides an important macro-level context within which to situate subsequent in-depth case studies at a meso- or micro-level. The observable differences between the partner countries also raise both empirical and theoretical challenges. The principal empirical challenge is that of ensuring that the data from the respective countries are broadly comparable. The principal theoretical challenge is to explain the apparent differences by reference to extant social and economic theory. Market economics, institutional economics, political economy and actor network theory have all been used to explore elements of change in agro-food systems, and their capacity to explain differences in FSCs between the countries involved in the SUS-CHAIN project will be explored within this paper.

4. Consumer behaviour towards sustainable food products (Anne Vuylsteke, Isabelle Vackier, Wim Verbeke and Guido van Huylenbroeck)

   During recent years, European agriculture encountered several problems and crises that adversely impacted both producer and consumer well-being. These events led to diverse consequences, such as the attention of the government for food safety and quality and changes in production processes. Many

farmers and other actors in the food supply chain searched for alternative production methods and marketing channels in order to better meet the changing consumer demand. The consumer plays hereby a very important role as he decides which products are bought. The aim of this paper is to explore and analyse consumer attitudes, concerns and motivations to buy sustainable food products. The first part of the paper gives an overview of existing consumer research and results based on a literature review performed in seven European countries. The consumer behaviour model of Jager (2000) is used as conceptual framework. This model states that the purchase or consumption of a product results from a decision-making process in which behavioural control, needs and motivations and finally the uncertainty about information and knowledge are crucial concepts. The second part of the paper discusses the barriers for consumption of sustainable food products. Consumers often have a positive attitude towards this type of products, but this will not necessarily result in the consumption or purchase of the products, as was illustrated by the conceptual framework. Third, potential strategies to help consumers overcoming these barriers are set forth. The insights from this paper allow providing possible measures and strategies to increase the consumption of products coming from alternative food supply chains and consequently yield sustainable rural development.

5. Communicating research results to the actors in food supply chains (Talis Tisenkopfs)
   The paper will discuss collective experience of an ongoing EU research project 'Marketing Sustainable Agriculture: An analysis of the Potential Role of New Food Supply Chains in Sustainable Rural Development (SUS-CHAIN)' in disseminating research findings to the policy community and actors in food supply chains (FSC). Apart from scientific analysis of performance of food supply chains in seven countries (The Netherlands, Germany, Italy, Belgium, Switzerland, UK, and Latvia) SUS-CHAIN project is also aimed at participatory elaboration of policy recommendations and use of interactive methods in knowledge dissemination. For this purpose national teams have undertaken regular consultations with different stakeholders in FSC: academia, politicians, consumer organisations, extension services, farmers, retailers, processing industry, etc. These consultations are carried out in a series of national dissemination seminars, which present a mechanism of valorisation of scientific findings, steering the further research, elaboration of policy advice. Empirically the paper will be based on analysis of reports regarding organisation of national seminars. These documents include: the general characterisation of dissemination seminars; the content of seminar discussions (stakeholder opinions regarding 1/ functioning of FSC, 2/drivers of change in FSC, 3/major trends in development of FSC, 4/ new initiatives towards sustainable food chains); main results achieved during the seminars; suggestions for further research and co-operation with researchers; seminar evaluation by stakeholders; researchers own reflections. Analysis of these documents and experiences will allow recapitulating the efficiency of national seminars as interactive tool in knowledge dissemination and their role in improvement of FSC stakeholders' communication.
6. Trust, embeddednes, quality: toward a 'radical marketing' approach to local food (Gianluca Brunori)
   Local food products are increasingly recognised as symbols representing the territory to the outside world, and by this way they facilitate the establishment of links to global networks. Recognition of the importance of these links has generated a big amount of experience on strategies of territorial marketing based on local food. These strategies challenge the conventional approaches to marketing, as they start from an alternative conception of quality and of consumers. This paper is a contribution to build a theoretical framework for an appropriate marketing approach, here called 'radical marketing'. In particular, it focuses on the process of valorisation - which includes efforts to generate awareness of the existence of an outstanding local product, codification of traditional production methods into technical rules and organisational arrangements and communication to the outside world – as crucial to

link local food products to rural development. The paper describes the process of valorisation of a product, raw sheep milk cheese in Pistoia mountains, and analyses its impact on rural development of the area. The peculiarities of the case are related to the fact that the product, whose legality in terms of hygiene and safety had been put into discussion by health authorities which were suspicious on raw milk, has undergone a huge commercial success thanks to the ability of producers to create a strong web of relations both internally and to the outside, and in particular to consumers. In particular, the role of Slow food, an outstanding NGO whose mission is to improve the culture of food and the value of taste against the excesses of industrialisation and technical regulation, is put into evidence. Drawing on the case, the paper also discusses theoretical issues related to embeddedness, trust, and food quality.

7. Why Economists need Sociologists for analysing the organisational choices of local collective food alliances (Jean-Marc Chappuis, Sophie Réviron and Dominique Barjolle)
   This paper is to show how New Institutional Economics (NIE) provides very powerful concepts for the understanding of how actors select the organisational pattern of their collective initiative for marketing labelled food products. However, among the different organisational structures that are economically possible, the final selection is often not "optimal" from a strict economic perspective. Sociology offers a complementary approach, through which the actors' non-economic goals, the organisation's dynamics, the relationships between the actors and the organisation, and the evolution of the initiative over time can be taken into account. This multidisciplinary approach is very promising for identifying success factors for the new initiatives. Our presentation is illustrated by Swiss case-studies.

In addition to these abstracts another twenty abstracts (covering food supply chains in other European countries, North and South America, Asia and Australia) have been accepted. This will allow us to position SUS-CHAIN in a global context and learn (empirically, methodologically and theoretically) from other experiences. A selection of the best papers will be published in a scientific book, edited by the workshop convenors.

### 5.1.3 Public presentations

The subcontractor of P7, Ecozept, used its contacts with the food branch actors and with researchers to disseminate information about the SUSCHAIN project. The following presentations were given by staff members of Ecozept in 2003:

- February 2003, Augsburg (Germany): Presentation of SUSCHAIN at “Bioland” – the biggest organic farmers union in Germany.
- March 2003, Montpellier (France): Presentation of SUSCHAIN at a colloquium of the food chain research group MOISA. Public: 25 researchers of ENSA and INRA.
- June 2003, Munich (Germany): Presentation of SUSCHAIN at a congress of the Bavarian Ministry of Consumer Affairs and Food Safety. Topic: European Food Safety Concepts. Public: 250 members of Bavarian food administration bodies and food chain actors.
- June 2003 Clermont-Ferrand (France): Presentation of SUSCHAIN at a colloquium on organic and fair-trade food. Public: 20 postgraduate students and re-searchers of ENITA.
- October 2003, Braunschweig (Germany): Presentation of SUSCHAIN on a work-shop of FAL (Federal research institute for agriculture). Public: 40 scientists and food chain actors

### 5.1.4 Website

The project's website (www.sus-chain.org) will be launched during the second reporting period. It will have the following structure:

1. Introduction (summary of the project)
2. Workplan
   - Description of the structure of the project
   - List of deliverables
   - List of milestones
   - Description of workpackages
3. Participants
   - Team 1
     a. Contractor
        i. Description of the organisation and its role in the project
        ii. Personnel involved (short CV´s)
     b. Subcontractor
        i. Description of the organisation and its role in the project
        ii. Personnel involved (short CV´s)
   - Team 2
   - ….
4. Publications
   - SUS-CHAIN reports (deliverables for public dissemination: downloadable as PDF file)
   - Other publications
5. News
6. Links
7. Restricted access area for internal communication

The SUS-CHAIN website will be constructed and updated by Wageningen University (P1).

# 6 ETHICAL ASPECTS AND SAFETY PROVISIONS

No ethical problems occurred during the first reporting period. Given the nature of the project, no ethical problems are foreseen for the forthcoming reporting periods. The same holds true for safety provisions.

# 7 ANNEXES

1a Format for start-document (WP1)

1b Development and fine-tuning of performance indicators (WP1)

1c Format for description of FSC initiatives (WP1)

2 Methodology for macro-level analysis of food supply chain dynamics and diversity (WP2)

3a Methodology for collecting data for desk-study on consumers´ attitudes towards sustainable food products (WP3)

3b Methodology for desk-study on consumers´ attitudes towards sustainable food products (WP3)

4a Draft methodology for case studies (WP4)

4b Guideline for brief case study description (WP4)

5a Dissemination methodology (WP8)

5b Guideline for reporting about national seminars (WP8)

5c Description of workshop for the XI$^{th}$ World Congress of Rural Sociology (WP8)

# Annex 1a Format for start-document (WP1)

Rudolf van Broekhuizen & Han Wiskerke
Wageningen University – Rural Sociology Group

**Introduction**

All national teams have to prepare a document for the first SUS-CHAIN meeting in Utrecht and have to send this document to us by e-mail before the 1st of March. This will give us sufficient time before the meeting to read and compare the different documents, which will enable us to prepare the meeting. These documents will have to support the discussions on:

a) the direction of the project
b) the content and approach of the Workpackages 1,2 and 3 and
c) to get acquainted with the ideas and opinions of each other.

The title of the project "Marketing sustainable agriculture: an analysis of the potential role of new food supply chains in sustainable rural development" raises questions concerning the more precise definition and direction of the project. Required is amongst others a shared notion and understanding of what we mean with the concept 'sustainable' and 'new' Food Supply Chains (FSCs) and how we see the relation between FSCs and 'rural development' (RD). After all, it is impossible to study all the aspects of FSCs.

This first document should not comprise a thorough and detailed analysis but an introduction to major debates and main trends regarding FSC, RD and sustainability in the different countries. It may show gaps, uncertainties and questions, which will be dealt with in Workpackages 1, 2 and 3.

**Format for the document (± 10 pages):**

1. General orientation (± 1 p.)
   a. How do you see the relation between FSC and RD?
   b. What do you conceive as 'new' FSC?
2. Short characterisation of FSC´s in your own country (± 3 pp.):
   a. The organisational structure of FSC (e.g.: the relation industrial FSC - artisan FSC; position primary producers compared to other links in the chain (e.g. distribution of value added); relation between globalisation - (re)-regionalisation).
   b. The institutional setting of FSC (e.g. the relation between State, Market and Civil Society - the triangle of governance).
   c. The sustainability of FSC in terms of a) socio-economic performance and b) ecological sustainability (include the main indicators).
3. Dynamics and diversity (± 3 pp.):
   a. General trends, fields of tension, uncertainties (e.g. new initiatives, organisational forms, politics and regulation, stakeholders´ perceptions, trends regarding transparency and trust).
   b. Major bottlenecks with respect to improving sustainability of FSC.
4. Important aspects of and diversity in consumer attitudes (± 2 pp.).
5. General guiding principles (± 1 p.):
   a. What should sustainable food production, processing and consumption look like in 10 years time?
   b. What and how can this project contribute to this scenario?

Annex: Relevant expertise of your national team (i.e. contractor and subcontractor), including projects, main findings, relevant publications.

# Annex 1b Development of performance indicators (WP1)

Sophie.Réviron & Jean-Marc Chappuis
Institute of Agricultural and Food Economics, ETH

## Introduction

According to to the technical annex, the aim of workpackage 1 is to build up a relevant methodology in order to assess the general performance of food supply chains and analyse case-studies in each country; to identify common features and to propose common recommendations to users and political institutions. To select performance indicators is always tricky. One reason is the technical problems to guarantee that data will be comparable. Another one is that, before making methodological choices, it is necessary to take some principal decisions:

1. The scope of research. Which kind of supply chains do we want to analyse and how to represent their diversity? The WP2 national reports provided a good overview of different types of supply chains in the different countries, but a classification is needed to explore this large field.
2. The kind of performance we consider to be important. During the Cheltenham meeting, it was decided to focus on the farmers' success, which is an indispensable key to sustainable rural development. This decision will have strong effects on the indicators choice.
3. The link to the case-study methodology (WP4). Indicators must be classified by main research themes in order to allow a diagnosis. Before the surveys, it is essential to know what each indicator is for and which kind of result it is expected to provide.

This report is divided in two parts, which are dedicated to two different scopes of analysis:

- Part 1 is dedicated to macro-level analysis. It proposes methods for mapping food sectors and a typology of food supply chains. The main objective is to prepare the case-studies selection and the marketing issues analysis. The secondary objective is to assess the global performance of food supply chains, including conventional products.
- Part 2 is dedicated to case-studies indicators, organised in three themes. It proposes a state of the art on the research question, "profile" indicators which present actors' strategic choices and "performance" indicators, according to defined objectives.

## Mapping and typology of food supply chains

This section is dedicated to the macro-level analysis (WP2). It gives the frame within which initiatives are created and grow. Some specific tools were built in order to better take into account the new structure of food supply chains and the diversity of the marketing strategies. These tools, which were designed for WP2 analysis, will be also useful during WP4 for analysing initiatives marketing issues.

### Mapping of sectors

The classic representation of a sector is based on a horizontal approach that mixes actors at each level of the supply chain (figure 7.1b-1). This traditional representation of the supply chains in sectors has lost its relevance as a large part of the supply chains is now organized in vertical subsystems.

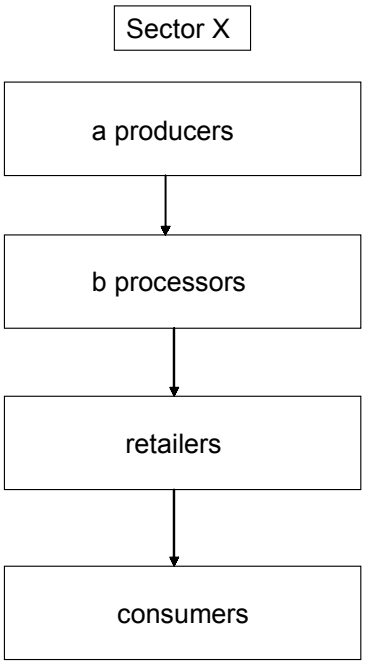
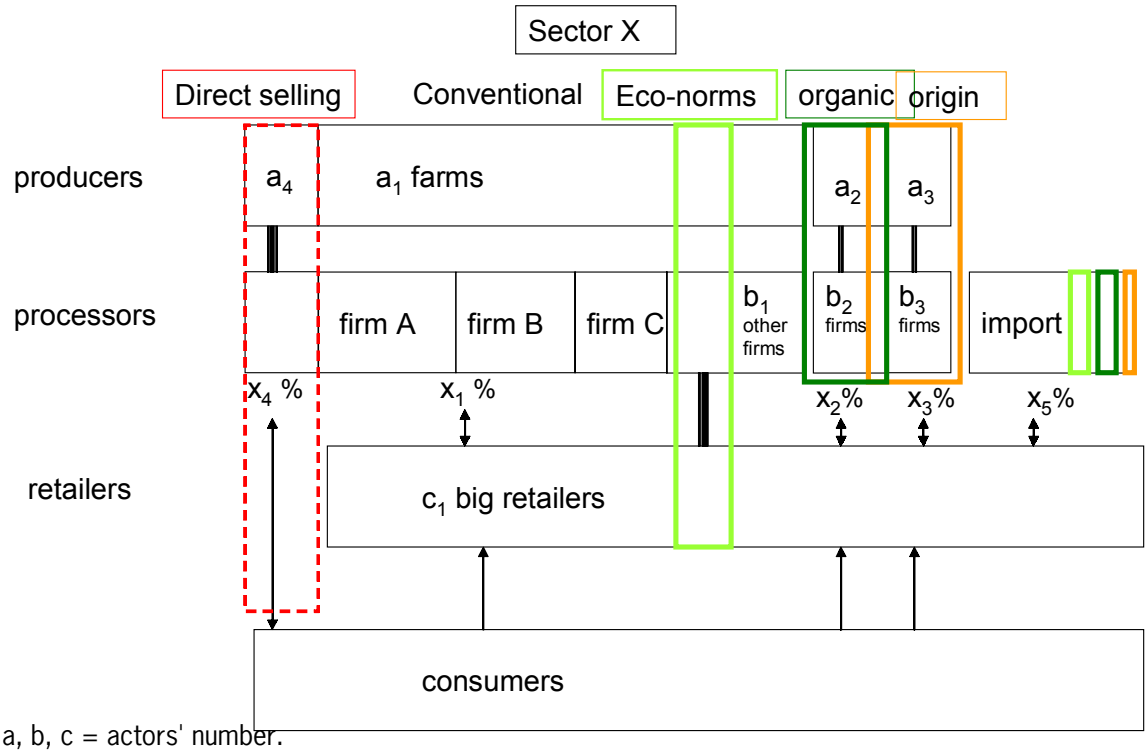



**Figure 7.1b-1 :** Classic representation of a food supply chain (sector analysis)

We propose another point of view that is based on a vertical approach, which groups together actors that are effectively trading. It identifies main firms (channel captains) and competing vertical organisations including imports (figure 7.1b-2).The different systems that are marketing sustainable agriculture products to the consumers are highlighted with different colours.




a, b, c = actors' number.
$x_1$, $x_2$, ... $x_5$ = estimated market shares

**Figure 7.1b-2:** Representation of the competing systems within a sector

**Typology of food supply chains**

The typology of FSCs as proposed in figure 7.1b-3 was inspired by discussions within the Swiss team during summer 2003 regarding the food supply chains configuration (see WP2 national report- section 2). It takes in account the two most important variables of the marketing mix: the product market segment (Product) and the sales channel (Place). The two other variables (Price and Promotion) derive from these major strategic choices.

Crossing these two variables leads to the construction of a typology with 48 possible positions (figure 7.1b-3). Different types may exist together and compete in a sector or a country but in general not all boxes are active, as shown in Switzerland. The market is generally concentrated in the upper left side of the grid but many initiatives are blooming in the lower part of the grid, with a transmission of information about the production process to the consumers.

This grid is useful for identifying competing supply chains in a sector and position initiatives (for comments see WP2- Switzerland report). It may be used too to identify the focus of a national /regional agricultural policy. It will be used for the case-studies selection, in order to verify that the diversity of food supply chains and initiatives is well covered.

transport ← volume

| **channel** / **product market segment** | long Inter-national *import, export* | long national *big retailers* | long national *collective housings* | long national *gastro with wholesaler* | medium *specialised shops* | short collective *restaurants, local shops farmers' markets* | Short individual *direct sales* | extra-short individual *family, relatives, friends* |
|---|---|---|---|---|---|---|---|---|
| conventional generic | | | | | | | | |
| normalised | | | | | | | | |
| eco-labels fair trade | | | | | | | | |
| organic | | | | | | | | |
| artisan (among them PDO/PGI) | | | | | | | | |
| new products | | | | | | | | |

S.Réviron (IER-ETH) & P. Damary (SRVA). Switzerland

**Figure 7.1b-3:** Typology grid of food supply chains

**Global performance of food supply chains regarding sustainability**

It was not possible during work on WP2, to assess the global performance of food supply chains. It was, however, possible to provide some hints and assumptions in section 7 of the WP2-report, which should be

verified during the case-studies analysis. It should not be too difficult, when conducting the surveys of experts and stakeholders to fill survey grids for conventional products /global food supply chains, in order to compare with the evaluation of "new" food supply chains. It would be interesting too to compare the attitude of different types of stakeholders towards the global performance of the food supply chains.

## Profile and performance indicators for case-studies analysis

Case-studies analysis is always risky : we may collect a lot of facts and data without being able to understand each case-study coherence and dynamics. We may produce interesting descriptions that would not be comparable. We may give static representations that are relevant only at the present time and cannot help us to follow the dynamics of the "new" food supply chains during their "life cycle" (birth, key events, possible future). In order to avoid further disappointment, we propose to adopt a very structured approach.

### General approach

The main idea is the following: in order to link indicators to an expected diagnosis, a few relevant themes should be chosen, which focus on the main research questions. These themes should be discussed during the third project co-ordination meeting (Pisa, 28-30 January 2004) in groups. We propose three themes and we have organised the following sections according to these general scheme.

1. Marketing and consumers issues: linked to WP3: choice of the type (product segment/ sales channel) and main competitors; "promises" of sustainability to the consumer, as a marketing argument ; legal aspects of labelling ; promotion strategy; commercial performance; credibility of the promise for the consumers and their associations, transparency, food safety.
2. Organisation and governance of the food systems/networks: initiators, present structure (actors, commercial links/contracts, other links...); history of the organisation, scaling-up process; management of the organisation (technical and commercial), co-ordination mechanisms/conventions, share of the added value and producers' negotiation power within the initiative.
3. Impact on rural development: theoretical links between sustainability, multifunctionality and rural development, credibility of the sustainability promise according to experts / stakeholders, conditions for positive effects of an initiative on rural development.

We propose two kinds of indicators:

1. profile indicators that will help us to represent the organisational and institutional choices of the supply chains;
2. performance indicators that will allow us to assess success or failure according to objectives that are specific / internal (shared by the economic actors) or external (pursued by institutions).

We stressed in the introduction of this report that performance is a normative judgment, which is linked to a set of expected benefits. During the Cheltenham meeting, it was stated that we are mostly concerned by the economic performance of the producers, their negotiation power and their ability to anticipate the future, which are conditions for positive effects on rural development.

This performance is bound to the commercial performance on the market. If the competitive position is poor, there is no wealth to share within the supply chain. This performance (on the left of the figure 7.1b-4), which depends of external context / trends and internal factors of success, may be approached with

classical Marketing and Strategy methods.

Commercial performance on the market does not necessarily imply farmers' success if they have a poor negotiation power in the supply chain. Besides, direct payments may play a major role in determining farmers' incomes and must therefore also be considered.

Farmers' economic success may not have positive effects on sustainable rural development (on the right of the figure 7.1b-4), if there are poor economic, social or environmental contributions to the concerned territory.

This approach leads to an original extended approach of the initiatives performance, which will take in account both the commercial performance and the positive and negative effects of the actors' economic activity. This is coherent with the political concerns of the sustainability concept.

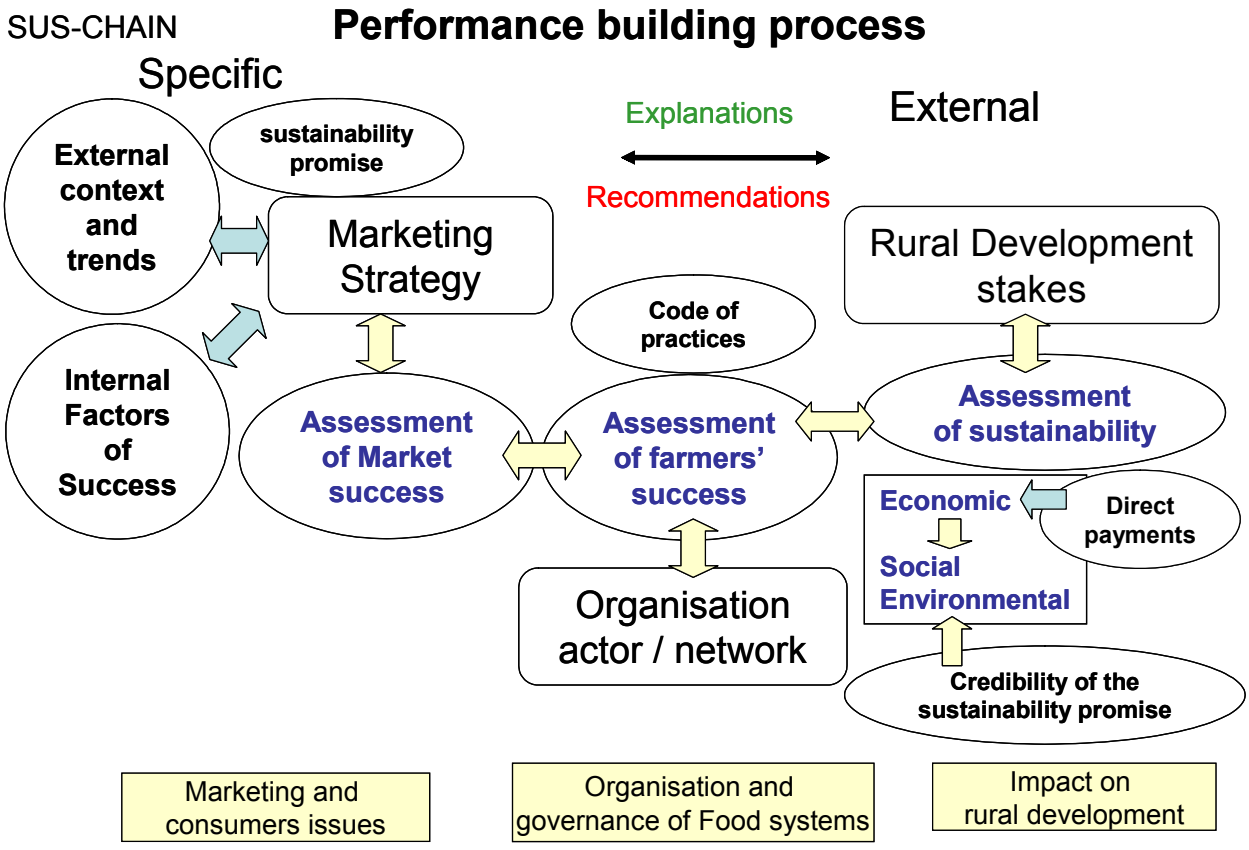



**Figure 7.1b-4:** Articulation of market performance and sustainable rural development

**Marketing and consumers issues**

Market pitch

It is impossible and dangerous to isolate a "new" food supply chain from its main competitors systems. Firstly, because it is not a closed system: strategies are connected to the micro- environment; at each level of the supply chain (producers, processors, traders, retailers), limits between the "new" supply chain and the "old" are not often completely sharp and actors may trade on different channels at the same time.

Secondly, because the market structure in a sector is a key strategic factor that influences all actors' strategy.

The first step should be to position the initiative on the typology grid (see figure 7.1b-3), if not already done in the WP2 - 6 initiatives inventory, in order to roughly identify the main marketing stakes.

The second step would be to focus on the relevant consumer market. We recommend, if not already done in the WP2- 4 sector analysis, to firstly sketch a sector map, as proposed in figure 7.1b-2, which represents the vertical competing systems for the given product. Boundaries will be then given by the relevant consumer "evoked set", including substitutes [according to Howard, 1977]. This relevant market may be very small to worldwide, according to the product. The research will often cross the sector analysis but not necessarily. In some cases, it will be relevant to sketch a second map, at a wider scale. The benefit of this approach is to measure a relevant market share. If the relevant market is local, the market share of a producers' market may be very impressive, even if the sales' volume is apparently small when appreciated at a national level. The map may be more or less detailed. It must give a good representation of the competing forces on the market pitch, to be used as a game board to observe actors' strategic decisions. (see in annex 1: guidelines for mapping and the example of the Swiss cheese : Raclette).

Marketing strategy of the initiative

State of the art

The good results of the "sustainability" idea in general surveys are encouraging but there is a long way from the idea to the effective buying decision [see WP3 reports]. Marketing sustainable agriculture products is in fact a classic marketing problem. The actors have to choose a differentiation strategy, to identify the potentially interested consumers and to deliver the product in a good place, at the right price, at the right time with the right identification, in order to be seen and chosen.

We are mostly interested by the promotion strategy, which is designed to transmit information to the consumer, interest him and persuade him to buy. The promise to the consumer cannot be roughly extracted from the code of practices. It has to highlight some attractive attributes. What kind of promises are given (sustainability / origin / quality)? With which arguments? How are they ordered?

Sustainability marketing meaning seems to be simple, when not simplistic. It appeared, however, when filling the first version of the initiatives form that it was not possible to identify a precise content of the promise to the consumer. We propose therefore to limit it to few clear dimensions. The retailers' strategy may facilitate but often obstruct the way to the consumer. How to associate or get around retailers?

Profile indicators

Classic Marketing methods will be used to identify the relevant market, the initiatives main strategic choices and the main marketing stakes.

**Type** (according to the typology grid)
**Promise of sustainability to the consumers**
- environment
- animal welfare
- fair trade
- origin

**Main competitors**

- conventional products
- other sustainable agriculture labelled products

**Labelling**

- private trademark
- retailer's private label
- collective brand
- regional label
- national label

Performance indicators

Classic Strategy methods should be used to assess the commercial performance of the initiative, especially the Mc Kinsey matrix and Swot analysis.

The benefit of the Mc Kinsey matrix is to cross the market attractivity (which is under external factors and which the enterprise has not the power to change) and the competitive position (which depends of the enterprise strengths). The main difficulty is to measure these indicators that synthesise a set of criteria. The Swiss team developed in two previous projects methodological tools for getting a reliable diagnosis for food products that are both sold by big retailers or sold directly.

The Swot matrix crosses the internal factors of success or failure (Strengths /Weaknesses) and the external factors (Opportunities / Threats) in a matrix. Each box leads to a diagnosis about possible actions.

From these two tools, it is possible to give a diagnosis on the ability of the initiative to face commercial stakes, whilst taking into account the market context.

**Organisation and governance of food sytems / networks**

In order to organise the discussion, we have separated this section in two parts: the organisational structure and co-ordination mechanisms (at the present time) and the social history of the initiative (dynamic approach of the scaling-up process). However, we feel that performance indicators should be common and our proposals are grouped at the end of the section.

Organisational structure and co-ordination mechanisms

Building a market for sustainable food products profoundly modifies the supply chain, as it introduces a commitment to collective goals, the need to define and guarantee product attributes and the challenge to attune the behaviour of all relevant actors to these. Many different types of organisational structures are possible and it would be dangerous to have blind spots in typology and case-study selection. On one hand, we may observe normalised food supply chains that are often driven by a channel captain (processing firms or most often big retailers). Environmental sustainability is often a condition for accessing the market. In many countries, industrial conventional food supply chains have adopted environmental sustainability requirements. This means that industrial supply chains are not always unsustainable, when considering only environmental criteria, and that we must avoid stereotyped schemes. This model is developing in Europe and may represent in some countries a large part of the production, which is replacing pure conventional

products. One the other hand, we may observe collective vertical organisations. These organisations, which are often initiated by producers and small processors, may be considered as "strategic alliances ", according to the Industrial economics definition [Dussauge, Garette, Ramantsoa, 1988][6]. These alliances are hybrid forms according to New Institutional Economics between spot market and hierarchy. [Ménard, 2003][7]. We observe a diversity of the organisational structure in our case-studies. Different models have been identified for origin labelled products [Chappuis, 2002[8] - see table below].

| **Forms of co-ordination** | **Main characteristics** |
|---|---|
| (Spot market) | No contractual links between the operators. Spot market is not adapted to the trade of processed products where quality is a major feature of the product. |
| Open group | This form of co-ordination is characterised by free entry. There is no selection of the members of the group. The respect of the code of practice is the only barrier to entry. The enforcement of the collective decisions may be a problem. |
| Club<br><br>(Franchise for example) | The club is able to select the members of the group (supply chain). Some operators, who could comply with the code of practice, are not allowed to enter the supply chain. The respect of the common rules is a condition of membership. |
| Channel captain | The supply chain is co-ordinated by an enterprise that is a leader on the market and that is strong enough to impose decisions to the other operators of the supply chain. |
| Interprofessionnal body (loose) | An association of representatives of the different levels of the supply chain. Open or semi-open group. The co-ordination is loose: only collective promotion, for example. Public authority can enforce decisions. |
| Interprofessional body (strong) | An association of representatives of the different levels of the supply chain. Open or semi-open group. The co-ordination is strong: the centre of command of the supply chain is close to vertical integration (single firm) with a strong marketing policy (management of volumes, indicative prices). Public authority can enforce decisions. |
| Vertical integration<br>(= firm) | All the production units of the supply chain are co-ordinated by a fiat (hierarchy) that decides and enforces the marketing policy of the firm. |
| (State economy) | The State plans production, marketing and sales. No more in use today but in force in Switzerland until 1999. |

How can we order and explain this diversity? Different classifications have been proposed [Verhaegen & Van Huylenbroeck, 2002][9].

These alliances cannot work without a common "centre of operations" which is entrusted by members with various missions (negotiation of the code of practices, marketing plan, quality control, promotion, contract templates, fixing of quantities, fixing of prices...). The status of the centre of operations has important consequences regarding antitrust laws.

A third type concerns isolated producers that organise, on a individual basis or within very small informal groups, direct relationships with consumers. Are these food supply chains "new" and do they have chance to survive and develop?

The management may be defined as a mix of authority and care for the members. A typology of management styles should be built up, because this style has main effects on co-ordination mechanisms. The network has to define the rights and duties of members in the organisation. Members may be specialized or not. The code of practices may leave a technical leeway. Direct selling may be allowed or not. Does this leeway weaken or strengthen the organisation?

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[6] Dussauge, P, B. Garette and B. Ramantsoa (1988), "Stratégies relationnelles et stratégies d'alliances technologiques", *Revue Française de Gestion*, n° 68, mars-avril-mai 1988, p7-19

[7] Ménard C., 2003, "The Economics of Hybrid Organizations", *Journal of Institutional and Theoretical Economics*, à paraître.

[8] Chappuis J-M (2002), : *Accords interprofessionnels pour les appellations d'origine contrôlée et politique de la concurrence* (Interprofessional agreements for Origin Labelled food products and antitrust law) , PHD thesis defended in June 2002, ETH Zurich. and in Barjolle D., Dolphins WP6 final report.

[9] Verhaegen I and G. Van Huylenbroeck (2002), *Hybrid governance Structures for quality farm products*, Shaker Verlag

Profile indicators

Large size and very small size initiatives have to be screened with the same profile indicators set, in order to compare very different initiatives and follow scaling-up changes. We propose to identify the type of collective vertical organisation and the operational structures :

**Type of the collective organisation**

- no formal private vertical collective organisation
- open group (code of practices, free entry of new members)
- club (code of practices, selection of new members)

**Operation structures**

- producers' association
- cooperative
- consortio or FSC collective private structure without any commercial activity
- channel captain (processor, big retailer)
- certification organisation
- regional public institution (label)
- national public institution (law, norms, label)
- other (to be specified)

**Management style**

(to be completed)

The issues of the operation structures' missions, of the rights and duties of the members and of the co-ordination mechanisms (formal and informal) should be developed in in-depth case-studies analysis

Social history of the initiative

The communication and co-ordination between different actors in the food supply chain is crucial in the construction of new food markets. In our case-studies, actors' groups are very original because their goals are often not only economic. The members' choice and the decision-making process do not rely only on economic rational. Domestic values, long run patrimonial objectives are very common among farmers and small size processors.

The social history of the alliances have to be observed. It will allow us to understand some major features of the organisation at different times. It has important consequences on the size and the powers distribution through the supply chain. It may stop further growth. Key events may lead to serious crisis.

Birth is a very critical time because it implies difficult social changes and heavy start-up costs for designing and building the new organisation/institution. Crystallizing the organisation follows an innovation process. Three start-up models have been identified for origin labelled products : a group of "friends" who decide to associate ; one or two leaders, which pull other actors; an institutional initiative (often at the regional level). The status of the initiator (producers' association, retailer, public institution, NGO) is essential because it will leave a deep mark on the organisations' management style.

In all cases (normalised supply-chains, producers' alliances, institutions or NGO driven initiatives), we should carefully identify the reasons that may lead actors to join the alliance. Producers and processors

accept to give up a part of their freedom in exchange for expected benefits. They consider that they are not able by themselves to get better results. New Institutional Economics give us a relevant scientific background to understand theses decisions. The theory highlights the risks and uncertainties (on quality, on price distribution and on future) that operators have to face when dealing in a market. The choice of a new governance structure may lower transaction costs and improve the producers' position [Réviron & Chappuis, 2003][10]. An other reason may be a scale-up strategy that opens new markets / distribution channels.

But, among the different organisational structures that are possible according to the Economic theory approach, the final selection is often not "optimal". Non-economic gains, conventions, social embeddeness and selection of trustful partners [Orléan, 1994; Granovetter, 1991][11] may shape the final organisational choice. In some cases, external actors and institutions may play a very important role in orienting the organisational choices, sometimes against the opinion of the main actors. This important process should be analysed using the actor-network approach.

The growth process is another important issue. What happens when the initiative grows ? Is it necessary to change the organisation, if so how ? Do shared values among the members change, according to the approach of Boltanski & Thevenot (1987)[12]?

The conditions of entry in the alliance is a key indicator, because it shapes the decision-masking process. How do new members enter the organisation? Is it automatic when the code of practices is respected or has it to be approved by present members? Are waiting lists a good solution to avoid market problems?

Profile indicators

- **Birth**
  Initiator: producers, retailer, public institution, NGO?
  When?, who, where?, main aims at this time (environmental, socio-territorial, economic?)
- **Main start difficulties and answers**
- **Key events (crisis, growth…)**
  The issues of the members' values and aims and of the decision-making process in the organisation (at the start and now) should be developed in in-depth case-studies analysis

Performance indicators

It is necessary to state very clearly what is a "good" organisation and what is a "bad" one, because different points of view and visions are possible.

Firstly, we should assess the relevance of the organisational pattern of an initiative, from an economic perspective. Is the organisational structure "optimal", according to the Economics approach?

Secondly, our analysis should focus on the farmers' economic and social performance, as a key factor for sustainable rural development.

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[10] Réviron S. and J-M Chappuis (2003), "Vertical alliances for origin labelled products : what is the most relevant economic model of analysis ?", 80th European Agricultural Economists Association seminar : New policies and institutions for European agriculture, Gent, 24-26 september,, 16 p.

[11] Granovetter, M.,(1991) *Society and Economy : the social construction of economic institutions,* Harvard University Press.
Orléan A., dir (1994), *Analyse économique des conventions,* PUF

[12] Boltanski, L and L. Thevenot (1987), Les économies de la grandeur, PUF.

As we said previously, we expect organisations to have the capacity to create wealth and obtain success on markets. In the previous section (marketing issues), a diagnosis about the capacity of the organisation to face commercial stakes is developed. In this section, we could focus on the ability of the organisation to innovate on technical, commercial and management issues and to grow.

But this ability is not sufficient, it is only a first step. The producers' information and negotiation power should be the main criteria for assessing the organisations' performance. This aspect includes the issue of the share of added value within the supply chains, which could be approached with an added value analysis. Access to reliable information on market evolution (which lowers future uncertainty) puts large retailers and big processing firms in a powerful position and they therefore try to keep this advantage. Some initiatives help their members to minimise this information asymmetry. [Réviron & Chappuis, 2003][13]. The social ability of the organisation to improve communication among members, to build mutual trust, to transmit ideas of sustainability and accompany weaker actors in the chains is also a very interesting dimension of organisations' performance.

**Impact on rural development**

The following clarification of concepts, definition and stakes, about sustainability, rural development, multifunctionnality and externalities was elaborated during an internal workshop of the Institute of Agricultural and Food Economics -ETH (office of Lausanne- Switzerland) on the 21st of November 2003 [14].

Sustainability:

The Bruntland report (1987)[15] illustrated the widespread human concern for the state of the environment and defined the term "sustainable development" as a way to meet the needs of the present without compromising the ability of future generations to meet their own needs".

This concept is a political will, which includes a criticism of present industrial development models and opens the issue of a revision of the idea of performance. The definition is not easily transformed into decisions and actions. How can present activity restrain future activity? What will the needs of the future generations be? Who is going to be the judge? Should norms be built up internally or externally by an independent organisation?

However, the concept was a success and developed awareness concerning three main dimensions of human activity: economic, environmental, social. Many teams in the world are at work to identify relevant indicators, measure their value and determine which levels are acceptable. Bibliography in all sectors, including in agriculture is plethoric. More than 20 methods have been proposed, such as the IDEA method[16].

Rural development

The term rural development may have different meanings. Our research is focused on the effects of the agricultural activity on a territory and its residents. The objective is to protect and often (re)build rural

[13] Réviron S. and J-M Chappuis (2003), "Vertical alliances for origin labelled products : what is the most relevant economic model of analysis ?", 80th European Agricultural Economists Association seminar : New policies and institutions for European agriculture, Gent, 24-26 september,, 16 p.

[14] The authors thank Valérie Miéville-Ott, Marguerite Paus, Olivier Roque, Thomas Peyrachon who attended this workshop and provided bibliography, knowledge and know-how.

[15] Bruntland report,(1987) *Our common future*, Report of the World Commission on environment and Development (WCED - UNEP)

[16] Briquel L., L. Vilain, J_L Bourdais, PH. Girardin, Ch Mouchet and Ph. Viaux (2001), La méthode IDEA (indicateurs de durabilité des exploitations agricoles) : une démarche pédagogique, *Ingéniéries* n°25, p. 29 à 39, mars

resources [Van der Ploeg, 2003][17]. This approach includes a first goal of direct economic development within a "rural" (non-urban) territory. Farming and processing of agricultural products create employment, incomes and wealth. The production process has effects on labour conditions and animal welfare. Farmers may develop part-time activities, such as diversification or agri-tourism, which create a second source of economic development. The non-economic effects of agriculture on the rural territory are now better taken in account. We propose to divide them as following:

- Farming generates free "man-made" common goods such as landscapes, pathways, specific architecture, social and cultural identity, gastronomy… These goods improve the daily quality of life of local residents and may attract new good tax-paying residents. It gives new opportunities to other economic activities such as tourism or outdoor sports and helps indirectly to create economic development. Intensive farming generally destroys these common benefits. This contribution of agriculture is more or less developed and more or less recognised according to regions and countries.
- Farming may have negative or positive effects on "natural" common goods such as water, soils, animal and plant biodiversity: These effects are not obvious to non environmental specialists, but are central to the survival of ecosystems.

Multifunctionality

The concept of multifunctionality is specific to the agricultural activity and is rather recent[18] (compared to the concept of externalities-see below). It was proposed for the first time by the Swiss farmers' association USP, during the GATT negotiations, which led to the WTO creation in 1995. The Swiss delegation, followed by the EU and Japan, asked for other functions of agriculture than the productive one to be taken into account in the negotiations and obtained the right to introduce direct payments in its agriculture policy. The concept may be considered as a mechanism of recognition by an external entity that agricultural activity provides a set of products that are merchant and non-merchant. How stakeholders should/could pay for the non-merchant products is a core-issue of debate. The bibliography about the link between agriculture multifunctionality and public policy or about the link between rural territory is plethoric (Paus, 2003)[19].

Externalities

The concept of multifunctionality is linked with the economic concept of externalities: Pigou (1932)[20] developed Alfred Marshall's concept of externalities, costs imposed or benefits conferred on others that are not taken into account by the person taking the action. He argued that the existence of externalities was sufficient justification for government intervention. To discourage the activity that caused negative externality, Pigou advocated a tax on the activity. To encourage the activity that created positive externalities, he advocated a subsidy. These are now called Pigovian taxes and subsidies.

Pigou's analysis was accepted until 1960, when Ronald Coase[21] showed that taxes and subsidies were not necessary if the people affected by the externality and the people creating it could easily get together and bargain. While most people are unaware of it, markets often solve public goods and externalities problems in a variety of ways.

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[17] J.D. van der Ploeg, Long A., Banks J. (2002), "Rural development process in Europe : the state of the art", in Living countrysides, Rural Development Processes in Europe: The State of the Art" published by Elsevier Bedrijfsinformatie bv, Doetinchem - NL

[18] OECD (2000), Multifunctionality : towards an analytical framework, 182 p..
Van Huulenbroeck G. & Durand G., ed. (2003), Multifunctional Agriculture: a new paradigm for European agriculture and rural development, Ashgate.

[19] Paus M (2003)., Multifonctionnalité de l'agriculture : contexte général, enjeux et problématiques, review of literature,

[20] Pigou (1932, first published 1920), The Economics of Welfare,

[21] Coase (1960), "THe problem of social Cost", Journal of Law and Economics, 3, October, 1-44.

But contractual arrangements often fail to solve public goods and externalities problems. Law pursuits and government intervention are then inevitable. Economic literature is plethoric on the topic.

Institutional support

While the emergence of sustainable food chains primarily depends on the co-ordinated collective action of actors within the chain, at several points their further unfolding and performance may be facilitated (or hindered) by policy measures and institutional arrangements. Institutions may even take on a leading role in some regions and shape the organisation. Multifunctionality is often a strong argument for developing local /regional supports to agriculture.[22]

Profile indicators

**direct economic effects of the initiative**

- employment (direct and indirect)
- added value in the territory
- importance of tourism and agri-tourism

**Institutional support**

It is necessary to split the institutional support according to a geographic level and the measures type.

- level : local , regional, sector, national, European
- Institution and type of support : laws, subsidies, studies, investments credits...

Performance indicators

According to the technical annex, it is not our aim to assess sustainability performance of "new" food supply chains. This would lead to a technical debate that is not in our objectives. As in the previous sections, we should think about the idea of performance. It is necessary to state very clearly what a “good” organisation is and what is an "ineffective" one, regarding the effects on Rural Development., because different points of view and visions are possible.

Our proposal : one focus could be to assess the links between the actors' initiative group and the territory and its residents. Sustainability and Rural Development are linked concepts. Both are based on a given territorial analysis. But the scale is not the same. To assess effects on rural development is to observe how an actors' group may impact on a territory and its residents' life and vice versa. This link is obvious regarding local/regional initiatives. But it is also interesting to analyse the effects of national initiatives (such as Organic) which promise environmental concerns and are spread on a large territory.

Performance indicators could be the following:

- the importance of non-merchant functions that are provided by the initiative, with a survey of relevant stakeholders. The Swiss team developed in a previous project a method using Lickart scale questions, which was inspired by marketing approach of image attributes (annex 4). It would be interesting, using the same survey sheet, to compare the evaluation of an initiative with the conventional agri-food systems, within the production region and outside.

- the relevance of the sustainable profile of the initiative considering local stakes. A grid, developed from the IDEA method could help to discuss this question with experts and verify **the credibility of the sustainability promise**, with a survey of experts (annex 5). It should be interesting to compare the size of the concerned fields and the relevant territory. Is the production area sufficient to obtain significant positive effects?

- the relationships between actors and institutions and the ability of this territorial network to build up projects and help them to scale-up.

**Conclusion**

Building a methodology is an ambitious and interesting research process. To be efficient, methodology research obliges the team to state the assumptions it believes in and wants to verify. The more scientific input is injected in the methodological approach before using it, the more the diagnosis and recommendations are likely to be satisfactory. There is an important link between scientific concepts, observed action on actual supply chains and indicators. The WP1 draft highlights this link and obliges us to make strategic decisions and scientific clarifications.

The WP1 work is an interesting participative actors' process. The role of the WP1 draft is not to provide a complete set of indicators but to offer a starting point to be discussed during meetings. The evolution of the draft is an interesting witness of how methodology is elaborated, and a research result in itself.

The methodological choices highlight the work that has already be done and the drafts are important milestones of the project. The two first versions of the WP1- draft show already that the vision on the food supply chains is improving very quickly and that many relevant issues are clarified or are on the way to be clarified soon.

[22] Assouline G. and F.Just (2001), Making agriculture sustainable : the role of farmers' networking and institutional strategies - Final report

# Annex 1c Format for description of FSC initiatives (WP1)

Sophie Réviron & Jean-Marc Chappuis - Institute of Agricultural and Food Economics, ETH
Rudolf van Broekhuizen & Han Wiskerke – Rural Sociology Group, Wageningen University

| | | | |
|---|---|---|---|
| **Database of Sustainable food supply chains initiatives** | | | |
| **O - General Information** | | | |
| a. Name of the Intiative | | | |
| b. Type of Products | | | |
| **A- Organisation and governance of the "new" supply chain** | | | |
| 1- Boundaries of the supply chain and main actors | | | |
| **main actors of the "new" food supply chain** | | | |
| a. How many producers are involved | | | |
| b. What is the farms' size | | | |
| c. Who is the main initiator (put a "x" in front) | | | Producers |
| | | | First processors or pakkers |
| | | | Trade/wholesaers |
| | | | Independent stores |
| | | | Big retailer(s) |
| | | | Consumers |
| | | | Consumer associations |
| | | | Environmental associations |
| | | | Other assciations |
| d. Discribe in a few sentence the main initiator | | | |
| **Geographic limits of production** | | | |
| a. What is Geographic limits of production (put a "x" in front) | | | Local |
| | | | Regional |
| | | | National |
| b. precise the localisation and describe in few sentences the specific characteristics of the territory (environment , landscapes, tourism ...) | | | |
| **Size of production** | | | |
| a. Tons | | | |
| b. Value at consumer level | | | |
| 2- Collective organisation of the initiative | | | |
| a. What is the type of collectieve organisation (put a "x" in front) | | | Formal private collectie organisation |
| | | | Open group (code of practices, free entry of new members) |
| | | | Club (code of pactices, selection of new members |
| b. What is the operating structure (many answers possible, put a number ordered accordig to importance) | | | Produceers' association |
| | | | Cooperative |
| | | | Consortio or FSC collective private structure without any commercial activity |
| | | | Channel captain (prcessing firm, big retail) |
| | | | Certification organisation |
| | | | Regional public institution (label) |
| | | | National public institution |
| | | | Other (to be specified):……. |
| c. describe in few sentences the operation structure(s) (type, name) and its (their) main missions such as : definition of a code of practices, quality control, promotion, research and development, lobbying, contract templates, management of volumes , price fixing.... | | | |

| | | | |
|---|---|---|---|
| 3- Social history of the initiative | | | |
| **Birth** | | | |
| a. When? | | | |
| b. Who? | | | |
| c. Where? | | | |
| **Main objectives and intended beneficiaries at this time?** (please, order) | | | |
| a. Order to put a number in front | | Environmental | |
| | | Soci-territorial | |
| | | Economic | |
| b. Please precise these first motives, objectives and start difficulties | | | |
| **Main historical key events until now** | | | |
| a. Precise the main events in the history of the initiative | | | |
| **Future: main plans and intentions & bottlenecks** | | | |
| a. Describe the key ambitions, challenges in sustaining the initiative | | | |
| b. Describe the main bottleneks | | | |
| 4 - Marketing issues | | | |
| a. What is the distribution channel (many answers possible, put a number ordered accordig to importance) | | Direct selling | |
| | | Farmers' markets | |
| | | Specilised stores | |
| | | Big retailers | |
| | | Restaurants | |
| | | Other (to be specified):……. | |
| b. What are the relevant conumer markets (many answers possible, put a number ordered accordig to importance) | | Local | |
| | | Regional | |
| | | National | |
| | | European | |
| | | International | |
| c. How are the products labeled (many answers possible, put a "x" in front and give the name of the label) | | Private label | Name: |
| | | Collective brand | Name: |
| | | Regional label | Name: |
| | | National label | Name: |
| | | European label | Name: |
| **B- Sustainability profile** | | | |
| a. Put a "x" in front of items presented by initiative's actors themselves through websits, flyers, proomotion events. | **Agri-enviromental** | | |
| | | Biodiversity | |
| | | Preservation of specific species/races | |
| | | Soil erosion | |
| | | Water quality | |
| | | Animal welfare | |
| | | Food-miles | |
| | | Other important aspects (to be specified):……. | |
| | **Socio-territorial** | | |
| | | Regional emplyment an preservation of rural communities | |
| | | Food quality and typicity | |
| | | Preservation of landscapes | |
| | | Mountain (marginal) areas keeping | |
| | | Resistance to sprawl | |
| | | Agri tourism | |
| | | Other important aspects (to be specified):……. | |
| | **Economic** | | |
| | | Producers' income | |
| | | Possible succession for farms | |
| | | Farmers' quality of life | |
| | | Higher net value per unit of product | |
| | | Higher net value added on regional level | |

| | | |
|---|---|---|
| | | Other important aspects (to be specified):……. |
| b. Possible remarks on the above mentioned items (can results be measured, do initiatives statements represent reality) | | |
| **C- Institutional support** | | |
| a. Which level suport the initiative (many answers possible, put a number ordered accordig to importance) | | Local |
| | | Regional |
| | | Sector |
| | | National |
| | | European |
| b. Precise the institution and the type of support: laws, subsidies, studies, investments credit, etc.... (and opposition?) | | |
| c. Discribe institutions and regulations created by the initiative? | | |

# Annex 2 Methodology for the macro-level analysis of FSC dynamics and diversity (WP2)

Bill Slee & James Kirwan – Countryside & Community Research Centre, University of Gloucestershire

**Objectives of WP2**

1. To establish an overview of the territorial diversity of the socio-economic dynamics of FSCs regarding sustainability and transparency in relation to their socio-institutional environment, including:
   - approaches to and organisational forms of FSCs;
   - policies and regulations with respect to sustainable food production in general and FSCs in particular;
   - stakeholder perceptions of and involvement in FSCs.
2. To assess the general performance of FSCs (sustainability, transparency, trust).
3. To identify major bottlenecks to increasing sustainability within FSCs.

## Individual country reports – format for the document.

Central to this WP2 is the identification of diversity and dynamics within FSCs across the partner countries concerned. There needs to be a balance between prescription and flexibility, and to this end the individual country reports should be structured as follows:

- sections 1-4 provide a macro-level description of FSCs;
- section 5 identifies the drivers for change within FSCs; and
- sections 6 and 7 focus on meso- and micro-level examples of FSC initiatives, and clarify the principal issues raised.

### 1 General description of evolution of FSCs in country 'X' – the historical perspective (2-3 pages max)

This section is intended to draw out the historical context in which FSCs have developed in each country. This is likely to vary considerably between the countries concerned and the emphasis should be on identifying what is distinctive, rather than focussing on what is common. In other words, what are the national chain characteristics and significant structural changes typified in each country. For example, in the case of the UK, this will necessitate a perspective that includes early 19$^{th}$ century free-trade reforms within the food supply chain. Changes in the balance of power along the FSCS should be indicated, such as the emergence of highly concentrated supermarket structures in the UK from the 1970s. Where more recent history within the FSC has a clear impact this should also be highlighted, allowing for a contextual understanding between the various parts of WP2. For example, in the UK, the BSE and crisis is clearly relevant in this respect.

## 2 General configuration of FSCs in country 'X' (1-3 pages)

While section 1 explores the evolution and history of FSCs in the country, section 2 explains the general configuration of FSCs. Are FSCs predominantly local, regional, national or international? This section is intended to provide a general description of the configuration of FSCs within each of the countries concerned. The information for this can be drawn largely from section 2 of the start-up document (a characterisation of FSCs). All FSCs within each country should be identified and briefly described, including their relative economic significance and organisational forms. Crucially, this section should incorporate the diversity of FSCs across the participatory countries, and highlight those areas within the FSCs that are the sites of actual (or potential) dynamism and change. There should be particular attention to those FSCs which contribute to enhanced sustainability or enhanced rural development. For example, this might entail revealing the growing importance of short FSCs, or conversely the increasing percentage of organic sales that go through multiple retailers. The intention is not to be too prescriptive within this section, but to allow sufficient flexibility to facilitate the inclusion of any FSCs that are seen to be relevant to this project, thereby incorporating the diversity and dynamics of FSCs across the countries involved. Greater detail about the initiatives identified can then be given within section 6.

## 3 Overview of the regulatory and policy environment and institutional setting in country 'X' (1-2 pages max)

The over-arching EU regulatory, policy and institutional context will be provided by the University of Gloucestershire as coordinators for this WP. However, the national context needs to be provided here. This should include the specific implementation of EU legislation within each country (such as that resulting from Agenda 2000 - or their indirect effects in the case of Switzerland and Latvia); national-level regulations that are germane to the development of FSCs (e.g. health and hygiene, competition, labelling); and the impact of global regulations and institutions, such as the WTO. The development of agri-environmental programmes should be explored insofar as they impact on sustainable food production in general, and FSCs in particular. Likewise, the institutional contexts of each country should be identified, especially any developments that might influence FSCs. For example, in the UK this would include examining changes in the milk market arising in the wake of the abolition of the Milk Marketing Boards in the UK in the mid-1990s, identifying the change from the Ministry of Agriculture, Fisheries and Food (MAFF) to the Department of the Environment and Rural Affairs (DEFRA) in 2001,. Similarly, in the policy sphere, the publication of the Curry Report (DEFRA 2002) and its demands to reconnect the production and consumption of food indicates a milestone in policy development. As throughout WP2, the emphasis needs to be on unravelling diversity and identifying elements of change within FSCs that may impact on their actual (or potential) sustainability and transparency, and ability to contribute to rural development.

## 4 Sector by sector summary of FSCs in country 'X'

Core sectors to be covered by every country within this section include: dairy; beef; sheepmeat; pigs; poultry; fruit and vegetables; cereals; potatoes; and sugar. Other sectors can be provided at the discretion of each partner, where they are considered to be important or promising to a particular country. These might include: wine; oil products; fish; aquaculture. This approach will enable comparisons between the core sectors, while allowing sufficient flexibility to include the diversity of FSCs across the countries.

The individual sectors should be summarised as follows (2-3 pages per product group):

1. A diagram showing the current structure of each of the sectors involved, ideally with some kind of volumetric/value indications of particular chain elements.
2. A brief description of the institutions, organisational forms and governance as they pertain to each of the sectors.
3. The identification those areas of the sector that exhibit dynamism in terms of being sustainable or alternative, and briefly describe what these entail.
4. A judgement as to the sustainability and transparency of the current structure, and the possible effect of the actual or potential changes identified in (3) above.
5. As for (4) above, except that the focus should be on rural development.
6. Identify bottlenecks within each of the sectors to the further development of those actions identified in point (3) above.

While this sector provides a sectoral summary of FSCs within each country on a commodity by commodity basis, it also allows for the identification of issues that are trans-sectoral in nature, such as organic food and Fair Trade produce. These will be highlighted as areas within the sectors that (perhaps) exhibit dynamism and sustainability, as well as contributing to rural development. Having identified these issues within an overall sectoral context, they can then be explored more fully within section 6 below. Established and emergent multi-commodity trans-sectoral chains (e.g. based on local food systems or certified product characteristics (e.g. organic, fair trade) will be described.

## 5 Drivers of change in FSCs in country 'X' (2-3 pages max)

As above, this section can draw on the start-up document, and should be based on a PEST framework which includes:

1. **P**olitical factors. For example: the relative power and agendas of those actors involved within FSCs; the multiple retailers as arbiters of quality; the waning power of the farming lobby; the impact of NGOs; the sustainable development of FSCs; health and diet; food access; control within FSCs at various levels; public procurement.
2. **E**conomic factors. For example: economic marginalisation; regional identity; falling farm incomes; globalisation and localisation; adding value; comparative advantage; acknowledgement of externalities such as 'food miles'.
3. **S**ocial factors. For example: the individualisation of risk; changing perceptions of quality; the effect of food scares; ethical awareness of environmental and equity issues; food access; local identity; personal health; trust.
4. **T**echnical factors. For example: distribution; scale; GMOs; the Internet; vacuum packing; mobile abattoirs.

## 6 Catalogue of FSC initiatives, including cross-sectoral initiatives in country 'X'

This section should cover three main elements:

1. Supply greater details on the sites of dynamism briefly described under sections 2 and 4 above.
2. Provide description especially at a micro/meso-level of the diversity of sustainable FSCs initiatives, both actual and potential.
3. Pick up on the cross-sectoral initiatives identified within section 4 and draw out the key factors relevant to the objectives of this WP.

In order to facilitate the synthesis report of WP2 this catalogue of FSC initiatives should be presented in the standard format developed by the WP1 co-ordinator (see annex 7.1c)

## 7 Issues summary in country 'X' (a max. of 1 page on each element)

This final section should identify the central issues that have been raised within the report in order to bring a unity to the identified diversity. These are likely to include:

- Institutional changes relating to FSCs and their implications.
- The identified areas of dynamism within FSCs.
- The relative performance of FSCs on sustainability and transparency, and the significance of emerging initiatives on rural development.
- The significance of SFSCs (short FSCs), and their potential to be scaled up.
- The identification of bottlenecks and the opportunities and constraints for enhancing the performance of FSCs.
- Stakeholders' perceptions of, and involvement in FSCs, at a variety of scales and the extent to which different perceptions of sustainability and rural development are held by different stakeholder groups within FSCs.

# Annex 3a Methodology for collecting data for desk-study (WP3)

Isabelle Vackier, Anne Vuylsteke, Wim Verbeke & Guido van Huylenbroeck
Department of Agricultural and Environmental Economics, Ghent University

**Introduction**

The objective of this workpackage is to identify and assess the diversity in consumers' attitudes towards sustainable food products by means of a desk study summarising previous findings. It is assumed that "sustainable" relates both the production method and process, the product itself with specific attributes and the channel through which the product is marketed.

Diversity relates to differences in consumer reactions towards production methods processes (e.g integrated production or organic production), market channels (e.g. farm gate sales or short market channels), as well as down to the level of specific product attributes (e.g. quality, safety or label). Diversity in consumers' attitudes likely associates with differences in socio-demographic characteristics (age, gender, education), economic situation (wealthy, poor), lifestyles, knowledge and general attitudes.

Basic questions to be answered under this workpackage are: 1) "Who is the consumer of sustainable food products?", in terms of individual characteristics; 2) "What types of products – produced through which production process – is this individual buying"?; and finally, 3) "For what reason is this individual buying sustainable food products?", which relates to consumer motivations.

The focus of the desk study is on the analysis of secondary, i.e. existing data sources. Three types of secondary data can be identified as relevant for the desk study:

**1. Literature including books, journal articles, congress papers and scientific reports**

Relevant sources include publications focusing on consumer attitudes towards food in general, food production systems (like organic, integrated production, …), specific market channels, and specific product attributes like food safety or food labelling (PDO/PGI, labels indicating sustainability, …). Both exploratory (qualitative) and descriptive (quantitative) studies are relevant. Whereas exploratory studies mainly address the questions related to consumer motivation for purchasing sustainable food products, descriptive approaches should shed light on who this consumer actually is in terms of socio-demographics and lifestyle.

Publications including consumer or market segmentation are particularly relevant for assessing diversity in consumers' attitudes. This kind of studies should enable to identify and typify segments in the food market which show stronger interest in (1) specific production methods, (2) buying sustainable food products in general, and (3) specific product attributes like quality, labels, origin, animal welfare, environment friendly, ...

**2. Consumption data, e.g. from household consumer panels (e.g. GfK) or retail panels (e.g. Nielsen)**

Consumption databases with data collected throguh household panels may be available in several countries. An example is the GfK (Gesellschaft für Konsumforschung) database in Belgium including data on fresh food consumption. The data are available on quarterly basis from the Flemish Agricultural Promotion Board

(VLAM). Such time series data include volume, expenditures and place of purchase (outlet choice) for different food categories, and may include specific categories of sustainable food products (e.g. like typical farm products in Flanders). Similar panel data may be available from government sources like Ministry of Agriculture or its services. These data allow answering the question of what types of sustainable food products are bought. Furthermore, if the datasheet extends over a longer time span in several countries, this enables to analyse evolutions of sustainable food products' consumption over time (longitudinal data, time series analysis) and across different EU-countries. An additional benefit from this kind of analysis pertains to the detection of similarities and gaps in available consumption databases across Europe.

**3. Databases from primary research (e.g. consumer surveys conducted by the partners)**

Primary data collected through consumer surveys for purpose of assessing consumer attitude and behaviour towards food in general may include measurements that pertain to sustainable food products. Such measurement may either relate to consumer interest in sustainable production methods, specific market channels or product attributes. One example may come from consumer surveys related to meat consumption in Belgium. Questionnaires included measurements of consumer interest in organic meat, animal welfare or environment friendly husbandry systems. The percentage of respondents attaching top importance to animal welfare may be low, thus explaining why this aspect has not yet been analysed in detail from the available datasheets. Therefore, further exploration of available data of this kind could clarify diversity in consumers' attitudes towards sustainable food products. Additionally, this approach is innovative and highly valuable since it explores existing data in depth.

All partners are asked to identify the above-mentioned secondary sources within their respective countries. Based on those data, national country reports describing diversity in consumers' attitudes towards sustainable food products are to be drafted. Furthermore, the data (references of literature, household panel data and survey databases) are to be supplied to the workpackage co-ordinator to allow cross-country comparisons and drafting the synthesis report.

# Annex 3b Methodology for desk-study on consumers´ attitudes and behaviour (WP3)

Isabelle Vackier, Anne Vuylsteke, Wim Verbeke & Guido van Huylenbroeck
Department of Agricultural and Environmental Economics, Ghent University

**Main objective:**
To identify strategies to stimulate sustainable consumption.

**Secondary objectives:**
1. To understand the decision making process of consumers of sustainable products.
2. To identify barriers for consumption of sustainable food products.
3. To identify possibilities to eliminate these barriers.

---

## Contextual overview of the national reports

### Part I: Definition of sustainability of food products

The first part provides a context in which sustainability of food products should be situated. On the national levels, different characterisation of the multidimensional concept of sustainability will supply a diversity of sustainable aspects. Furthermore, each country should provide a short overview of the types of sustainable products that are available for the consumer. However, this should not be a shortened copy of the report of WP2, since not all food supply chains are communicated to the consumer as being sustainable. In this first section of the WP3 report only the initiatives that are recognised by the consumer as being sustainable (or ethical) to some extent are reported. For example, in Belgium issues concerning organic and integrated production, labels & hallmarks and alternative FSCs are relevant issues; while other countries should mention the importance of PDO/PGI.

### Part II: General food consumption trends

The purpose of this short section is to have some idea of the general trends in food consumption. This should be taken into account when trying to understand why consumers do or do not buy sustainable products. For example: Since consumers want to save time and therefore go to the supermarket for all their food purchases, specialised shops with 'sustainable' products are not visited due to the large effort consumers have to make. Strategies that aim to stimulate sustainable consumption have to take into account that sustainable products should be available in supermarkets if we want to convince the time-saving consumer.

**Part III: Consumer behaviour towards sustainable food products**

A complete sustainable product does not exist, since there are always some aspects that more or less non-sustainable. Therefore, research about sustainable consumption is exceptional. Most research is focusing on one or more aspects of sustainability.
To investigate consumer behaviour towards sustainable aspects in food products, the conceptual framework depicted in figure 7.3b-1 is used.

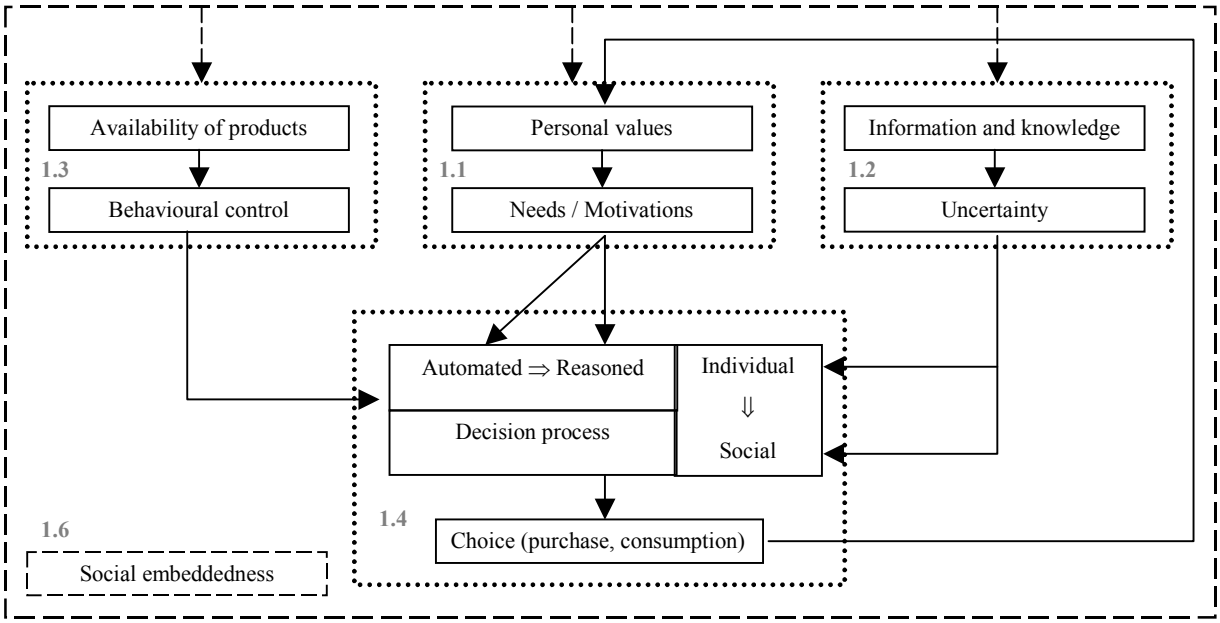



**Figure 7.3b1:** Conceptual framework to investigate consumer behaviour towards sustainable food products (according to the consumer behaviour model of Jager, 2000)

**Consumers of sustainable food products**

Consumers' values, needs and motivations

Human values are referred to as relatively stable beliefs about the personal or social desirability of certain behaviours and modes of existence, while needs refer to internal forces that drive our actions. Products have a certain capacity to satisfy one's needs. Consumers choose products through the interaction of personal needs and the possibilities that these products offer to satisfy these needs. People are motivated to invest cognitive effort in a decision problem (reasoned processing) when an important personal need is not satisfied, while automated processing or habitual behaviour occurs when consumers have low motivation due to satisfied needs.

The aim of this section is to identify consumers' values that can be associated with sustainable consumption. At the end of this section, it can be interesting to draw a table which gives an overview of which values are (un)important for sustainable consumption (see Belgian report)

Information, knowledge and uncertainty

According to the consumer behaviour model of Jager (2000), the availability of clear information on the products to choose from is an important factor in the decision process. The less information available and/or the more complex and contradictory this information is, the more uncertain consumers may be regarding what products to choose. Uncertainty will lead to use of social information, which means that consumers will look at other people to get an indication of the best outcome. The relative uncertainty about availability and the need-satisfying capacity of products will also stimulate social processing.

In this section, research about consumers' awareness, knowledge and understanding of any sustainable products can be reported. Furthermore, results about information consumers receive and the accompanying (un)certainty should be described. The impact of possible information sources and media, which provide information about sustainable products, can differ according to the variation of several factors, such as credibility of the information source. At the end of this section, again a table can present the findings of different literature sources with respect to information and/or knowledge (see Belgian report).

Availability of products and behavioural control

The availability of sustainable products is important since it has an influence on consumers behavioural control. The latter indicates if the consumer can easily consume a certain product or that its consumption is difficult of impossible. Although the motivation of consumers to buy sustainable products can be high, it is possible that this does not result in actual sustainable consumption behaviour due to a low availability of these products. This section should include consumer studies that report results about consumers' perception of the availability of sustainable products.

The decision process: attitude and consumption behaviour

In many consumer research studies, attitude towards some kind of sustainable products are measured. However, a positive attitude does not always lead to the desired behaviour, in this case the purchase and consumption of sustainable food products. This is due to the type of decision process that is used by the consumer. As mentioned before in the sections of the two main determinants, two dimensions are distinguished in the decision making process. Consumers can have an automated versus reasoned and a social versus individual decision making process. Only when consumer process information in a reasoned and individual manner, a positive attitude towards sustainable products will lead to sustainable consumption. However, most consumers often use a combination of many different decision processes. Information of section 1.1 and 1.2 can provide insight in what type of decision making process is used.
This section aims at reporting consumer attitude towards sustainable food products and their consumption behaviour.

Socio-demographic profile

Socio-demographic variables are used in a lot of consumer studies to identify regular consumers and non-consumers of sustainable products. These variables can be interesting to target specific segments of the population when communication efforts try to stimulate sustainable consumption.

Social embeddedness

Different large-scale developments in the social environment affect the behaviour of many individuals. Driving factors for environmental overexploitation are culture (as a conglomerate of socially shared beliefs,

values and attitudes), institutions (as instruments for constituting and governing human societies), demography, technology and economy. Some of these factors are also present in the PEST-framework of the report of WP2, however, applied on sustainable chains. In this section, the impact of these different factors should be described, but in certain cases it can be relevant to discuss these issues in the sections 1.1, 1.2 and 1.3. This should meet with the remarks mentioned on the meeting in Cheltenham with respect to social context and the influence of the environment.

**Barriers for consumption of sustainable food products**

Barriers for consumption of sustainable food products can be deduced from the consumer behaviour model, applied on sustainable consumption ('1. Consumers of sustainable food products'). For example: A negative attitude towards sustainable products will never lead to sustainable consumption. In the previous section of the Belgian report, it was found that this negative attitude could be caused by the price premium associated with sustainable products or the confusion and therefore scepticism towards sustainable communication such as labels.

**Possibilities to remove the above-mentioned barriers**

When searching for possibilities to remove the barriers, identified in the previous step, the consumer behaviour model serves again as a basis. Strategies to change consumer behaviour are focussed at four types of driving forces/factors of consumer behaviour.

- Changing the need-satisfying capacities of opportunities indirectly affects the consumer's motivation to use a product.
- Changing consumers' behaviour control through
    - changing the resource demands of products. This can be achieved by using laws, prices, information, …
    - changing the abilities of consumers (consumer resources). An example is the use of income taxes to decrease consumer's financial abilities or education to increase the knowledge of consumers.
- Changing the perspective people have on the preferred mode of need satisfaction.

**Part IV: Strategies to stimulate sustainable consumption**

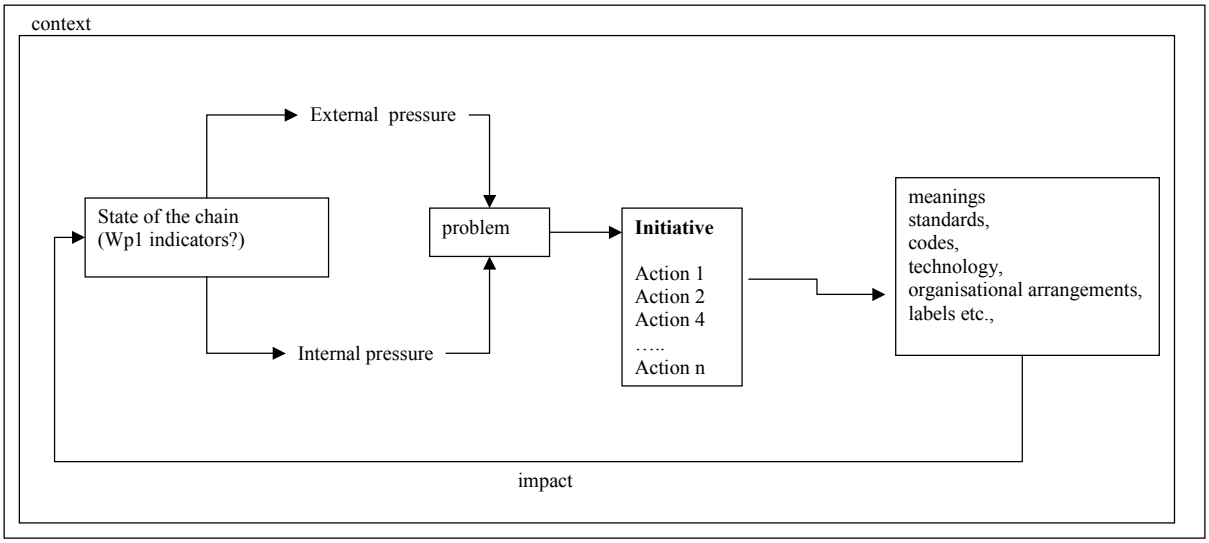
The report should end with conclusions about what strategies could possibly stimulate sustainable consumption. These conclusions should be considered as hypotheses that have to be tested in a further phase. Recommendations for future research can be proposed.

# Annex 4a Draft methodology for case studies (WP4)

Gianluca Brunori – Department of Agricultural Economics, University of Pisa
Han Wiskerke – Rural Sociology Group, Wageningen University

## Focus

A focus on processes (rather than, for example, on structures) is better suited to address the objectives of our project. We may represent processes as in the following example:




An initial state of the chain, assessed on the basis of sustainability criteria by actors outside the chain (public opinion, health or environmental authorities, etc. or by actors within the chain (consumers, producers, where to locate food movements?), in relation to a specific **context**, gives rise to pressures that put into question the present state of the matter, until a **problem** is recognized and defined. For example, the BSE crisis has emerged initially as a sectoral crisis, but the recognition and definition of the problem emerging from it (link with human CJ disease, link with feed coming from animal proteins, lack of controls, etc…) is a result of a rather long process. Pressures can be **external,** that is coming from actors outside the chain (for example, public opinion, civil society) or **internal**, that is from actors who are involved in the chain.

The problem, once recognized, raises strategic questions (how to restore consumers' trust? how to maintain a minimum level of welfare in the countryside?) which are addressed through one or more **initiatives** started by actors who build alliances to carry them out. Again, to address the strategic questions raised by the BSE problem (How to stop the epidemy? How to avoid new cases in the future? how to restore consumers' trust? ) a large number of initiatives have been taken (labelling schemes, codes of practices, regulations, new control systems, new technologies) at all levels: Public, farmers' associations, farmers, NGOs, etc…

Each initiative is composed of a cluster of **actions**. Each action aims to obtain specific **outputs** (for example, creating a label implies technical coordination, organisational innovation, new technologies, etc.) All outputs have an **impact** over the state of the considered chain and therefore on the boundaries, relevance and intensity of the problem. The impact can be broken down, as Guido suggests, into components to assess the change produced on different subsystems. Sometimes, initiatives generated by one problem take autonomous paths and become part of new clusters (umbrellas). For example, a labelling scheme based on safety claims evolves into regional quality schemes.

Questions

| | |
|---|---|
| To what extent you agree? If you don't agree, why? | |
| Which are the changes you would like to introduce in the scheme? | |

## Which units of analysis?

Once decided on the focus, we should agree on **units of analysis.** In other terms: what is the objects we would follow along our analysis? Following the arguments in the preceding section, we could take into consideration the following units of analysis:

1. chains (or commodities)
2. starters (public, ngos, farmers, retail, processors, etc.)
3. problems
4. initiatives

1. Chains as units of analysis would imply, as we have done in the national report, a general description of the chain, a list of the most important problems, an analysis of a relevant set of initiatives undertaken to address the problems. **In our opinion, chains as units of analysis are very ambitious, and we would need a lot of information to be able to make a good case.** Moreover, the case whose unit of analysis was a chain would lose its 'micro' character.

2. Starters as units of analysis would imply a general description of the actor, a list of the most important problems they have faced, the analysis of a relevant set of initiatives undertaken to address them. A case whose unit of analysis was an actor would create a problem of comparability, unless we decide to take into consideration a typology of actor (for example, valorisation consortia, cooperatives, retailers). Moreover, the description of an actor could imply a loss of focus on processes and on the role of other actors.

3. Problems as units of analysis would imply a general description of the problem, a list of the most important chains where the problem has emerged, an analysis of a relevant set of initiatives undertaken to address the problems. Similarly to the preceding option, a case whose unit of analysis was a problem would require a huge amount of information to be analysed properly.

4. Initiatives are, in our view, the most promising units of analysis. Initiatives as units of analysis (for example, 'Public procurement in Wales', 'Fair trade in England', "Farmers' markets in Tuscany') would allow us to describe the process as depicted in the preceding section. In fact, the case what was the initial state of the chain, which pressures were made, how the problem was defined, who were the initiators of the initiative, which actors were enrolled, which problems they had to solve etc…

Questions

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| To what extent you agree? If you don't agree, why? | |
| Which are the changes you would like to introduce in the scheme? | |

## 3. How many units of analysis per case? Or, multiple or single case case-studies?

According to the technical annex, the group should deliver 2 * 7 = 14 case-studies. If each case-study covered only one initiative, it would be difficult to create a representative set of cases. On the other hand, the technical annex requires **a detailed understanding of the complex interrelations, dynamics, interfaces and synergies embodied in sustainable food supply chains in specific national/regional settings**. Therefore, the level of inquiry has to go sufficiently in depth to go beyond the mere description.

With our case-studies, we need to fulfil at least three goals:

1. to have a good coverage of diversity of initiatives
2. to have enough information to compare
3. to have enough information to add value to already existing literature and to build theory

Given the amount of resources, the first goal is mainly addressed with a high number of cases, while the third with a low number of in-depth cases.

In a preceding draft we have suggested that the case study should analyse at least two cases: in other words, we were suggesting 'multiple case case-studies', which means that each case study should cover a certain number of sub-cases. This strategy can be a good compromise between the three objectives. Sub-cases should be linked together into a unitary narrative, aimed at showing, for example:

- how an initiative considered 'innovative' (for UK team: not necessary alternative) deviated the existing state of the matter;
- how different initiatives concurred to obtain the same objective; or
- why some initiatives succeeded and similar initiatives, but in different contexts, did not; or
- how the same type of initiative can obtain, in different contexts, different outputs

In order to design a case, we suggest to make the following steps:

Step 1 **[Choice of Unit of analysis]** Choose an initiative as 'starting point', whose distinctive feature is, at least for hypothesis, 'innovative'.

Step 2 **[Identification of the conventional unit for comparison]** Single out the chain(s) (and its subsystems) where the initiative takes places to be used as yardstick to assess 'alternativeness' or 'innovativeness', by analysing sustainability performance, bottlenecks, co-ordination patterns, communication practices, etc.

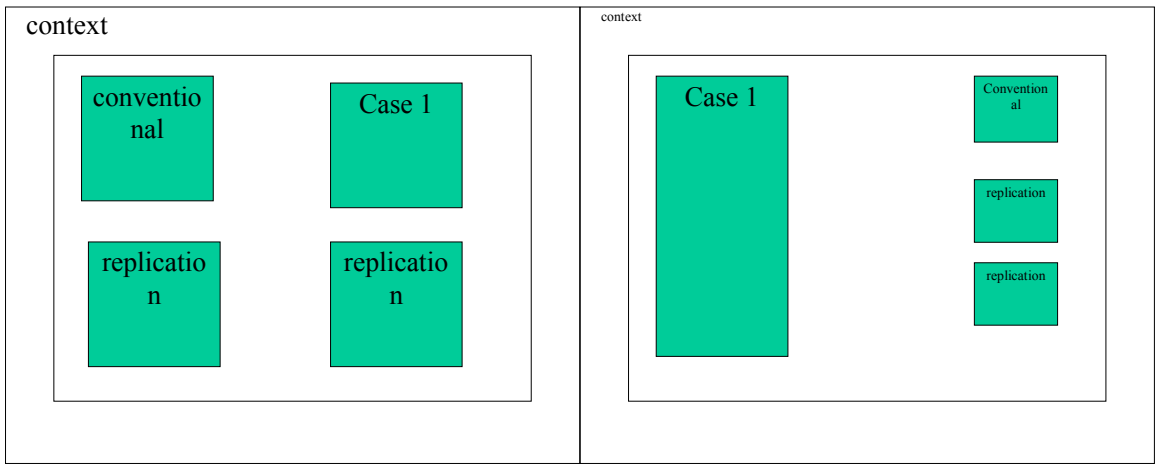
Step 3 **[Choice of replications]** Choose at least one different solution (a product, a commercial pattern, trademark, certification systems, etc.) which is innovative as well. For example, comparison could be among different marketing strategies for organic products (farm-selling/individual; region marketing, regional co-operation; large scale, international; subscription and membership of consumers);

- if the initiative is an on-farm selling pattern, confront it with other similar initiatives such as farmers' markets, on-line selling, local retail shops;
- in the case of labelling or of certification the comparison could be among different systems in the same country, different approaches;
- in the case of direct communication to consumers comparison could be with conventional communication initiatives, in terms of different communication structures and practices adopted.

Comparisons could also be carried out between similar initiatives in different countries, such as between

commercial patterns or between sectors (for example a comparison between initiatives in the pig sector in the Netherlands and initiatives in the pig sector in Italy: why is large scale quality production of pigmeat possible in Italy and not in the Netherlands?), etc.. To this purpose, bilateral arrangements between teams should be made.

A 'multiple case case study' can have different design, as in the following examples:




Type 1 multiple case Type 2 multiple case

The difference between the two types is that in the first the four cases have equal importance, while in the second there is a core-case and some satellites.

Let us make an example of the first type. If the case is about Farmers' markets in Wales, one could choose three different farmers' markets in Wales, follow their development in each of them, compare and contrast their performance. Case 1 could be a description of the starting point, for example the conventional channels to which farmers' market are alternative (or complementary).
An example of the second type of design can choose one of the former farmers' markets as the main case to be analysed in depth, and the other cases (including some 'conventional') could be used as replications to test similarities and differences among specific aspects (for example, type of farmers, type of products, sustainability meanings, etc..)

*Questions*

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| *To what extent you agree? If you don't agree, why?* | |
| *Which are the changes you would like to introduce in the scheme?* | |

## 4. How to select the cases? Criteria for taxonomy

*With respect to the case study selection it is crucial to come to an adequate, well-balanced and representative set of case examples, that cover diverse and contrasted sustainable farming systems and food chain organisations.*

* * *

If cases are focused on initiatives, we need to group them into a relatively small number of categories. There is a generalised agreement that some kind of taxonomy is necessary. Drawing on the basis of the two taxonomies under discussion (Swiss team and UK team), we have tried to sort out the criteria on which

taxonomy could be based:

4.1 What? Or, Sustainability meanings (promises) attached to the commodity when communicated or as perceived

- Ethical
- Ecological
- Health
- Quality
- Cultural diversity
- Community
- ?…

Not necessarily these meaning are independent from each other. Depending on the type of initiative, organic can be linked to ethical, ecological, quality etc.

4.2 Who? Or, starters of the initiatives

In this case, as UK team proposes, taxonomy could be the following:

- Public
- NGO (but also farmers' associations)
- Retail, processors (small-big?)
- Farmers
- ?…

Anyway, we should not forget that in many cases initiatives started by different actors converge into umbrella initiatives (for example, cooperatives who align producers into quality schemes converge with retail initiatives to create private labels, or NGOs and farmers' associations that organise events to which farmers are involved to sell their products).

4.3 How? Type of actions taken

If we decompose cluster/umbrella initiatives, we can single out a long list of actions taken by the considered actors. We have made the following list (which could be further refined):

- Communication
- Education, training
- Technical innovation
- Technical alignment / standard creation
- Certification
- Regulation
- Facilitation
- Political action
- Organizational arrangements
- New channels (farmers' markets, food shows, food subscriptions, selling on farm, etc..
- ?…..

What? Output pursued or obtained

- Awareness / endorsement of sustainability meanings
- Technical standards
- Codes of practices

- New technologies
- Organisational arrangements
- New organisations
- Labels, hallmarks, etc.
- ?…

4.4 Where? What is the geographical scope of the initiatives and of the chain where they take place?
Local, regional, national, international, global
This taxonomy, which corresponds largely to an axis of the Swiss taxonomy, could be combined with the size of the market (niche ←→ mass). See De Roest (…) for a discussion

4.5 Impact on subsystems
Guido has introduced the concept of **functional integration**. In order to analyse initiatives on this light, we could classify them in terms of the impact on subsystems such as:
- Production
- Processing
- Food service
- Marketing and Distribution
- Consumption

To which we could add (see Dixon, 1999):
- Knowledge and discourse production
- Science and technology production
- Regulatory politics

4.6 Problems
Finally, we could also make a taxonomy based on problems which clusters of initiatives address. Drawing mainly on the analysis of the UK and of the Swiss team, one possible taxonomy could be the following:
- improving farmers' livelihoods
- building/improving local capital (natural, social, cultural, economic, institutional)
- responding to safety/ecological crises
- greening/moralising conventional networks/chains/subsystems
- raising awareness and stimulating changes in attitudes and behaviour of the involved actors
- open/enlarging new markets of sustainable products
- ?…

N. B. All of these are only provisional lists. A refined list (but with a limited amount of items) could be built at the Pisa Meeting.

Case studies are not particularly focused on the deepening of one initiative but more on the deepening of crucial issues/themes/problems. This can mean that within one theme more initiatives are being researched. We suggest therefore that a taxonomy based on problems is the most promising in terms of comparative analysis. This means that cases should cover all the listed problems, and there should be enough replications to allow comparison.
Anyway, we must care that the diversity of the case cover the other criteria: for example, there should be enough diversity to cover ethical, safety, community, local, ecological etc.. criteria, as well as types of starters etc.

## 5. How to select the cases? Possible criteria for the assessment of case studies

There has to be a comparative element
Information must be accessible/available: a) availability of process information (how is the chain configured/designed? which moments of adjusting the policy/strategy has been taken place, etc.? b) availability of some economic information (figures of turnover, costs, investments, size of the market-segment, etc.)
There must be sufficient "novelties" and connections with rural development (typical products, social embeddedness, upstream differentiation, etc.) available within the case studies.
Within the case study we have to put attention to small scale initiatives (5%) as well as to large scale initiatives (95%). The exchange / confrontation of ideas between these FSCs could lead (in our opinion) to a good insight in suitable strategies for up-scaling and improving sustainability of FSCs/initiatives.

Questions

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| To what extent you agree? If you don't agree, why? | |
| Which are the changes you would like to introduce in the scheme? | |

## 6. Research questions

(from the technical annex)
The case studies should result in:
- a detailed description and analysis of the **socio-economic structure** of different food supply chains;
- a detailed description and analysis of the **ways of communication and mechanisms of (horizontal and vertical) co-ordination** within different food supply chains (e.g. labelling, face to face selling, product regulations, farm plans, codes of best practice, etc.) as well as an assessment of their **effectiveness** in creating cohesion and successful collective action between different actors in the chain;
- a detailed description and analysis of the **evolutionary dynamics** of different food supply chains, both **in time and in space**;
- an assessment of the **performance** of different food supply chains with regard to the different aspect of sustainability;
- the identification (per case study) of **bottlenecks** that constrain the improvement of the collective performance towards sustainability;
- a detailed description of the relevant **policy environment** associated with sustainable food supply chains (per case study) and analysis of relevant policy interfaces for different food supply chains.

* * *

The aspects mentioned in the TA can be translated into the following research questions:
- What is the profile of the chain where the considered initiative has taken place?
- What is the relevant policy environment associated with the considered supply chain and what are the relevant policy interfaces?

- What is the performance of the considered food supply chain?
- What are the aspects - Political, economic, social, technological - of the food chain that the considered initiative addresses?
- Which elements of sustainability do the actors involved in the initiative stress in their 'promises'?
- How does the initiative influence communication along the chain and mechanisms of coordination? How effective are they?
- How does the considered supply chain evolve and to what extent is evolution related to the initiative? What is the effect on single subsystems (Functional integration)?
- What are the bottlenecks that constrain the improvement of the collective performance towards sustainability?
- What is the potential to scale up of the considered initiative(s)?
- What are the contradictions emerging when initiative scale up?

Questions

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| To what extent you agree? If you don't agree, why? | |
| Which are the changes you would like to introduce in the scheme? | |

## 7. Layout of the case study report

1. Introduction
2. The context: refer to WP2 and WP3
3. Profile and performance of the chain before the initiative
   See wp1. See also the typology of patterns of the Dutch team (extending and decentralising food chains / decentralised and territory linked networks / coalitions / niches)
   It is important to highlight also performance indicators as perceived by the relevant internal and external actors. Focus on the pressures which caused the emergence of the problem.
4. Short description of what the case is about
   In few lines, describe the initiative as response to the problem above defined
5. State of art on the type of initiative
   This should include a general overview of the type of initiative in the national or international context. For example, for public procurement, fair trade, farmers' market there is already quite a lot of literature and many short cases could be shown. This section should embody information from other partners
6. The story
   The case should develop a narrative explaining how a specific sustainability concept is progressively embodied into initiatives and how these initiatives generate changes in the existing networks. The process will be central (how have they realised up-scaling? How do they realise product differentiation? How are societal organisations involved? How are FSCs able to adapt/to renew? How do they use different conventions/co-ordination mechanisms, what is the logic behind this?
   - Identify the actors who started/manage the initiatives, their social and cultural background, and the conception of sustainability they carry forward;
   - Describe their initial project;
   - Follow their activity of alliance-building around the project with other actors and their co-ordination/co-evolution/adaptation with non humans (living organisms, built environment, technologies) in the fulfilment of their goals.

- Identify the resources they have access once they set up a relationship with new actors;
- Analyse how, for effect of any new relationship, the relevant network changes, in particular, detect the consolidation of meanings along the network and their formalization (for example, through the setting up of an organization, or agreeing a set of technical rules);
- Analyse how they deal with the principal obstacles to the fulfilment of their goals.
- Analyse how the initial project changes along with the process;
- Analyse how, for effect of any new relationship, the actors negotiate/reshape their initial conception of sustainability;

7. Profile and performance of the chain after the initiative
   See wp1.
   It is important to highlight also performance indicators as perceived by the relevant internal and external actors. Focus on the pressures which caused the emergence of the problem.
   Impact on functional integration (see Guido's remarks)
8. Discussion
   Potential for scaling up. Up-scaling does not only means expansion of a certain initiative it can also mean up-scaling of ideas. For example the impact of organic agriculture in the Netherlands is much bigger that the market-share (1-2%) does suggest. There has been taken place a up-scaling of ideas (short line between consumer-producer, environmental issues, social caring, etc.).
   Highlight contradictions arising along with the scale-up of the initiatives

Questions

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| To what extent you agree? If you don't agree, why? | |
| Which are the changes you would like to introduce in the scheme? | |

## 8. Decision procedure for selection and design of cases

To have a clear idea of the coverage of different criteria by the cases it is suggested that each team should carry out a preliminary test on their proposed case-studies, in order to define:

- the chain where the initiatives take place
- to which problem(s) their proposed initiatives are addressed;
- principal and satellite initiatives
- who are the starters of the initiative
- actions taken (see taxonomy)
- outputs
- which sustainability meanings the cases are about
- the geographical scope of the initiatives
- on which subsystems the initiative impact
- aspects to be compared
- data to be collected (take into consideration that also images could/should collected
- arrangements to be made with other teams to make international comparisons within each case

Questions

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| To what extent you agree? If you don't agree, why? | |
| Which are the changes you would like to introduce in the scheme? | |

# Annex 4b Guideline for brief case study description (WP4)

Gianluca Brunori – Department of Agricultural Economics, University of Pisa

| | | |
|---|---|---|
| 1. THE CHAIN WHERE THE INITIATIVES TAKE PLACE | | |
| 2. TO WHICH PROBLEM(S) OR CONCENRS THEIR PROPOSED INITIATIVES ARE ADDRESSED; | ❑ improving farmers' livelihoods<br>❑ building/improving local capital (natural, social, cultural, economic, institutional)<br>❑ responding to health concerns/ecological crises<br>❑ greening/moralising conventional networks/chains/subsystems<br>❑ raising awareness and stimulating changes in attitudes and behaviour of the involved actors<br>❑ open/enlarging new markets of sustainable products<br>❑ raising awareness and stimulating changes in attitudes and behaviour of the involved actors<br>❑ open/enlarging new markets of sustainable products<br>❑ improvement of management of distribution aspects<br>❑ a fair distribution of added value within the system<br>❑ a low uncertainty on future, to allow producers to build long term strategies and transmit farms.<br>❑ perspectives for the most fragile producers.<br>❑ credibility of the sustainability promise to the consumer (linked to the issue of negative externalities towards the production territory and the society).<br>❑ protection (creation) of positive externalities to (re)build rural resources. | **Notes** |
| 3. WHICH SUSTAINABILITY MEANINGS THE CASE IS ABOUT | ❑ Ethical<br>❑ Ecological<br>❑ Economic<br>❑ Health (food safety, nutritional value)<br>❑ Quality (organoleptic quality, quality management…)<br>❑ Cultural diversity<br>❑ Community (identity, awareness, social embeddedness, social capital)<br>❑ ?… | |
| **4. PRINCIPAL INITIATIVE** | | |
| 4.1 Analysis of the context | | |

| | | |
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| 4.2 Category taxonomy | ❑ regional development initiatives<br>❑ environmental initiatives<br>❑ producer co-operatives: collective branding and marketing<br>❑ producer co-operatives: artisan production<br>❑ promotion of regional products through cultural/public events<br>❑ retailer initiatives<br>❑ quality assurance labelling<br>❑ organic supply chain initiatives<br>❑ direct selling-short FSCS<br>❑ public sector procurement<br>❑ health initiatives<br>… | |
| 4.3 Who are the starters of the initiative | ❑ Public sector /institutions/<br>❑ NGO<br>❑ Retail, processors<br>❑ Farmers/farmers' associations<br>❑ Extension service<br>❑ Private consultants agency<br>❑ … | |
| 4.4 Actions taken (see taxonomy) | ❑ Communication<br>❑ Education, training<br>❑ Technical innovation<br>❑ Technical alignment / standard creation<br>❑ Certification<br>❑ Regulation<br>❑ Facilitation: co-ordination<br>❑ Facilitation: logistics<br>❑ Price setting mode/negotiation<br>❑ Political action<br>❑ Organisational arrangements<br>❑ New channels (farmers' markets, food shows, food subscriptions, selling on farm, etc..)<br>❑ … | |
| 4.5 Outputs (see taxonomy) | ❑ Economic (income, employment, rural tourism…)<br>❑ Organisational (organisational arrangements, new organisations)<br>❑ Social (social embeddedness awareness / endorsement of sustainability meanings, health safety, improvement food quality, fair conditions…)<br>❑ Cultural<br>❑ Technical (technical standard, codes of practices, new technologies)<br>❑ Environment improvement (rules, codes of practices…)<br>❑ Product differentiation/ market visibility ( Labels, hallmarks,…)<br>❑ ?… | |

| | | |
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| 4.6 The geographical scope of the initiatives | ❑ Local,<br>❑ regional,<br>❑ national,<br>❑ international,<br>❑ global | |
| 5. ON WHICH SUBSYSTEMS THE INITIATIVE IMPACTS | ❑ Production<br>❑ Processing<br>❑ Food service<br>❑ Distribution<br>❑ Consumption<br>❑ Marketing (conceptions, strategies and policies)<br>❑ Knowledge/competence and discourse production<br>❑ Science and technology production<br>❑ Regulatory politics<br>❑ Rural development: employment- income- social cohesion- resilience of concerned social subsystem- tourism- landscape- bio diversity- natural resources- gender issues | |
| 6. SATELLITE INITIATIVES | This section should be repeated for any of the satellite initiatives taken into consideration | |
| National and international initiatives | | |
| 6. 1 Category taxonomy | ❑ regional development initiatives<br>❑ environmental initiatives<br>❑ producer co-operatives: collective branding and marketing<br>❑ producer co-operatives: artisan production<br>❑ promotion of regional products through cultural/public events<br>❑ retailer initiatives<br>❑ quality assurance labelling<br>❑ organic supply chain initiatives<br>❑ direct selling-short FSCS<br>❑ public sector procurement<br>❑ health initiatives<br>❑ … | |
| 6.2 Actions taken (see taxonomy) | ❑ Communication<br>❑ Education, training<br>❑ Technical innovation<br>❑ Technical alignment / standard creation<br>❑ Certification<br>❑ Regulation<br>❑ Facilitation: co-ordination<br>❑ Facilitation: logistics<br>❑ Price setting mode/negotiation<br>❑ Political action<br>❑ Organisational arrangements<br>❑ New channels (farmers' markets, food shows, food subscriptions, selling on farm, etc..<br>❑ ?….. | |

| | |
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| 6.3 Aspects of the satellite initiatives to be analysed and compared | ❑ The initiative life cycle<br>❑ Organisation structure and Governance (how is it/they organised, who makes the decisions and how do they make decisions-stakeholders involved- how do they discuss problems…)<br>❑ Communication internal and external<br>❑ Branding/Certification systems<br>❑ Products differentiation<br>❑ Public support<br>❑ ?… |

# Annex 5a Dissemination methodology (WP8)

Talis Tisenkopfs – Baltic Studies Centre

The purpose of this dissemination methodology is twofold:

1. to define role of dissemination among other work packages, describe approaches, methods and objectives of dissemination;
2. to outline a concrete dissemination plan for the first stage of SUS-CHAIN project, primarily focussing on the arrangement and practical implementation of the first national seminars.

The earlier drafts of dissemination methodology have been discussed among SUS-CHAIN team members and elaborated during the 2nd Project Workshop in Cheltenham, 1-3 October 2003.

## 1. Terms of reference. What is written about dissemination in the Technical Annex?

The dissemination methodology and plan in general have been described in the Technical Annex. There are two important points regarding dissemination: i/ close relation between dissemination and other work packages during the whole project life-cycle, and ii/ active co-operation between researchers and subcontracting NGOs and three different target groups of FSC actors at national seminars (and in possible other forms).

In the Figure 1 below the relations and interaction between dissemination and other phases is presented.

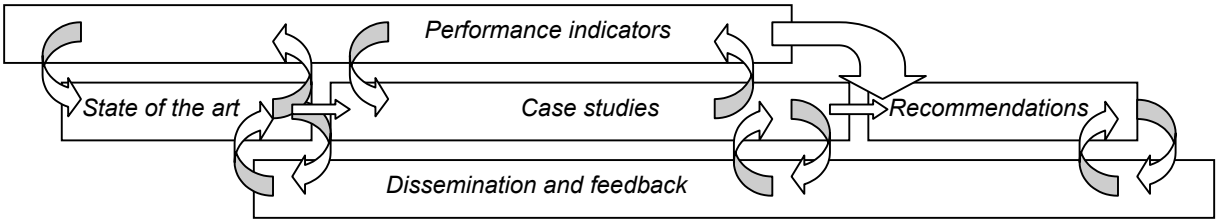



Figure 1. **Relation between dissemination and other work packages**

Important actions and milestones of dissemination (months 6-36) are:

1. Access to and good communication with three different target groups:
   - Stakeholders in the social and institutional environment of food chains (e.g. politicians, consumer organisations, environmental groups, applied research institutions, extension services etc.)
   - Actors in the food chain and organisations of these (e.g. farmers, retailers, processing industry, etc.)
   - The scientific community (agricultural sciences, environmental sciences, consumer studies, economy, sociology, rural studies, etc.).
2. Drafting of a dissemination plan. The plan will be presented to the Commission services for comments, suggestions and approval.
3. Specific input and role of NGO-subcontractors in dissemination.
4. Organisation of three seminars at national level with relevant combination of target groups. Feedback

from the target groups on the provisional findings, validation of results and dissemination of results. The seminars will be organised one month before the delivery date of important deliverables and/or milestones in order to use the comments in the finalisation of different deliverables (reports).

5. The first seminar (month 9) is intended to get feedback on the provisional set of performance indicators and on the provisional results of WP2 and WP3, and to get suggestions for interesting and relevant cases for phase 3.
6. The aim of the second seminar (month 20) is to get feedback on the results of the case studies, in particular on the assessment of the socio-economic performance of the food supply chains and on the identification of opportunities and constraints for the sustainable development of these food supply chains. At the second seminar the results from other countries will be discussed as well in order to assess whether experiences from other countries are relevant to the domestic situation.
7. The third and last seminar (month 31) will be organised to get feedback on and fine-tune the practical and policy recommendations.
8. At the European level the dissemination activities will focus at the elaboration of a practical protocol of ways to improve the collective performance of sustainable food supply chains. This protocol will be presented at an international conference oriented at Commission representatives and policy makers / stakeholders' organisations from the participating countries.
9. Dissemination of results to the scientific community will, besides the national seminars, mainly be done by means of the various reports of the project and a scientific book, in addition to normal channels of publication such as scientific journals, presentations at scientific conferences and the Internet.

## 2. Four challenges of dissemination

With dissemination we have four basic methodological and practical challenges and difficulties:

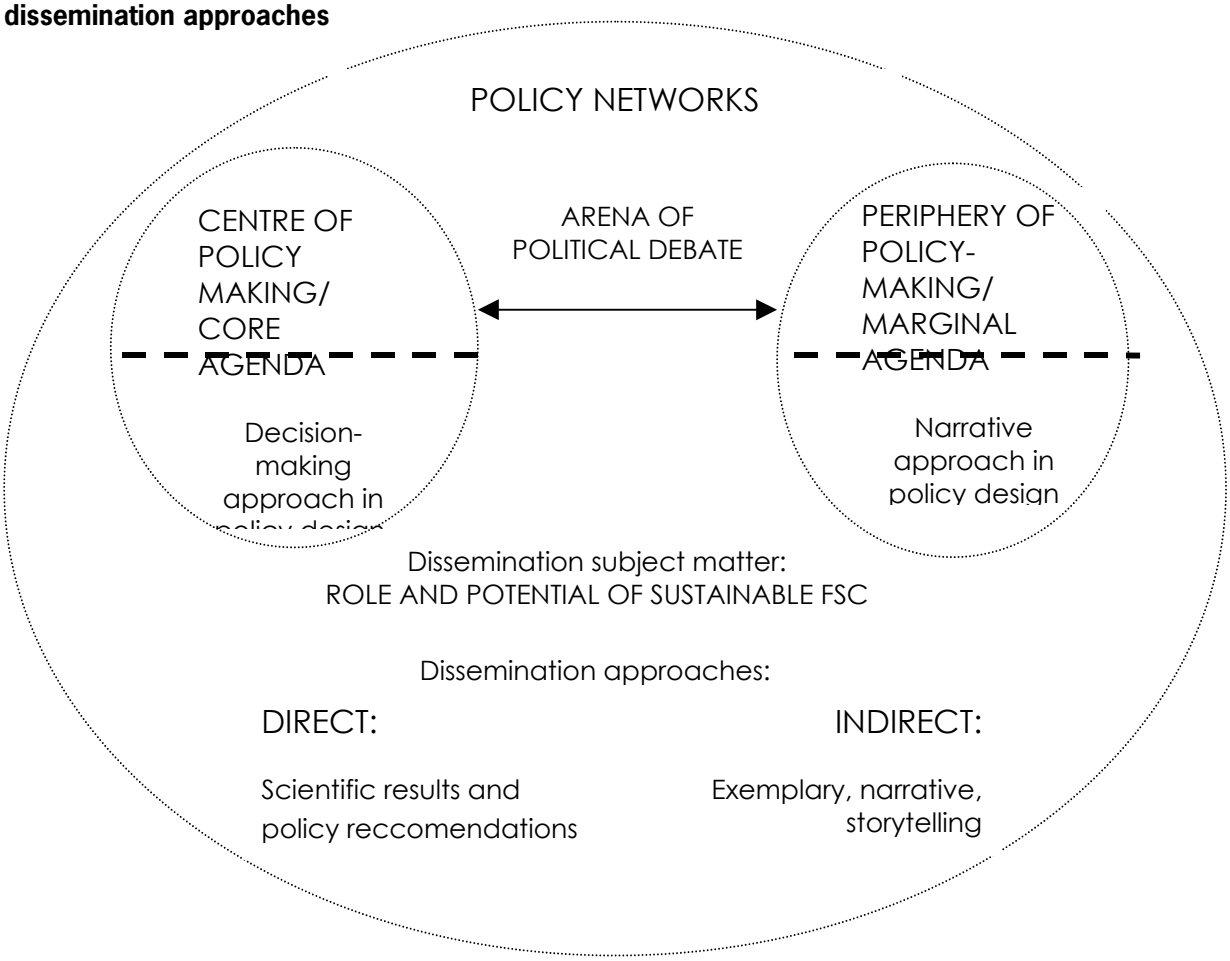
i) challenge of continuous of dissemination process;
ii) political difficulty or difficulty to disseminate knowledge about sustainable food supply chains and new FSC initiatives in policy networks;
iii) difficulty to convey findings about innovation in FSC;
iv) difficulty to disseminate findings about impulses of transmission in chains (change agents and processes).

Challenge to implement continuous dissemination: The first difficulty is related to our aim to implement permanent dissemination process and by doing so – to enrich and fine-tune research process and its outcomes and in the meantime – to influence political process. Differently from many other projects we have put task to start dissemination at early stages of project and integrate WP8 with other work packages. Results of work packages have to be disseminated and verified in target audiences, fine-tuned and then built into next work packages, which too have their dissemination component. Thus, dissemination process is both continuous and cyclical.

Challenge to disseminate knowledge about sustainable FSC and new FSC initiatives in policy networks: The second difficulty is related to “minority”, “marginal” and “peripheral” state of sustainability issues and aspects regarding which we want to disseminate our scientific knowledge and findings. In other words, ideas and knowledge about sustainable food supply chains are not well incorporated, present and appreciated in political discourse. Sustainable agriculture, sustainable rural development, new food chains, sustainability itself are neither uncontested notions, neither central political issues. There are various competing definitions and discourses around these notions and policies, some ideas are translated in actual

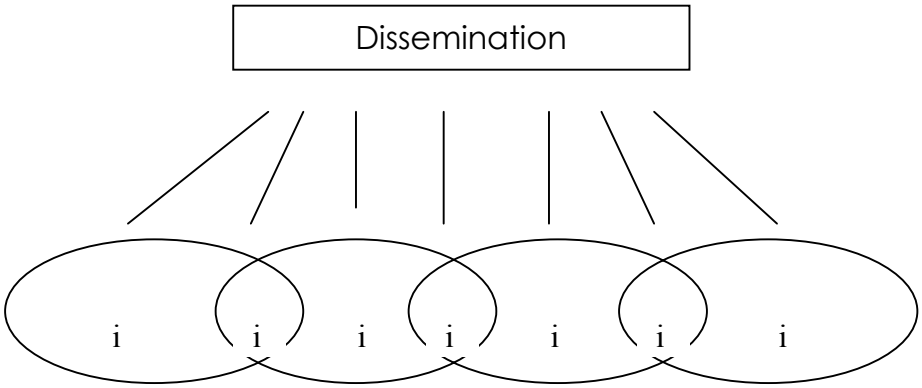
sustainable agriculture and sustainable / integrated rural development policies, but in general, sustainability issues have not conquered the core of political agenda and are located in periphery zone of policy making. The challenge is to bring them more to the centre of political debate, to incorporate these issues in political agenda and to find appropriate dissemination approaches and tools how to achieve this (Figure 2).

Figure 2. **Incorporating of sustainable FSC issues in political agenda through combination of two dissemination approaches**



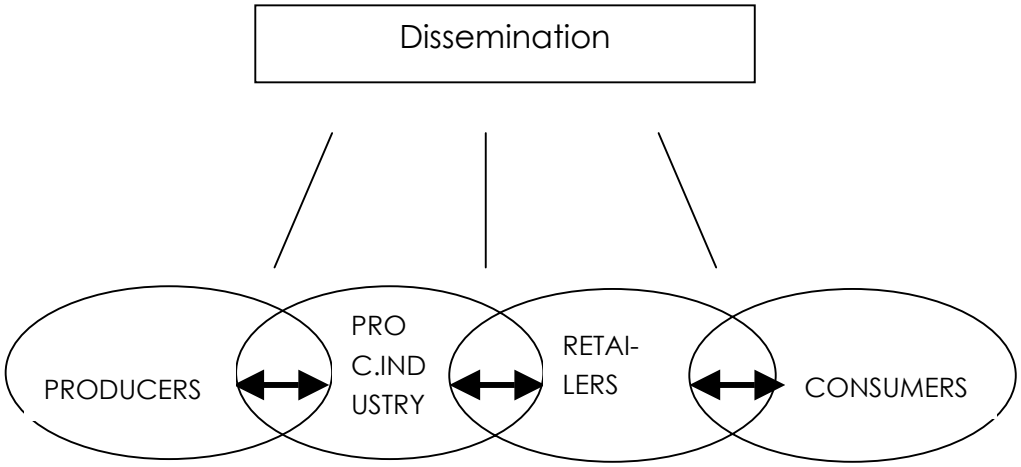

Challenge to disseminate knowledge about innovation in FSC: This challenge is related to the nature of subject matter or content of empirical and political knowledge and findings we want to pass to target audience and policy community. This knowledge and recommendations will very much deal with innovation and new initiatives – processes and relations which by their nature are "new", "novelty", "non-traditional", "non-accustomed", "different", "diverse", "marginal", "non-trivial", "non-routine", "progressive", etc. It is both a scientific challenge, how to identify and research these minor but potentially growing processes in FSC, and a challenge for dissemination – what to do with our findings about innovation? How to communicate them to target audience in an understandable and convincing way (Figure 3)?

**Figure 3.** Dissemination of knowledge about innovation




Challenge to disseminate findings about impulses of transmission in chains (change agents and processes): The fourth challenge is to disseminate knowledge about those processes and relations which take place in conjunction between chain actors and in which new ideas and initiatives about sustainable agriculture are transmitted (Figure 4). These might be ideas and initiatives about safe food, healthy diet, tasty food, environmental protection, quality standards, biological farming, regional products, local food, trust between consumers and producers, decent price for products, fair trade, food labels, direct marketing, etc.

**Figure 4.** Dissemination of knowledge about impulses and transmission of change




### 3. Dissemination approaches

These challenges have implications for dissemination approaches, methods and tools. Before we define exact dissemination plan we have to reflect about two interconnected dissemination approaches which could be deployed – direct/ conventional and indirect/ narrative/ storytelling, which is more innovative. In a project about new food chains we might be wishing to try also new and innovative dissemination approaches.

SUS-CHAIN is about improving transparency, visibility and awareness about variety, diversity and

performance indicators of sustainable FSC among different actors (both directly involved in chains, and in the processes of chain regulation): industry, farmers' organisations, agricultural associations, academia, government institutions, policy-makers, media, wider agro-food policy community. The dissemination task is to make all these new realities and potentials of sustainable FSC (diversity, performance indicators, positive impact on rural development, etc.) as found in research visible to target audience, to bring the role and potentials of FSC into central arena of academic and political debate.

This could be done by combining two dissemination approaches – direct and indirect:

i) Direct approach is one which seeks to communicate research results in policy making process at all levels – elaboration of policy proposals, consultation process, formulation of alternatives, evaluation of alternatives, decision-making, implementation and evaluation of policies. In direct dissemination "traditional", "conventional" methods are used such as executive summaries of research results, briefing target audience about main findings, policy recommendations, policy notes, informative seminars and other. Research results are being translated into policy recommendations in a rather linear and one way fashion, and recommendations are targeted at certain stages of policy-making process.

ii) Indirect/ non-conventional/ narrative/ storytelling approach to dissemination is rather aimed at rising awareness among target audience and particularly among policy community about sustainability of FSC and new initiatives in FSC. The purpose of indirect dissemination is to draw attention of political and industrial actors to potential of new FSC for rural development, public health, environmental protection, improving relations between urban and rural societies. Indirect dissemination has to stimulate debate that would gradually include sustainable food chain issues into the "core" political agenda and "classical" decision-making process. It has to bring new initiatives from periphery to the centre of political debate (see Figure 2 above). Here the main methods of dissemination are examples of new and sustainable FSC initiatives, success stories, visualised chain and network mapping, narratives of actors themselves, story telling about emergence and evolution of new chains, etc. These "soft", narrative methods may better intrigue the target audience and policy community about new FSC initiatives and sustainability indicators than traditionally used straightforward recommendations.

**4. Context: What is different about dissemination in SUS-CHAIN project?**

The contemporary situation with respect to the dissemination of the results of European RTD projects is characterised by several tendencies against which SUS-CHAIN project may profile its difference and innovative nature:

1. Many European RTD projects tend to place dissemination phase in the end of project cycle. This implies that teams often are able to give less attention and less effort to dissemination of scientific results than they are able to give to the quality fulfilment of scientific tasks. As a consequence the research teams often lack time and resources to elaborate and implement efficient dissemination strategies. This may lead to split between scientific knowledge and policy recommendations. It is a challenge for policy-oriented RTD projects to find new approaches and techniques to both elaboration and dissemination of policy recommendations.
2. Although scientific investigation, elaboration of recommendations and dissemination of results form a continuum of policy-oriented research, many RTD projects show gaps between these phases.

Recommendations are largely based on results of theoretical and empirical scientific research – outcomes of so called scientific work-packages. To a less degree recommendations incorporate practical political knowledge of policy actors, neither they are collectively elaborated in the process of consultation between researchers and referent policy community. It is a challenge to use more participatory and interactive approaches to elaboration and verification of recommendations and to involve in this process different policy and civil society actors to whom the recommendations are addressed. This would allow much greater representation of actual development needs, visions and strategies of different rural actors in the recommendations. Stakeholders' participation in recommendation-formulation and dissemination process would also increase their ownership over the suggested political actions.

3. Currently many RTD projects tend to use rather narrow scope of dissemination measures, which predominantly include scientific conferences, seminars, workshops and publications. Dissemination activities tend to be singular events, in which scientists seek to promote ready-made recommendations to policy makers, rather than they are based on continuous co-operation between scientists and policy community. It is a challenge to broaden the variety of dissemination measures and to use regular consultations as a form of dissemination of policy recommendations.
4. Many politically oriented studies face the problem how to ensure the practical validity of the results of research activity and how to translate them into useful policy recommendations. Whereas validity of scientific knowledge is achieved within the scientific community, the validity of policy recommendations requires broader communication between scientists and different policy actors. It is a challenge to increase validity of policy recommendations by means of regular consultations between research team, policy makers and citizen groups.
5. Contemporary decision-making processes take place in extended political networks, and at multilevel structures of governance which include government but also NGOs, citizen groups, professional associations, industry actors and other stakeholders. In the meantime recommendations often address either only one particular actor or one particular stage of political process. As a result policy recommendations often lag behind the real needs of governance. Since the process of policy elaboration and policy implementation involves different actors and requires specific socio-economic knowledge it is a challenge to elaborate and disseminate customer-tailored policy-advice.

Taking the tendencies outlined above into account, the fine-tuning and dissemination of results and policy recommendations in SUS-CHAIN project differ in several respects:

1. The first difference is conformity between research process, results, recommendations and decision-making structures, and policy development logic. This means that results will be tested and recommendations elaborated and disseminated in a joint action undertaken by the research team, subcontractors and representatives of reference groups. Recommendations will be targeted at specific actors in FSC and specific policy-making situations.
2. The second difference is that research partners and subcontracting NGOs will co-operate with different actors and stakeholders: academic researchers, social and institutional environment actors (politicians, consumer organisations, extension services, etc.), and actors in the food chain (farmers, retailers, processing industry, etc.).
3. The third difference is regular consultation (three national seminars and contacts in between them) as a mechanism of presenting results, testing findings, steering research, elaboration of recommendations, valorisation and dissemination of policy advice. This communication will ensure greater validity of both scientific outcomes and policy recommendations.

## 5. Objectives

Specific objectives are:

- To develop new approaches and techniques to both elaboration and dissemination of policy recommendations;
- To improve stakeholders' participation the formulation of recommendations and the dissemination of research outcomes in order to increase their "ownership" over the suggested political actions;
- To use regular consultations with stakeholders as a form of dissemination of policy recommendations;
- To increase the validity of policy and management recommendations by means of regular consultations between the research team, policy makers and rural stakeholders;
- To elaborate and disseminate customer-tailored policy and management advice.

## 6. Dissemination plan: National seminars

General remarks: Seminars are key instruments of dissemination. National teams are responsible for organisation of seminars in most appropriate and flexible way and in the meantime following organisational guidelines that would enable comparisons. Three target groups addressed are: academic experts, policy makers, and actors in the food-supply chains. We have to consider how to approach different stakeholders, respect their interests, visions and often-contradictory perceptions of sustainability. In the meantime seminar provides an opportunity to facilitate convergence, interface and transmission of ideas among actors, stimulate their internal debate regarding new initiatives and sustainable agriculture marketing.

National seminars can be used not only as discussion forum to corroborate research results, improve draft reports, comment on outcomes of work packages, but also as "creative engines" to produce ideas for SUS-CHAIN project, to fine-tune further work and make suggestions for the next work phases. National seminars can build a common platform for further co-operation with consultation group and target audiences and reaching broader policy networks for improved governance of FSC.

Stakeholders are not considered only as recipients of SUS-CHAIN research findings, they are partners in collaborative research, dissemination and policy influence effort. Their expertise is valued, their knowledge is represented and they are invited to elaborate together with the scientific partners and subcontractors the further research ideas and dissemination activities.

Since the SUS-CHAIN approach to dissemination is quite innovative, we should try to document and analyse dissemination activities and results in a comparable form. For this purpose it is important that national teams produce structurally similar documentation which might include: a/ seminar protocols/ minutes/ position paper, b/ seminar evaluation questionnaire, c/ team members reflections about dissemination process, d/ photographs, audio-records, and possibly video-records. These documents can be organised in a dissemination diary form. Such a dissemination diary would serve as a reference source for further dissemination activities and include valuable data for cross-national comparisons and methodological reflection. Similarly structured diaries would help to produce a scientific article about new approaches and methods of dissemination.

6.1. Guideline for organisation of national seminars

| Aspects of organisation | Practical suggestions (based on Cheltenham workshop discussions) |
|---|---|
| 1/ Seminar group / Target audience | **Diversity of the group:** Three target groups include: policy makers, researchers and economic actors within FSC (see Technical Annex). By composing a consultation group we should look for representation of diversity of actors: chain actors ("Mr. Tesco sales manager" and "Mrs. Manager of Suffolk farmers' initiative"), experts ("Professor food market research"), producers ("Mr. Farmers' Union leader"), policy makers ("Mrs. Deputy"). Invite different kind of actors – farmers, union representatives, big retailers, people with different visions and interests in FSC. Additional participants might include universities, schools, small retailer associations, consumer organisations, media? We presume that invited persons represent their institutional not individual perspectives. Thus the seminar group reaches out into extended network of organisations.<br>**Size of the group:** Different size of the seminar group has been suggested: 10 persons ("If there are more there will be no discussion"), 30 persons ("We need 30 to 40 people in order to cover all the groups"), 50 persons ("We had a workshop and active discussions with 50 people."). The size of group may vary from country to country and depend on national teams decision.<br>**Commitment of the group:** Choice of actors should reflect the diversity of knowledge and interests. Invited key stakeholders have to be open-minded individuals able to avoid confrontation and with a broader understanding of FSC and RD issues. We should avoid possible confrontations between "hard liners" and "friends" of sustainable food chains. Participants are expected to build a common motivation for co-operation with researchers.<br>**Core group:** The consultation group might change over time, however it is an intention to build a core group of approximately 10 people that would remain unchanged throughout the SUS-CHAIN project life. The core group for the next seminars would be the same. The group might be willing to formalise at later stages. |
| 2/ Objectives of the seminar | Seminar is a discussion forum, a place to bring together different stakeholders, improve their communication and form a network of partners for improved governance of FSC.<br>**Specific objectives are:**<br>• Corroborate WP2 reports<br>• Discuss main issues of functioning of FSC (Part 7 of WP2 Reports)<br>• Discuss driving factors of change (PEST method)<br>• Deepen understanding of new FSC, their bottlenecks and perspectives<br>• Provoke and give occasion for discussion about sustainability within old and new FSC<br>• Generate suggestions and ideas for case studies<br>• Form a consultative group of stakeholders<br>Indicators of performance of new FSC as well as WP3 results are not objective of the 1st seminar. |

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| 3/ Stakeholders motivation | Seminar is a possibility to discuss dynamics, bottlenecks and new initiatives in FSC in a group of actors who otherwise might have limited possibilities to discuss these issues together. Seminar enables exchange of information and communication between different actors. We have to start with THEIR concerns and interests, take onboard stakeholders' knowledge and suggestions. International dimension of the project and possibility to familiarise with FSC situation in other European countries might increase motivation.<br><br>**Certain organisational arrangements** that might enhance success of seminar:<br>• Use personal approach in invitation letter<br>• Attractive location<br>• Good catering. It is advisable to play with food and eating experience to stimulate discussion, for example, to offer two menus: sustainable lunch (local food, slow food, specialities, organic products. etc.) and unsustainable lunch (fast food, hamburgers, hot-dogs, soft drinks, etc.)<br>• Raise stakeholders' interest in scaling up new FSC, in using potential of FSC for rural development<br>• Attractive speaker if teams decide to invite an outside moderator<br>• Possibly to pay transport expenses and incentives, depending on country |
| 4/ Organisation of the seminar | **Level:** Depending on country seminars might be organised at national or regional levels.<br>**Timing:** The first seminars are planed for November/ December 2003 so that results can be incorporated in WP2 final reports.<br>**Duration:** half a day to a full day in length<br>**Approach:** It will be two-way information rather than lecture and presentation of ready-made results. It will be consultation rather that delivery of findings. It will be open discussion organised in plenary and smaller workshops. Combination of direct and indirect approaches (see Chapter 3) is recommended, for example - identify an issue and support it with story based on WP2 research. Might be advisable to avoid using the word "sustainable", instead, use other relevant synonyms, e.g., organic, safe, environmentally friendly, etc. Avoid focussing only on biological chains (9%-95% dimension).<br>**Seminar methods:**<br>• Plenary<br>• Workshops (combining small group discussions with individual reflection and writing post-its)<br>• Feedback reporting at plenary<br>• Targeted expert questionnaire (application of this method depends on national teams)<br>• Seminar evaluation questionnaire (for all)<br>**Hand-out materials** (to be prepared in advance, not too much):<br>• Executive summary of WP2 (alternatively this could be presented at plenary)<br>• Leaflet describing SUS-CHAIN project, project synopsis<br>• Issue list / a checklist to respondents for possible ranking, commenting, better following the presentation of WP2 research<br>• Targeted expert questionnaire (optional, application depends on national teams)<br>• Seminar evaluation questionnaire (at the end of seminar)<br>**Moderator:** Moderating of the seminar could be done by research partners and sub-contractors themselves. Alternatively an outside moderator, for instance, a neutral journalist or expert can be invited. |

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| 5/ Content of the seminar | In order to run successful seminar, national teams have to prepare a clear set of goals, clarify their own position on economical, social and environmental sustainability of FSC. It is most important to filter out the main sustainability-linked problems from the WP2 national reports.<br>**Focus:** As agreed in Cheltenham, focus should be on problems and issues that characterise actual performance of FSCs<br>**Issues to be covered by all national teams:**<br>• Discuss the main issues of functioning of FSC in each country (Part 7 of WP2 Reports). The overall list of relevant issues is given in Bill Slee and James Kirwan paper for Cheltenham meeting "WP2 Key issues and themes summary", see also minutes. Discussion can be stimulated in different ways: e.g. tell the summary of WP2; start with the extracts from WP2; turn into propositions or problematic statements; ranking of key issues might be attractive to players.<br>• Discuss drivers of change in FSC/ PEST methodology (Part 7 of WP2 Reports)<br>• Discuss major trends, which support or endanger sustainable food chains. Forecasting approach can be used to enable actors go beyond narrow interests. For instance, talk about FSC in 2010-2015<br>• Highlight important new initiatives and developments towards sustainable FSC. Case stories of successful initiatives and examples might help to provoke discussions<br>Avoid GMO debate. |
| 6/ Outcomes of the seminar | • Improved understanding of issues and problems that characterise actual performance of food supply chains, possible ranking of issues and problems<br>• Comments and reflections about drivers of change<br>• New important initiatives in FSC identified and discussed<br>• Suggestions for improving WP2 reports<br>• Suggestions for case studies and their selection criteria<br>• Consolidation of a group of stakeholders motivated to participate in the next two seminars, formation of a core advisory group<br>• Suggestions for further dissemination activities |

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|---|---|
| 7/ Feedback and documentation | Good recording and documentation of the meeting is required for feedback and analytical purposes.<br>**Chatham house rules**: Discussions are open, however, individual ideas expressed are never attributed to a person.<br>**Methods of recording and data collection:**<br>• Audio-recording of the seminar. Discussions (plenary and, perhaps, working groups as well) have to be recorded for later analysis and possible transcription<br>• Note-taking. It is important that team members also take scripts during the seminar<br>• Photographs (very desirable, photographs help to build a common group spirit)<br>• Video recording (optional)<br>• Targeted expert questionnaire. Some teams might be willing to use opportunity and ask participants most of whom are experts to fill in specifically designed questionnaire (eg. answer guestions, like: What might be criteria of performance of sustainable FSC? What are best examples of sustainable FSC? What are major bottlenecks?). Alternatively post-it method can be used in group discussions<br>**Feedback methods:**<br>• Seminar protocol/ position paper/ minutes. This document has to be prepared after the meeting and circulated among participants for clarification of their positions. Protocols have to be structured according to the content of the seminar (see point 5). Commented protocols will be used for finalization of WP2 reports<br>• Seminar evaluation questionnaire (at the end of seminar). This questionnaire might include the following questions: i/ suggestions for further research – selection of cases, new initiatives, issues, etc., ii/ general evaluation of the seminar, suggestions for further seminars, iii/ expression of interest to continue collaboration and participate in a smaller advisory group (core group), iv/ any other question<br>**Dissemination diary.** The documentation and materials produced during and after the seminar can be organised in a form of dissemination diary. Such a diary would serve for analytical and comparative purposes as a stock of information about dissemination activities and results<br>**Structure of dissemination diary**:<br>I/ Seminar protocol<br>II/ Seminar evaluation questionnaire<br>III/ Team members reflections about dissemination process<br>IV/ Photographs, transcripts, possibly video-records can be added to the diary |
| 8/ Internationalisation | At first seminar we introduce the international dimension of the project, however we are not yet in position to bring international experience at national seminars. Findings and knowledge about FSC situation in other European countries can be a topic for the next seminars. |

6.2. Model format and agenda for the national seminar

Preliminary agenda of the Latvian national seminar is given as example below. Other national teams will modify and adjust agenda in a flexible way to achieve seminar objectives.

| | |
|---|---|
| 9.30 – 10.00 | Arrival of participants, registration, coffee |
| 10.00 – 10.30 | Opening of seminar, introduction of participants. Each participant is given time to introduce him/herself, tell about their role and relation to sustainable food chains (teams might give participants a format in an invitation letter) |
| 10.30 – 11.00 | Introduction of SUS-CHAIN project |
| 11.00 – 12.15 | Discussion of WP2 preliminary results at plenary. Formulation of tasks for working groups |
| 12.15 – 13.00 | Lunch: Two offers: “sustainable” and “unsustainable” meals |
| 13.00 – 14.00 | Working groups: |
| | Sustainable FSC in your country: main challenges (three working groups) |
| 14.00 – 14.30 | Coffee break |
| 14.30 – 15.30 | Working groups: |
| | New initiatives in FSC: successful and failing examples (three working groups) |
| 15.30 – 16.30 | Plenary, conclusion of the seminar, further activities, evaluation questionnaire |

## 7. Other dissemination activities

Other dissemination activities, like preparation and publication of a scientific book, organisation of a special session on food supply chains at World Congress of Rural Sociology in Trondheim, July 2004, have to be discussed during the next project meetings.

# Annex 5b Guideline for Reporting about National Seminars (WP8)

Talis Tisenkopfs – Baltic Studies Centre

The current document specifies the structure and content for the Report on National Seminars. It is based on formerly circulated document "WP8 – Dissemination methodology" (see Annex 5a), in which different aspects of organisation of national seminars were outlined in detail.

**Structure of the Report on National Seminars (Dissemination Diary)**

Introduction – 1 page
Introduction should include the general characterisation of the national seminar (see point 4 in the guideline for organisation seminar from the document "WP8 – Dissemination methodology"). This may reflect, e.g.: number of participants, represented diversity of chain actors, their response, interest and motivation, timing, duration, agenda, methods used, catering, audio and video recording, characterisation of hand-out materials, moderating, characterisation of atmosphere during the seminar, and other aspects.

Seminar protocol – up to 4 pages
This part should reflect the content of seminar discussions (see point 5 in the guideline for organisation seminar from the document "WP8 – Dissemination methodology") – opinions, arguments and suggestions regarding four main issues to be discussed:

1. functioning of FSC in your country (1 page);
2. drivers of change in FSC (1 page);
3. major trends in development of FSC (1 page);
4. new initiatives and developments towards sustainable food chains (1 page).

It is advisable that protocol is circulated among the seminar participants for their verification and comments before it is finalised and included in the report.

Outcomes of the seminar – 1 page
In this section teams have to give a concentrated overview of main results achieved during the seminar with relevance to WP2 tasks, as well as important suggestions for further research, suggestions for co-operation (see point 6 in the guideline for organisation seminar from the document "WP8 – Dissemination methodology").

Seminar evaluation by stakeholders – 1 page
This part would include a summary analysis of seminar evaluation questionnaires (see point 7 in the guideline for organisation seminar from the document "WP8 – Dissemination methodology"). It is supposed that each country team distributes seminar evaluation questionnaires among the participants. In a model questionnaire three questions could be put to stakeholders: 1/What were achievements and benefits of the seminar? 2/ What were the shortcomings, disappointments? 3/ What are your suggestions for further co-operation in SUS-CHAIN project?

Team members' reflection about dissemination process – 1 page
Researchers and subcontractors are asked to write their personal reflection about the process and

outcomes of the seminar, validity of this dissemination method, suggestions for further dissemination activities, etc. These reflections not necessarily have to be summarised. Every partner can write few lines about their own experiences.

Photographs and video-records are suggested as additional part of the report.

# Annex 5c Description of workshop for the XI$^{th}$ World Congress of Rural Sociology (WP8)

Han Wiskerke, Rural Sociology Group – Wageningen University

**XI World Congress of Rural Sociology**
26-30 July 2004 (Trondheim, Norway)

Working Group 15: The contribution of new food supply chains to sustainable rural development

Convenors: Han Wiskerke (Han.Wiskerke@wur.nl)
Colin Sage (c.sage@ucc.ie)
Henk Renting (Henk.Renting@wur.nl)
Egil Petter Stræte (Egil.P.Strate@rural.no)

In recent years we have witnessed an impressive growth of new food supply chains that incorporate claims of sustainability, safety and quality. Along these food supply chains and between regions, there is a diversity of definitions of sustainability, safety and quality. These differences emerge from a wide variety of factors, including: diversity in farming systems; differential innovation strategies of food firms; the multiplicity of forms of territorial governance and cultural identities; diversity in the organisational structure and governance of food chains; different perceptions of the attributes of quality production; diversity in the way consumer demands are articulated to specific production ´codes´ (organic, integrated, regional, artisanal etc.); and diversity in the way safety claims are intertwined with other quality concerns (taste, health, ethics, authenticity, etc.) in consumers' perceptions and in the products' characteristics. This diversity ultimately also has differential effects in terms of the contribution of new food supply chains to sustainable rural development.

This Working Group seeks to better understand the role and dynamics of new food supply chains and their potential contribution to sustainable rural development within the context of a globalising agro-food economy and increasing food safety regulations. In particular it wishes to address the following issues and questions:

- Diversity. Since there appears to be no single 'blue print' that is valid for all territorial settings, what can we learn from the diversity in the way sustainability, safety and quality is articulated in food supply chains - both within chains and between countries and regions?
- Consumers. What is, could and/or should be the role of new food supply chains in the process of articulating consumer demands and their translation into farming, processing and marketing practices? Given the central role of consumption in driving the demand for distinctive food products how might consumer practices be integrated more convincingly in the analysis, both conceptually and methodologically?
- Organisation and governance. What is the role and impact of different types of organisation and governance of the food supply chain? For example, the patterns of interaction among the actors involved, the contractual relations between them, technologies employed, functional and product

specialisation, the degree of concentration/distribution of power along the chain. How might such factors induce a change towards greater sustainability and safety and higher quality?
- Locality. What is the role and significance of local resources and actors? How do food firms interact with other local actors?
- Innovation. Which innovation strategies in food supply chains can be distinguished? How can rural sociologists studying food supply chains benefit from insights derived from innovation studies?
- Societal and institutional embedding. What is the role and impact of (regional) societal and institutional embedding for the successful enhancement of sustainability, safety and quality through food supply chain approaches?
- Critical factors for success and failure. What are the key factors underlying the (un)successful development of new food supply chains? What are the crucial parameters to enhance the performance of new food supply chains in terms of socio-economic viability and competitiveness, safety, quality and regaining consumer trust?

We invite a wide range of papers related to any of the issues and topics outlined above or to some other aspect of the theme of this working group. Besides studies of an empirical nature the convenors would especially welcome papers that seek to take forward conceptual, theoretical and methodological deliberations. Prospective contributors are invited to send an abstract outlining the nature and focus of their paper to Dr. Han Wiskerke by the 12th of January 2004.