

**STRENGTH  
2FOOD**

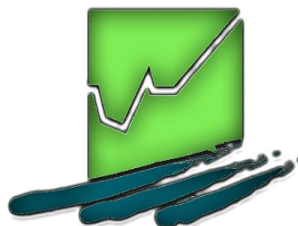
FOOD QUALITY  
FOR SUSTAINABILITY  
AND HEALTH

## The CAP and national priorities within the EU budget after 2020

WPR i priorytety narodowe w warunkach budżetu UE po 2020 roku

# Dilemmas of support for short food supply chains (SFSC) in the context of their economic, environmental and social sustainability

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# Our Common Future

[Gro Harlem Brundtland 1987]

## Sustainable development – TRWAŁY ROZWÓJ

development which meets the needs of the present without compromising the ability of future generations to meet their own needs

Bases on to two definitions:

„needs” - specially the most basic needs of the poorest part of population, which should have the highest priority;

„limitations” - given capabilities of environment to meet present and future needs.



# Sustainable development

A - equity and fairness

B - burden

C - resilience

Fairness

Participation

Empowerment

Mobility

Natural heritage

**Society**

A.

B.

C.

**Economics**

Access to services

Needs of households

Development of industry

Development of agriculture

Labour productivity

**Environment**

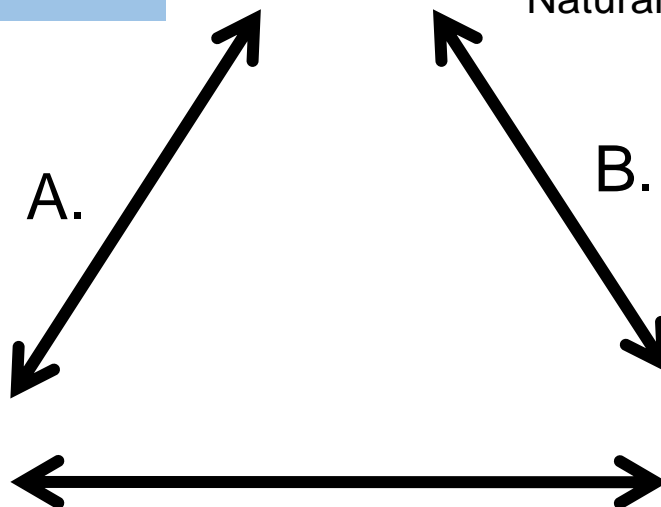
Biodiversity

Natural resources

Ecosystems integrity

Capacity of environment

Clean air&water



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# European Model of Agriculture

## Conditions for development of Agriculture in the EU:

- Lower potential (per unit) of the farms,
- High share of family-labour and part-time work,
- Low production scale,
- Low specialisation level (multi-directed production),
- High land prices.

## EUROPEAN MODEL OF AGRICULTURE

- based on a **strong relationship with the farm environment** and the natural environment, using its **own labour resources** with relatively limited individual concentration,
- producing in **modern way**, but **without excessive exploitation of nature** and the environment,
- producing food primarily for **inhabitants of the region**, but also gradually increasing export possibilities,
- respecting **strict quality, environmental and food safety standards**.

[Source: *Agenda 2000*; *The European Model of Agriculture 2006*; *Kowalczyk, Sobiecki 2011*]



# SFSC Legal basis and definition

Rozporządzenie Parlamentu Europejskiego i Rady (UE) nr 1305/2013  
Art.2

**PL** - *Krótki łańcuch dostaw oznacza łańcuch obejmujący ograniczoną liczbę podmiotów gospodarczych zaangażowanych we współpracę, lokalny rozwój gospodarczy oraz bliskie stosunki geograficzne i społeczne między producentami, przetwórcami i konsumentami "*.

**EN** - *"short supply chain": means a supply chain involving a limited number of economic operators, committed to co- operation, local economic development, and close geographical and social relations between producers, processors and consumers"*



# Support of SFSC Rural Development Plan 2007-2013

- **Participation of farmers in food quality schemes (dz. 132)**
- **Information and promotion activities (dz. 133)**
- **Vocational training for people employed in agriculture and forestry (dz.111)**
- **Using consultancy services by farmers and forest owners (dz. 114)**
- **Other – indirectly related to SFSC:**
  - Setting-up of young farmers ,**
  - Modernisation of agricultural holdings,**
  - Increasing the added value of agricultural and forestry production,**
  - Agricultural producer groups,**
  - Agri Environment Measures,**
  - LEADER.**

”



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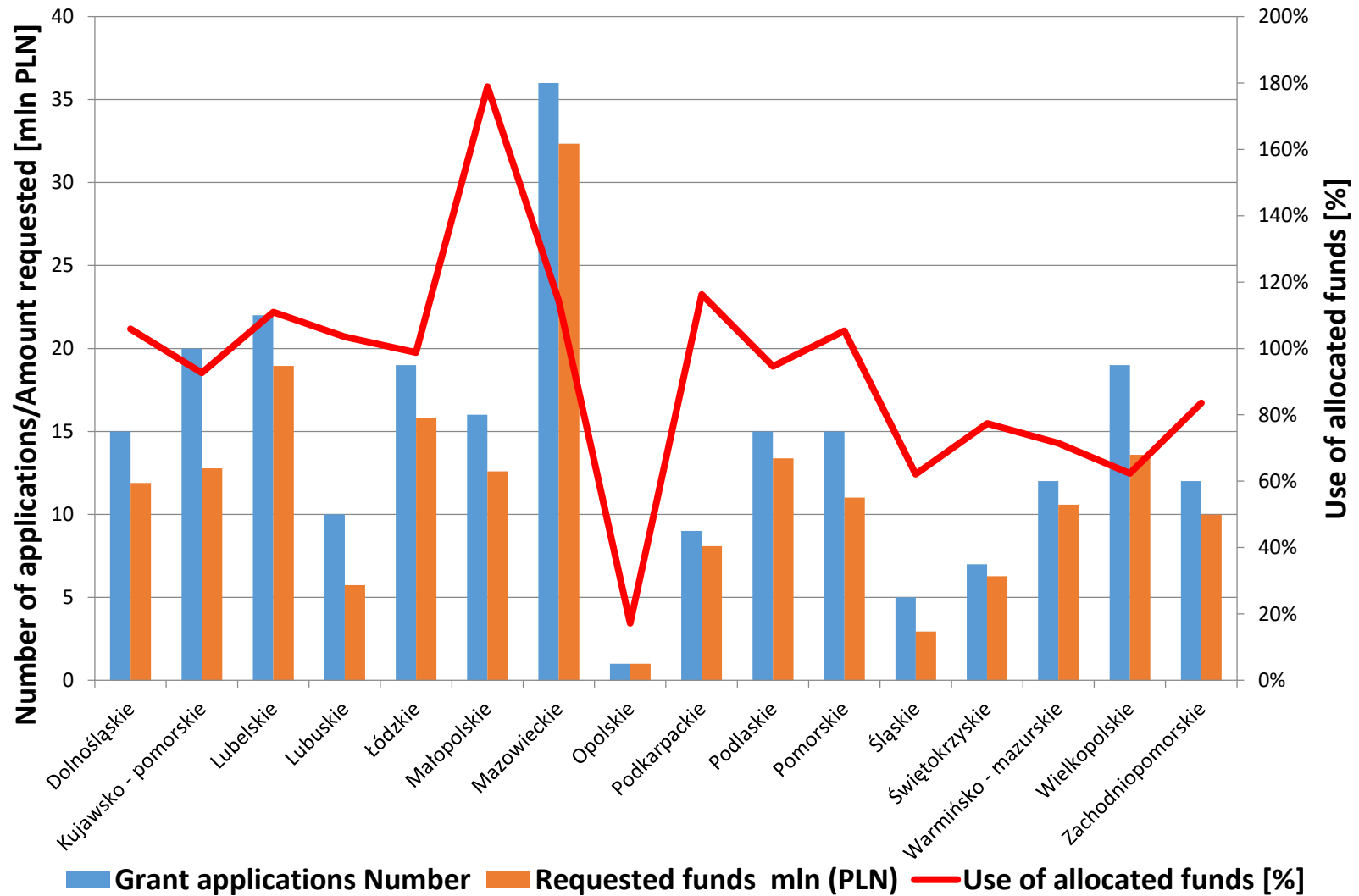
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# Support of SFSC RURAL DEVELOPMENT PLAN 2014-2020

- Quality schemes for agricultural products, and foodstuffs
- Basic services and village renewal in rural areas - „Investments in farmers’ markets or places for promotion of local food products”
- Knowledge transfer and information actions
- Advisory services, farm management and farm relief services
- Farm and business development ,
- Other – indirectly related to SFSC:
  - Setting-up of producer groups and organisations
  - LEADER co-operation activities,
  - Organic farming, Investments in physical assets,
  - Agri Environmental and Climate Measures, Organic farming



# Investments in farmers' markets or places for promotion of local food products



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# Support for participation in the food quality schemes

	Grant applications	Support granted	Allocated funds (mln PLN)		Use of allocated funds
			TOTAL	*EAFRD	
RDP 2014-2020	<b>3373</b>	2017	13.43	8.55	
- Call I	1186	739			
- Call II	1489	1278			
- Call III	698	-			
Commitments RDP 2007-2013		14490**	24.64	15.68	
<b>TOTAL</b>			<b>38.06</b>	<b>24.22</b>	<b>61.2%</b>

\*EAFRD - European Agricultural Fund for Rural Development

\*\*Payment applications for RDP 2007-2013 grants



# Research question

Does the support for development of Short Food Supply Chains enhance accomplishment of the challenges of European agriculture in social, economics and environmental dimensions?

*Czy wsparcie rozwoju Krótkich Łańcuchów Żywnościowych stanowi odpowiedź na wyzwania europejskiego rolnictwa w wymiarze społecznym, ekonomicznym i środowiskowym?*

# Assessing sustainability of SFSC

## Objective:

To provide **quantitative** and **qualitative** assessment of economic, environmental and social sustainability;

## Approach:

**Comparison of „short” and „long”** (counterpart) chains

**Countries:** Poland, Norway, UK, Italy, France, Hungary

**Pilot Case studies:** in Poland and France



# Types of Food Chains

## „SHORT” CHAINS (0-1 INTERMEDIARIES) „LONG” – CHAINS (2+ INTERMEDIARIES)

- Pick your own
  - On-farm sales to individual consumers
  - Direct sales: Internet deliveries
  - Direct sales: delivery to consumer
  - Direct sales on farmers markets (fairs)
  - Sales to retail shops (1 intermediary)
- On-farm sales to intermediary
  - Sales to wholesalers or wholesale market
  - Sales to retail chain (2 intermediaries)
  - Sales for processing

# Sustainability INDICATORS

## Economic

- **Price premium**  
/Price difference;
- **Chain Value Added**
- **(Retailer Margin)**
- **(Chain Margin)**
- **Labour-to-production ratio**

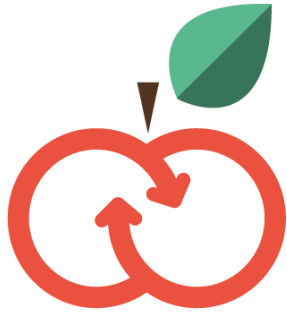
## Social

- **Gender equality**
- **Value chain governance**
  - bargaining power – self assessment;
  - chain importance evaluation;

## Environmental

- **Carbon footprint (CFP)**
- **Extended food miles**
- **(FOOD WASTE - in retail)**





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# Case studies

DATA COLLECTION by Excel questionnaire

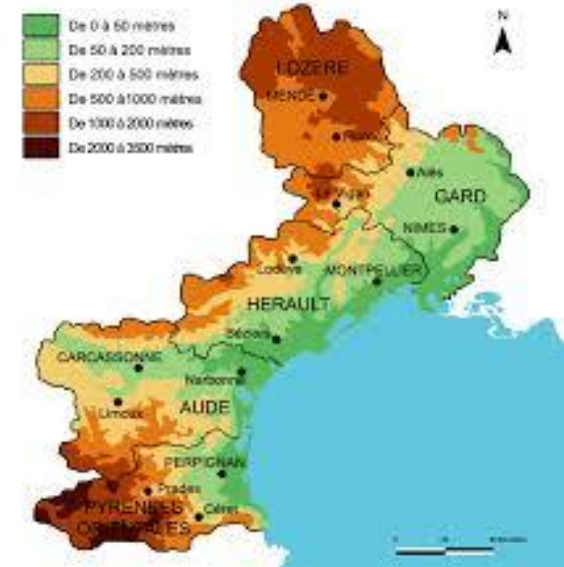


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# French case – LOCAVORIUM SHOP

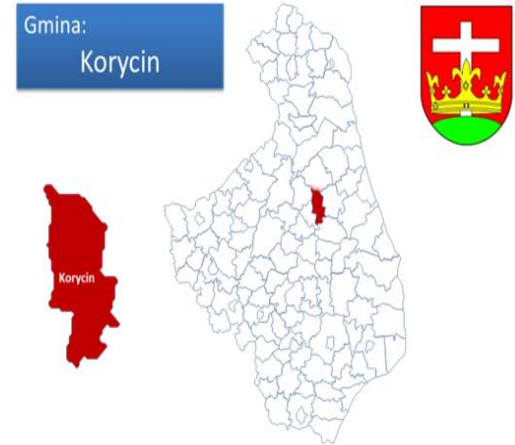
- The local shop “Locavorium”: a gate into SFSCs in Languedoc-Roussillon, with a sourcing concept based on **zero intermediaries** and max 150 km between farm and shop.
- **7 Farmers: suppliers to LOCAVORIUM SHOP (FR)**
- **Products:** apples, carrots, lettuce, eggs, cheese, ham,



# Polish case – PGI Korycin Cheese

## Producers

- **Korycin Cheese** is a local variety of rennet cheese, maturing, produced from unpasteurized cow's milk based on the traditional, old recipe.
- There is a group of **12 farmers** who in 2012 registered the Korycin Cheese as the product of the Protected Geographical Indication (PGI). The average farm size in the group is 29 hectares.
- Producers of the Korycin cheese **participate in a variety of distribution channels**, ranging from on-farm sales, through SFSCs and long chains involving a number of intermediates





# Polish case – EKOŁAN Organic grains producers



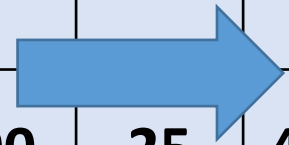
- Sample of **14 organic farms** that supply with organic grains the pasta company "Bio Babalscy".
- Cereals are mainly **old varieties of wheat** which are not grown any longer in conventional production.
- All grains are sold for processing, but different short channels are used by farmers for selling vegetables and fruits.



# Share of Channels in French and Polish

Sales of product by channels	N. farmers <b>KORYCIN PL</b>	Sales through channels [%]	N. farmers <b>French case</b>	Sales through channels [%]	Number of farmers <b>Polish case - Ekolan</b>	Sales through channels [%]
<b>„Short” channels</b>	<b>9</b>	<b>38,3</b>	<b>7</b>	<b>88,2</b>	<b>14</b>	<b>8,6</b>
Pick your own	-	-	1	1,4		
On-farm sales to individual consumers	3	3,9	6	6,8	8	5,1
Direct sales - Internet deliveries	4	8,1	1	1,0		
Direct sales - delivery to consumer	1	3,4	3	5,2		
Direct sales on farmers markets (fairs)	7	8,4	1	0	3	2,1
Sales to retail shops (1 intermediary)	6	14,6	6	73,7	3	1,4
<b>“Long” channels</b>	<b>8</b>	<b>61,7</b>	<b>5</b>	<b>11,8</b>	<b>14</b>	<b>91,4</b>
On-farm sales to intermediaries*	2	11,3	-	-	2	1,8
Sales to wholesalers or wholesale market	4	38,7	5	3,7		
Sales to retail chain (2 intermediaries)/ or processing*	2	11,8	1	8,1	13*	89,6*
<b>Total</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>		<b>100</b>

Chains \ indicators		Price Premium [%]	Chain Added Value [€]	FOOD MILES km/unit TOTAL	CARBON FOOTPRINT [kg CO <sub>2</sub> /kg]	Labour to production ratio	Gender equality [%]	Bargaining power	Chain evaluation
<b>Korycin Cheese farmers</b>									
Short chains	Mean	<b>30</b>	<b>0,78</b>	4,43	1,12	<b>0,12</b>	<b>86</b>	<b>3,58</b>	<b>3,81</b>
Long chains	Mean	16	0,50	<b>2,47</b>	<b>0,86</b>	0,06	47	3,13	3,38
<b>Locavorium shop</b>									
Short chains	Mean	<b>27</b>	<b>0,00</b>	<b>0,59</b>	<b>0,15</b>	<b>0,03</b>	<b>25</b>	<b>3,14</b>	<b>3,58</b>
Long chains	Mean	-57	-0,47	<b>0,60</b>	<b>0,15</b>	0,02	24	2,5	3,00
<b>Kořan Organic producers</b>									
Short chains	Mean	<b>60</b>	<b>0,14</b>	0,37	0,08	<b>0,03</b>	23	4,29	3,90
Long chains	Mean	49	0,14	<b>0,05</b>	<b>0,03</b>	<b>0,00</b>	<b>25</b>	<b>4,71</b>	<b>4,32</b>



# Conclusions from case studies

- Individual farmers in most cases **participate in a number of supply channels**
- SFSCs are **economically more beneficial** for farmers
- It seems that „long supply” channels generate **less negative environmental impacts** per unit of production
- Social indicators are „better” for short chains
- Although initial results are indicative, **they need to be verified on a larger sample** of farms and supply chains.