

SHORT FOOD CHAINS FOR LOCAL ECONOMIC DEVELOPMENT EXPERIENCES AND OPPORTUNITIES FROM POLAND

NEW IDEAS FOR LOCAL ECONOMIC DEVELOPMENT
Improvement of the business climate at the local level
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Operacja pt. *Ogólnopolska kampania na rzecz Krótkich Łańcuchów Dostaw Żywności.*

Realizacja: Fundacja Rozwoju Podhala w ramach umowy nr KSOW/2/2018/038.



„Europejski Fundusz Rolny na rzecz Rozwoju Obszarów Wiejskich: Europa inwestująca w obszary wiejskie”.
Operacja współfinansowana ze środków Unii Europejskiej w ramach Schematu II Pomocy Technicznej
„Krajowa Sieć Obszarów Wiejskich” Programu Rozwoju Obszarów Wiejskich na lata 2014–2020

Talking points

1. Update on rural development programming in Poland
2. Shortening food chains – a new idea for rural/regional development
3. Opportunities for Polish-Serbian collaboration
4. Local governments as enablers of shorter food chain system
5. SFC barriers & innovation opportunities for economic development
6. Eat Wisely. Know what you Eat! Campaign
7. Some words of caution

Rural development programming in Poland

www.gov.pl/rolnictwo

- EU support for structural reforms in agriculture and rural areas
- Largest agriculture & rural development programme in European Union (42.4 billion Euros for 2014-2020, of which 13.5 billion Euros to be spent on rural development).
- New focus on innovation in agriculture and rural development through operational groups (EIP-Agri)
- 1 mln+ small farms (mostly subsistence) treated increasingly as opportunity rather than problem in public policy, but need to self-organise
- Operationally in rural development, leaders are regional and local governments – but partnerships with farmers, businesses, civil society groups are needed to achieve results

Key priorities – bring farming back into rural development

Plan for Rural Areas (national)

- | | |
|--|---|
| <ul style="list-style-type: none">• Fuel subsidies for farmers | <ul style="list-style-type: none">• Developing protein products |
| <ul style="list-style-type: none">• Support for drought losses | <ul style="list-style-type: none">• Potato programme |
| <ul style="list-style-type: none">• Direct payments | <ul style="list-style-type: none">• Internet-based ID/registration of animals |
| <ul style="list-style-type: none">• Food direct from farms | <ul style="list-style-type: none">• Support for biogas |
| <ul style="list-style-type: none">• Enabling small-scale processing & sales of animal-based products | <ul style="list-style-type: none">• Tax relief for new cooperatives |
| <ul style="list-style-type: none">• Independent rural women circles | <ul style="list-style-type: none">• GMO-free labelling |
| <ul style="list-style-type: none">• Promoting Polish food internationally | <ul style="list-style-type: none">• Labelling country of origin |
| | <ul style="list-style-type: none">• Combatting ASF |

Shortening food chains (now a priority in PL)



WHAT IS A SHORT FOOD CHAIN SYSTEM?

Short food chains (SFC) have as **few links as possible** between the food producer and the citizen who eats the food. It is the '**social distance**' not just the 'geographical' distance that counts. The main reason for shortening food chains is to reduce the number of intermediaries in order to achieve the following outcomes:

- (a) **TRANSPARENCY** - the citizen who eats the food knows exactly where the food comes from, how it has been produced, and ideally, the price paid to the producer;
- (b) **VALUE** -the food chain is structured in a way that ensures that the producer retains a greater share of the **value** of the food that is sold and
- (c) **PARTNERS** - intermediaries become **partners** in SFCs, fully committed to sharing information on the origins of the food, the producer and the production techniques and recognised for their role in building SFCs.

Working definition developed by EIP-Agri Focus Group on innovative management of short food supply chains.

See https://ec.europa.eu/eip/agriculture/sites/agri-eip/files/eipagri_factsheet_short_food_supply_chain_management_2015_en.pdf

Local Product from Malopolska

Our field to fork local food system: Spring 2017

A short food chain system links together into :

- **Growing, planting, harvesting**
- **Processing, assuring quality & authenticity**
- **Distribution & sales**
- **Economic, social and environmental impact**



Support for shortening food chains in PL

- New legislation
- Public funding for innovation (EPI-Agri programme, own funds)
- NGO, business, farmer and consumer initiatives
- Municipal/local government initiatives
- 100+ kitchen incubators developed by Local Action Groups
- Focus on more effective multi-stakeholder partnerships
- Other...

Increasingly consumer driven! **The market will determine success**

Eat Wisely. Know what you Eat!



The goal of the campaign is to raise awareness as to the benefits for producers, consumers and amateurs of rural development arising from organising and participating in Short Food Chain systems (SFCs) based on direct sellin

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www.prostoodrolnika.pl

**All-Poland Campaign to promote
SHORT FOOD CHAIN SYSTEMS**



- Programme 10 films made for Polish TV- TVP3
- 10 Specialist reports
- Web-page www.prostoodrolnika.pl
- Social networking
<https://www.facebook.com/ProstoodRonika>
<https://www.youtube.com/channel/UCvCWsUQPkggpsiYQLQaEvgQ>

10 Films



1	Why produce and buy food locally	https://youtu.be/Luhne-40RJw
2	How and where to buy locally produced food	https://youtu.be/GS3jg6fr_80
3	How local food builds the attractiveness of the regions from which it originates	https://youtu.be/WWG-Ru5jfqs
4	Small scale food processing – everything about cheeses, juices and cold cuts	https://youtu.be/5L3EMPRenWI
5	Local food systems as opportunity for sustainable development	https://youtu.be/5L3EMPRenWI
6	Tax and sanitary rules – what is allowed and what is not	https://youtu.be/rP90PwydYQI
7	Kitchen Incubators – hope for SFC systems	https://youtu.be/VN6BxS8CkuI
8	Locally-produced food in gastronomy	https://youtu.be/zobVvcvOr88
9	Eco-technologies for Short Chain Food systems	https://youtu.be/jfOlv8WiSUU
10	Short food chain in the Plan for Rural Areas	https://youtu.be/UW8Ek_7hYZA

10 Specialist reports

1	SFCs & regulations in Poland
2	Interesting SFC initiatives in Poland
3	SFCs & ecotechnologies (on the example of biomass)
4	SFC barriers & opportunities for scale-up
5	Film Reviews (10)
6	SFCs & Local Action Groups
7	SFCs & Agri-advisory services
8	Inspirational examples of SFCs in the EU
9	SFCs & innovative financing
10	SFCs & IT innovations



Opportunities for Polish-Serbian collaboration

- Polish and Serbian Agricultural Ministries agree collaboration (April 2018), trade identified as unrealised opportunity
- Local Action Group programming (networking, exchanging, joint projects)
- Local government twinning/collaboration (extracting more value from existing collaboration e.g. Bielsko-Biala & Kragujevac) – post PL election.
- Agricultural Advisory Service reform
- Innovation projects on scaling up short food chain systems - technological production/processing for small-scale producers, ecosystem solutions for clean water and soil regeneration, IT-supported logistics and sales, innovative financing, social economy

Local government as enablers of shorter food chain systems

- **Public procurement initiatives**
- **Organize farmers' markets**
- **Supporting/organising shared processing facilities (kitchen incubators)**
- **Facilitating farmer-operated shops and retail**
- **Promoting local food and joint actions of local food producers**
- **Organisational innovations (eg. Cooperatives, business-NGO partnerships, buyers' clubs)**
- **Others...**

Shortening food chains for local economic development

1. Shorter food chain initiatives must be part of economic development programmes (not just agriculture or rural or economy)
2. A systems approach is essential – stakeholders must be turned into partners
3. To achieve scale, innovations are essential (doing different), especially:
 - Technologies for decentralised production/distribution
 - Financing
 - Product development
 - Traceability/quality control (fighting food fraud)
 - Access to market Infrastructure and logistics
 - Market development (consumer education)
 - Other

Some words of caution

Our image of Short food chain systems is that of:

- A producer (or group of producers) based in a **rural environment**,
- ... that also does some **processing**,
- ... that also **sells direct to consumers** via a farmers' market, food cooperative, a shop or a restaurant.

In Poland and Serbia, national and regional/local governments are getting interested because it is an opportunity to offer (or seen to be offering) something practical to smallholder or part-time farmers who produce primarily for their own needs (In Poland we have 1+ million. In Serbia 500.000+..... Only Romania has more).

But reality of SFCs is different...

Short food chain initiatives and innovations are today not about rural development or smallholder farmers, because:

- Agriculture & food production is increasingly an **URBAN PHENOMENON**. Rural development policy no longer the driver.
- Smallholder farmers may not be needed (!) with emergence of urban farming, vertical farming & other food production technologies (cf. meatless meat).
- The city or town is where the consumers are (new and evolving urban values and lifestyles... convenience is the key, which means new systems for assurance, distribution & sales)
- Corporations are focused on SFCs through application of new IT technologies related to traceability in sales, logistics and distribution, i.e. tracing who exactly produces the food and in what ways (cf. Maersk transportation technologies designed to reduce #s of intermediaries)
- Urban consumer concerns about pollution, hygiene, lack of oversight over production by smallholder farmers and their contributions to climate change
- Supermarkets have embraced marketing language of SFCs (eg. Lidl's fresh market), taking away the competitive advantage of existing SFC initiatives

So SFSCs need to deal with urban challenges...

Engaging creatively with:

- **Regional and urban development** to integrate the production end of farming with the urban end of sales, marketing and distribution deep into the city or town,
- **Circular bio-economy** ideas as a basis for developing a new industrial-development paradigm that crosses the urban-rural divide,
- **Collaborative-sharing economy** as a source of **new business models** enabling and scaling SFSCs in ways that combat social and economic exclusion
- **Research and innovation** challenges related to scaling up production for supplying urban systems that shorten the **social distance** between producer & consumer (eg. IT-based collaborative logistics, fin-tech financing schemes)

A final word

SFCs are something more than rural development

Local governments can play a key role in SFC development as an opportunity or tool for revitalising local economies as if people mattered, but...

...they need to treat SFCs as opportunities for innovation for a bio-economy....

SFCs are a 'must have' as opposed to a 'nice to have'