

## English summary – SFC specialist report

# Financial innovations for Short Food Chain Systems (SFCs) for the purposes of the Eat Wisely, Know what you Eat! Campaign

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This report on innovations for the SFC sector comprises 2 main parts:

- Currently available financial instruments, which are available to small farms to enable them to participate in SFC systems are reviewed in the first part..
- The second part reviews financial innovations and presents a vision of how these can be deployed so as to establish an innovative financing support system for SFCs.

The guide to grants and loans was prepared with producers active in SFC systems in mind. This refers to farmers and small food processors who supply products through Buyers Clubs and other distribution channels. The goal of the analysis is to present the range of possibilities currently available of receiving financial support for developing production and sales. An analysis at the level of the Malopolska voivodeship was carried out to provide a regional perspective. It is important to note that the goal of the review presented is not to provide a detailed description of offers, but rather to indicate the sources of available financial instruments.

Grants are non-returnable in character, and funds for these come from the European Union or public budgets. Applying for a grant can result in securing part of the financial support needed for realisation of a project that is consistent with the specifications of a specific programme or activity. Selected actions and sub-actions are presented. Offers available from organisations and banks, which have in their offer credits and loans for farmers and producers are also presented.

The second part of the report presents the main parameters of a system of financial-logistical-sales support that is adapted to the needs, conditions and potential of small food producers co-creating Short Food Chain systems (SFCs) of food production, processing, distribution and sales, which shorten the ‘distance’ between the producer and consumer. Development of SFC systems in Poland, based on solutions developed and implemented in line with the parameters, will contribute to improving the socio-economic condition of small farms and small food producers, ensuring in the process that consumers can secure access to locally-produced quality food products of known-origin.

The expected result is a tested and implemented pilot FinTech system specifically for SFCs – a new way of accessing financial-logistical-sales services that will help increase the effectiveness of production, processing and bringing to market unprocessed and processed food products from small farms and small food processors active in SFC systems across the country.

A FinTech system for SFCs would have the task of enabling access to financial solutions and financial products tailored to the needs, conditions and possibilities of small producers, with the goal of lowering costs and increasing sales volumes thanks to increasing their participation in collective solutions related to logistics, marketing and sales worked out for the SFC level. Creating a FinTech system for SFCs must involve drawing on three areas of scientific research: (1) management - organisational innovations related to shortening food chains (SFCs); (2) Information technology – mobile, intelligent and other possibilities made possible by the Internet; (3) Financial – innovative financial services and products.

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**Operacja: Wiedź i Mądrze Jedź: Ogólnopolska kampania na rzecz Krótkich Łańcuchów dostaw Żywności.**

**Operation: Eat Well. Know what you Eat! Campaign on Short Food Chain supply systems**

**Realizacja/Implementation: Fundacja Rozwoju Podhala w ramach umowy/agreement no nr KSOW/2/2018/038.**



It is recommended that interdisciplinary research is undertaken with the aim of describing and verifying the parameters for designing a FinTech system for SFC through field testing the FinTech for SFC system on functioning SFC systems with a view to becoming a new part of the agricultural advisory system of the Ministry of Agriculture and Rural Development. The FinTech system for SFCs should be additional to and an expansion of currently available financial instruments (including grants, subventions etc. ), as well those, which will become available through the Common Agricultural Policy after 2020.

The concept presented is in line with the recommendations adopted by the Council of Ministers of the Republic of Poland on 16<sup>th</sup> May 2017, which made SFCs a priority as laid out in the document entitled Common Agricultural Policy after 2020- Polish Priorities.

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