

ESRS 2007 WG17: Collective Farmers Marketing Initiatives

Changing Societal, Market and Policy Conditions and New Challenges for Collective Action in Farmers' Marketing

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Outline of presentation

- What are relevant societal, policy and market changes?
- What are relevant sociological debates and approaches?
- Different traditions / historical roots of collective action in farming and rural areas
- Conceptual framework for analyzing different COFAMI strategies
- Examples of different strategies



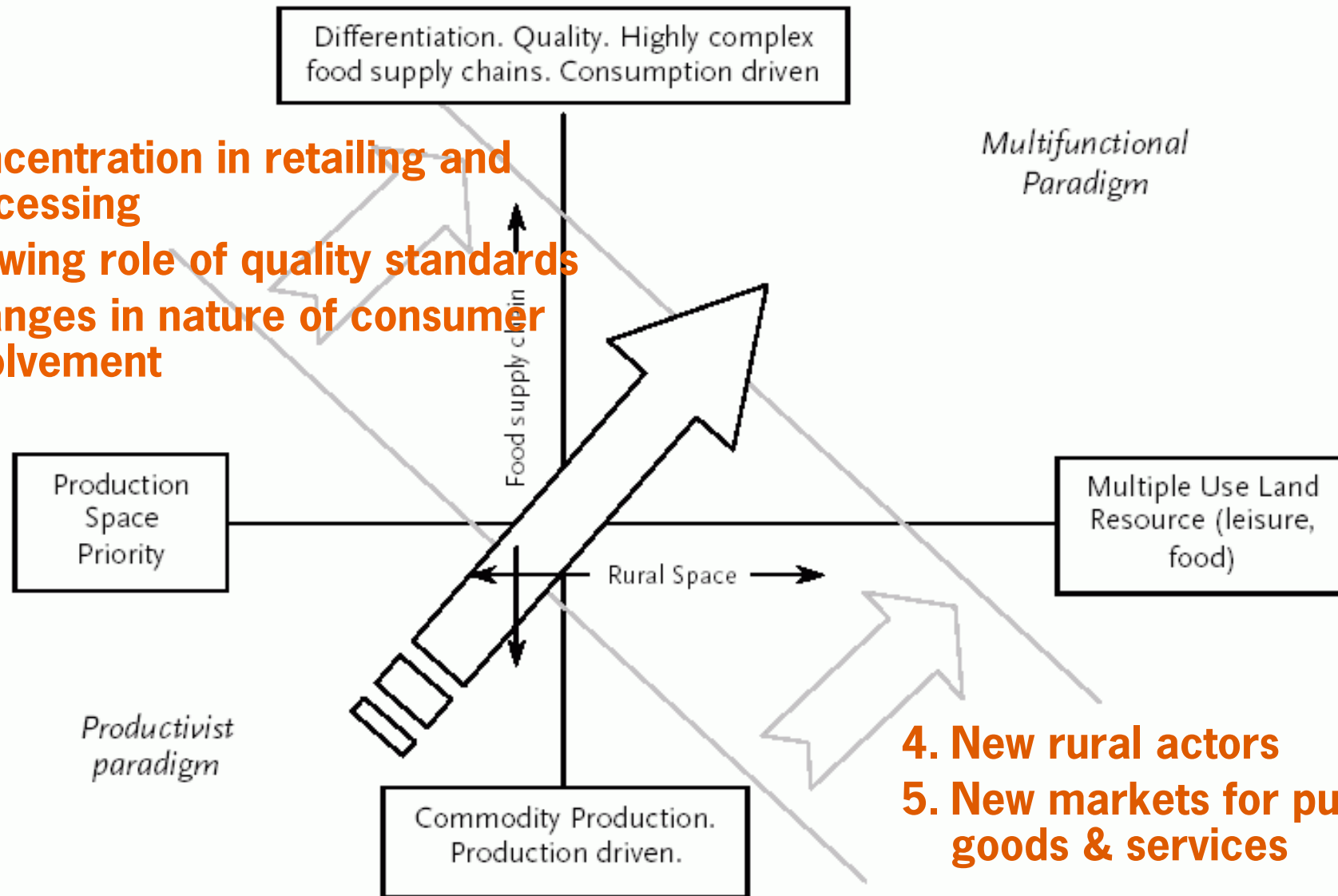
Main premises of conceptual framework

- Collective farmers marketing initiatives (COFAMIs) operate at interface of changing market, policy and territory environments
- Through collective action (members of) COFAMIs attempt to mobilise new strategies to adequately respond to changes / turn these to their benefit
- Collective action involves a repositioning of actors in relevant networks and the creation of resources / capacities to manage and influence different network relations



Wider societal changes and relevant debates

1. Concentration in retailing and processing
2. Growing role of quality standards
3. Changes in nature of consumer involvement



4. New rural actors
5. New markets for public goods & services

Wider societal changes and relevant debates

- Concentration in processing and retail
 - Transnational retailers have obtained central position as 'gate-keepers' between farmers and consumers in FSCs
 - 'Global sourcing' of retailing & processing and substitution / competition amongst primary producers world-wide
 - Dominance of large retail surface, → general lack of mid-sized retail / processing infrastructures
- Growing importance of quality standards
 - From 'bulk' markets to differentiated product qualities and brands
 - Increase of public regulations for safety, environment, health etc.
 - Multiplicity of private standards on top of / parallel to public ones
- Changes in nature of consumer involvement
 - Changing consumer habits (convenience, grazing, snacking, out-door consumption)



Wider societal changes and relevant debates

- Simultaneously appreciation for food quality / authenticity and mode of production (environment, animal welfare)
- Growing involvement of consumer NGOs in food and rural issues
- Emergence of new actors in rural areas
 - Rural areas no longer strongholds of farming, meeting place of multiplicity of rural actors
 - From production space to 'consumption countryside'
 - Growing role of 'partnerships' in rural development policy
- Public goods and services
 - Emergence of new non-food markets in rural areas, e.g. energy production, tourism, care etc.
 - Growing recognition of role agriculture in preservation biodiversity, landscape, culture etc. (multifunctionality)
 - Importance of synergies between different functions / activities in successful regional development



Wider societal changes and relevant debates

Collective action & innovation

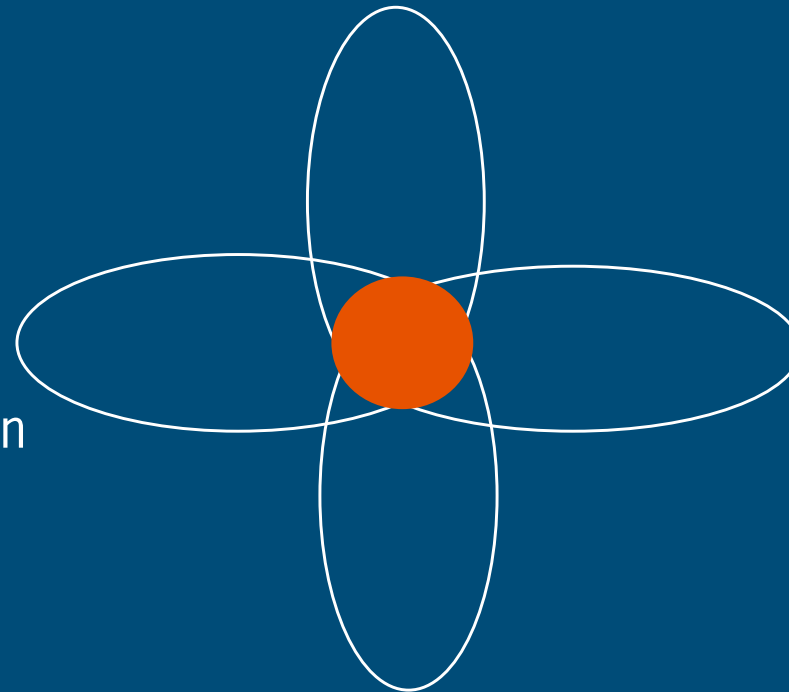
Network processes, social capital, co-operative theory, learning, strategic niche management

FSC dynamics

Food networks, quality differentiation, farm diversification, globalisation vs. relocalisation, value chain analysis

Multifunctionality

Non-food products & services, public goods, changing role of agriculture in rural and wider society

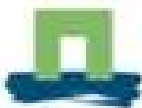


Governance structures

Partnerships, territorial / bottom-up approaches, synergies, social exclusion / inclusion, transaction costs

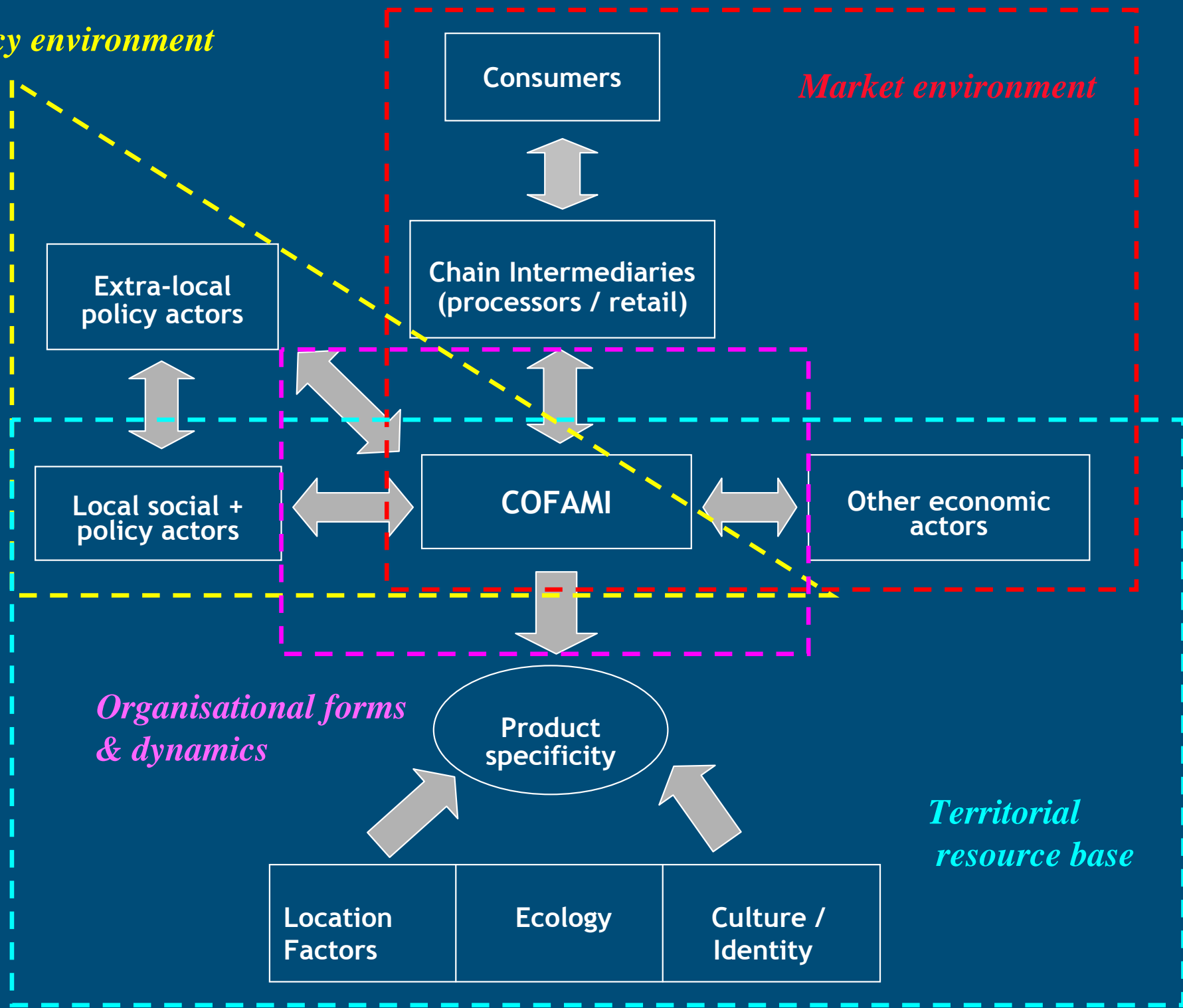
Challenges for conceptual analysis of COFAMIs

- No overarching theory, COFAMIs operate at interface of different (scientific, policy, public) debates – food quality, rural development, sustainability, MFA, governance etc.
- How to conceptually accommodate:
 - Strategies towards / positioning in relevant markets
 - Relevant actor-networks and composition / dynamics of these
 - Quality definitions / conventions and ways in which territorial resources are mobilised
 - Relations with policy institutions and regulatory frameworks
 - Internal organisation and management of the COFAMI
- How to take into account:
 - *Diversity of strategies / types of COFAMIs*
 - *Dynamics / life-cycle stages of initiatives*
 - *Differences in national / regional contexts*



Policy environment

Market environment



Extra-local
policy actors

Consumers

Chain Intermediaries
(processors / retail)

Local social +
policy actors

COFAMI

Other economic
actors

*Organisational forms
& dynamics*

Product
specificity

*Territorial
resource base*

Location
Factors

Ecology

Culture /
Identity

Historical roots

- Different traditions of collective action: co-operative movement, post-socialist countries, social movements etc.
- Co-operative movement was response to excesses of expanding market capitalism, Inspired by Utopian thinkers (Owen, Fourier)
- Expressions in various economic sectors: artisans, credit banks (Raiffeissen), shops, insurances etc.
- From end 19th century spread to agriculture: input supply, machinery, investment in processing, auctions



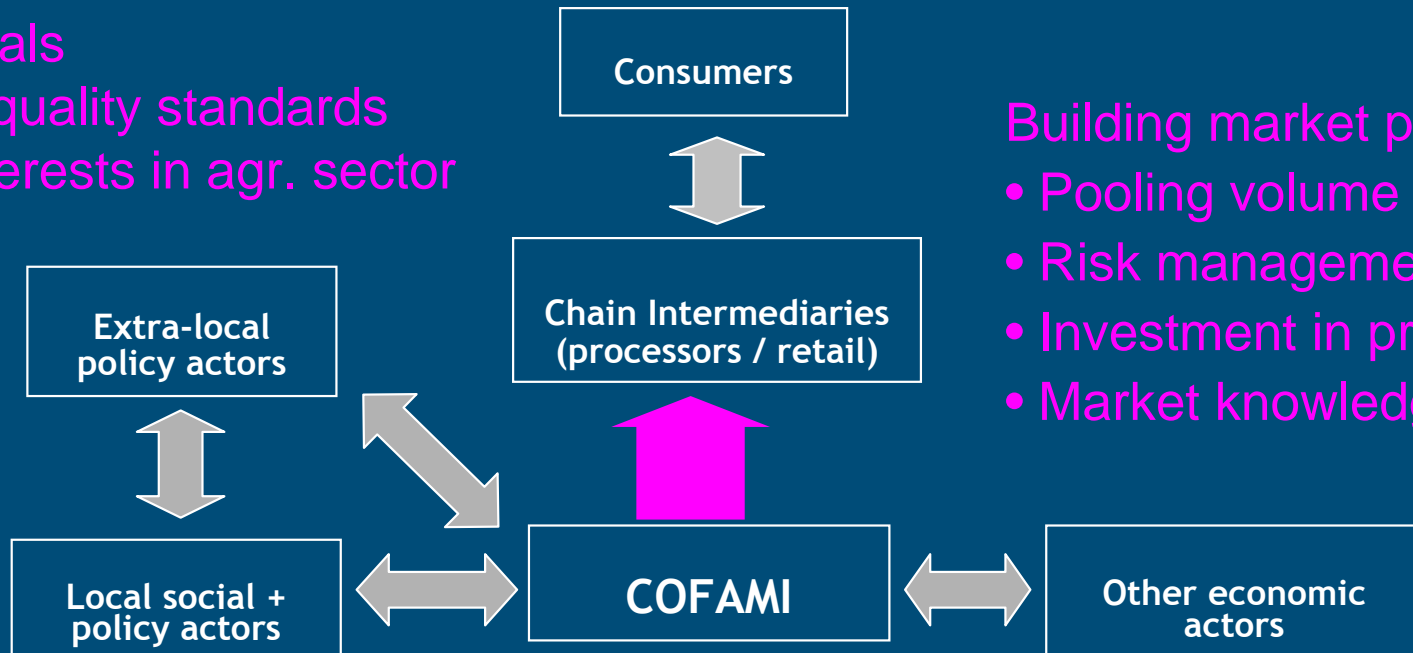
'Traditional' co-operatives

- Historical reasons for development (Van Dijk, 1997):
 - Organizing countervailing power: protection against market partners with monopolistic positions
 - Providing access to markets: E.g. credit markets, export markets
 - Realizing scale economies: cost reduction to optimize margins on standardized (bulk) markets
 - Collective risk management: pooling / market withdrawal to reduce price risks and differentiate price/quality ratios
 - Preservation of rural employment and income: Creation of value added within regions, esp. disadvantaged areas
- Still important market force. E.g. Friesland Foods (NL) and Arla (DK) amongst 5 biggest dairy companies worldwide
- Co-ops lost much of their power and dynamism at cost of processors and retailers
- Increased distance between members and boards; separation of financial management and democratic processes

'Traditional' marketing cooperatives

Undermined by:

- Concentration in retail
- Market saturation & interchangeability primary producers
- Food scandals
- Prescribed quality standards
- Different interests in agr. sector



Building market power by:

- Pooling volume
- Risk management
- Investment in processing
- Market knowledge

Innovative experiences:

- Strong rise in CEE
- New co-ops that jointly negotiate with large co-ops / processors
- Producer groups in horticulture

Generic product quality



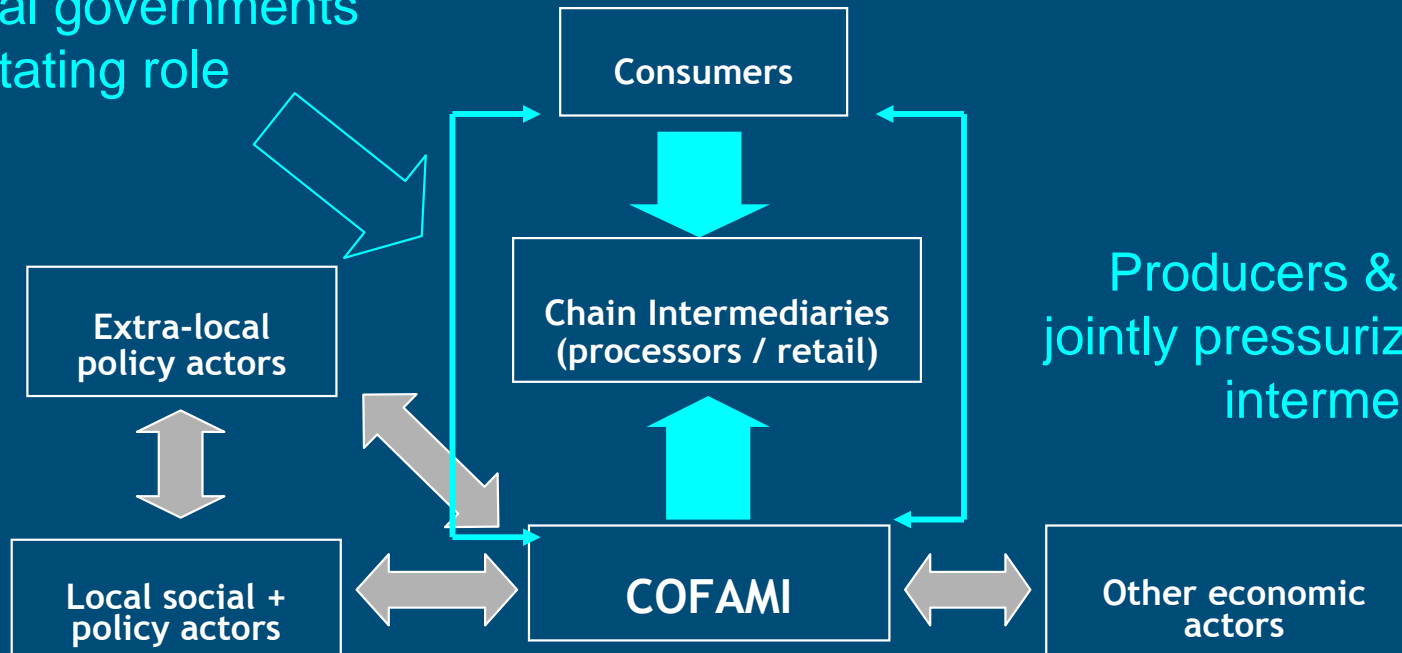
Example Tasty Tom Tomatoes



Producer-consumer coalitions

Key role of engaged consumer
(political consumerism)

Local / regional governments
can play facilitating role



Producers & consumers
jointly pressurize / circumvent
intermediaries

Enabling role NGOs and
social movements (e.g.
slow food, local food
councils)

Local food, fairness of trade,
authenticity, artisanality



Examples

- Collective 'short chains', e.g. chains of farm shops (e.g. Landwinkel NL), collective shops, consumer co-ops, box schemes (e.g. AMAP France), webshops, Community Supported Agriculture etc.

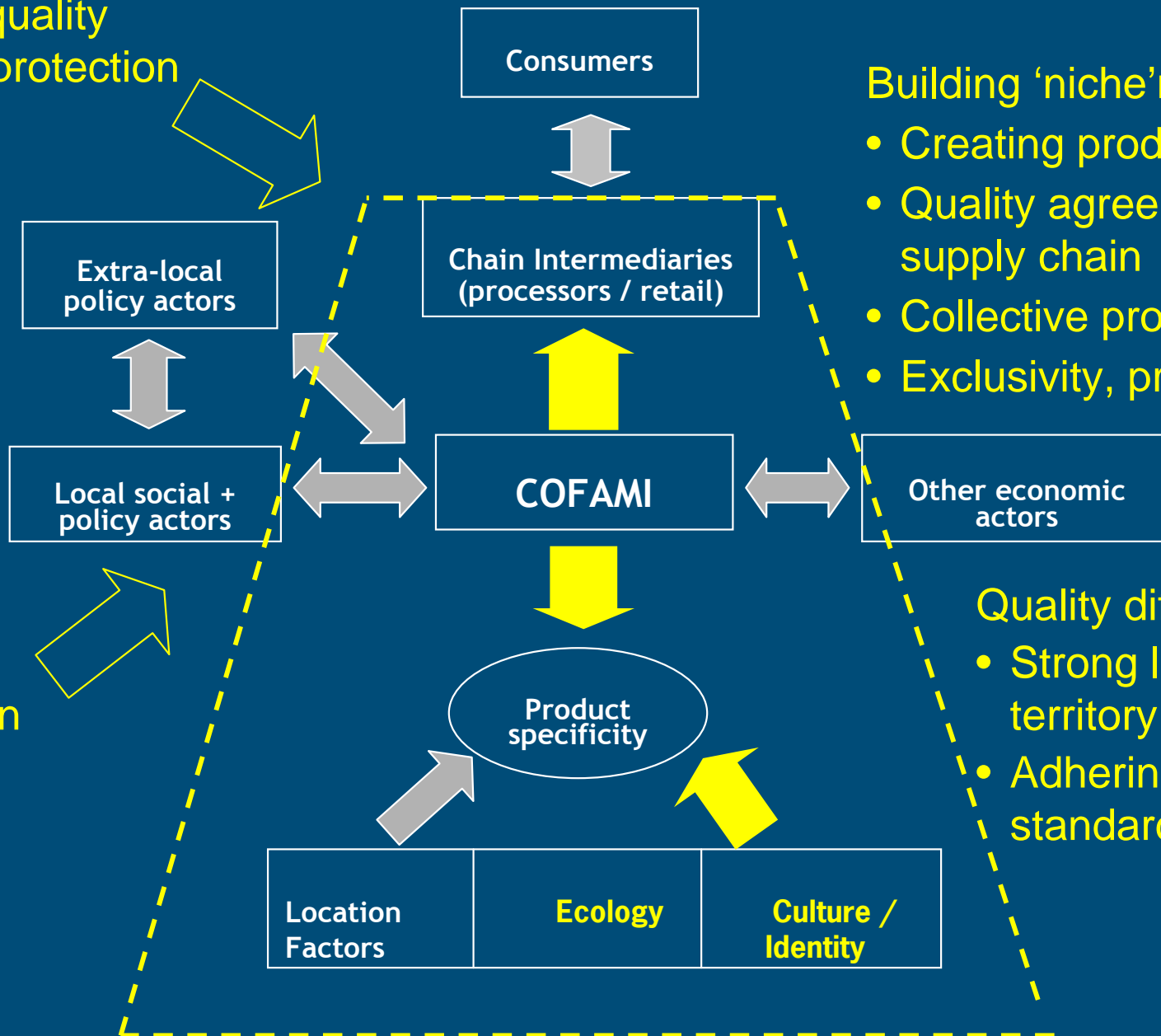
A screenshot of a spreadsheet or data table. The table has multiple columns and rows of text, but the content is mostly illegible due to the resolution and angle.

- Local (civic) coalitions to support provisioning / marketing of food from the surroundings (e.g. Devon Food Link + East Anglia Food Link UK, Terre Avenir / Jardin de Cocagne Geneva, Slow Food)

Product differentiation

Consumer demand,
reputation

External quality
guarantee & protection



Building 'niche' markets by:

- Creating product specificity
- Quality agreements along supply chain
- Collective processing
- Exclusivity, premium prices

Quality differentiation by:

- Strong links with territory (e.g. PDO)
- Adhering to quality standard (e.g. organic)

Promotion

Examples

- Various PDO / PGI products, e.g. Parmegiano Regianno, Italy)



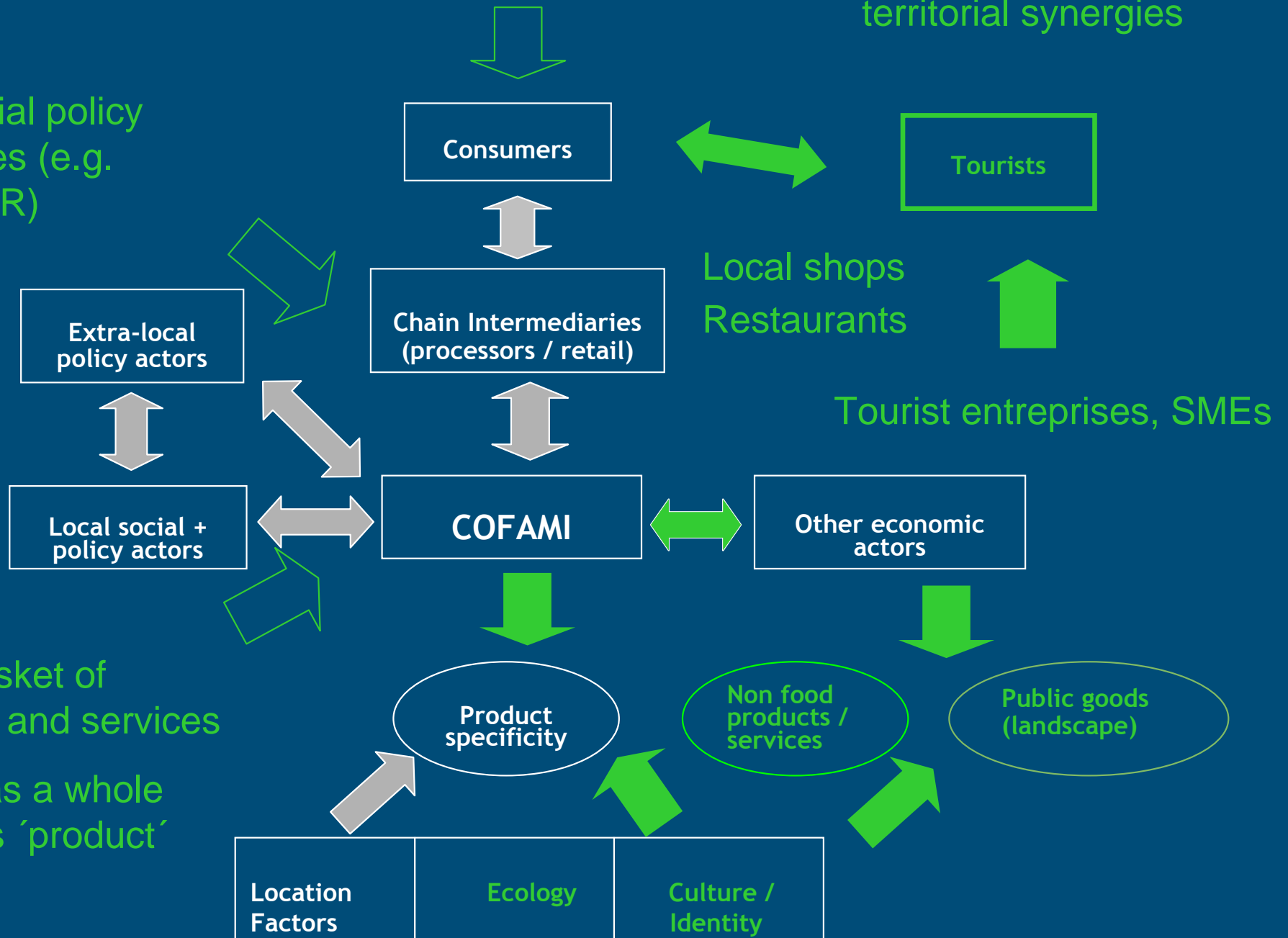
- Organic producer groups differentiating their product with emphasis on regional provenance (e.g. Wadden products the Netherlands)

Region marketing

Consumption of authenticity, experience

Creation of territorial synergies

Territorial policy schemes (e.g. LEADER)

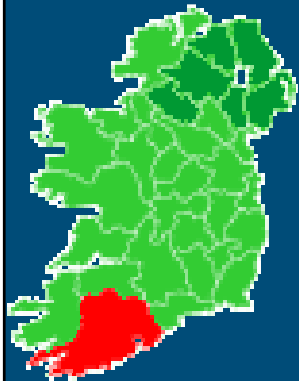


Local basket of products and services

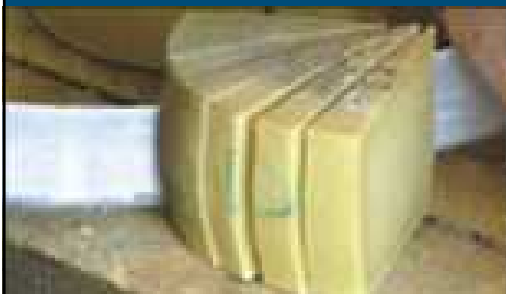
Region as a whole becomes 'product'

Examples

- COFAMIs 'marketing' landscape, biodiversity and associated products / services (e.g. environmental co-ops in the Netherlands)



- 'Basket' of regional products and services e.g. wine routes in Tuscany (Italy), Fuchsia brand (Ireland), Groene Woud (NL)



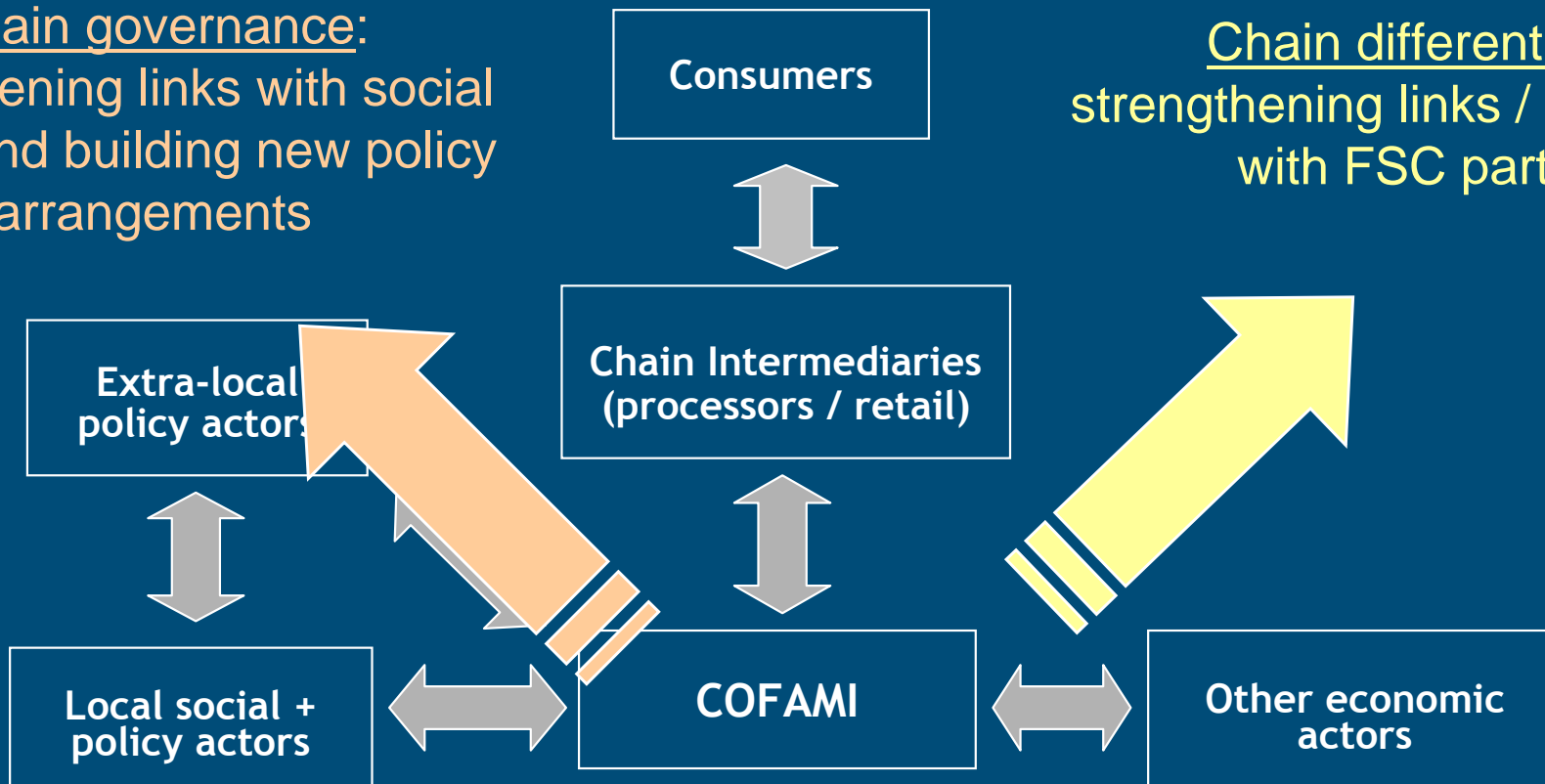
Examples

- Non-food products and services, e.g. biomass production (Naturwärme St. Lambrecht, Austria), agri-tourism, biodiesel



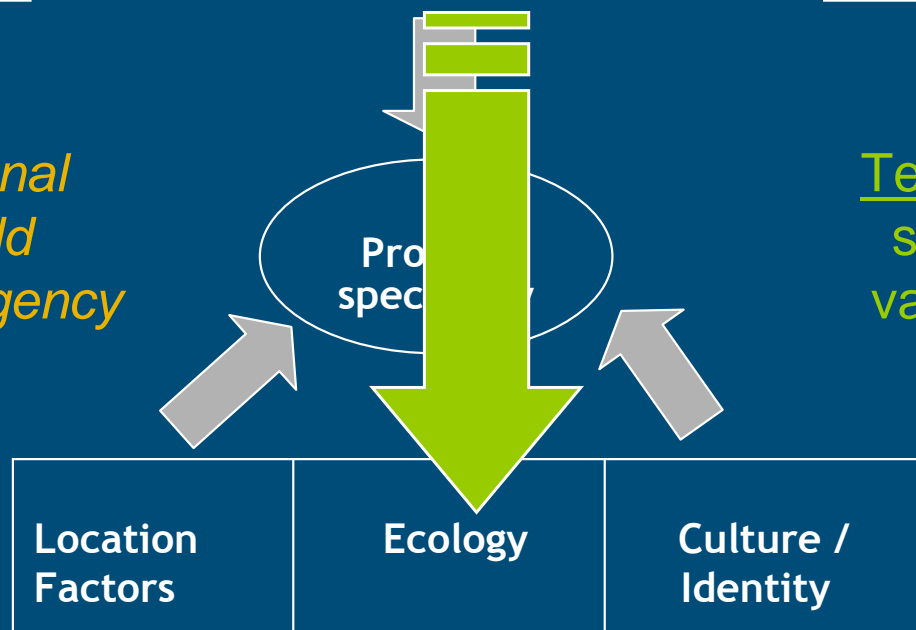
Chain governance:
strengthening links with social actors and building new policy arrangements

Chain differentiation:
strengthening links / agreements with FSC partners



COFAMI as institutional arrangement to build resources, collective agency and networks

Territorial embeddedness:
strengthening link with / valorising local resources



Questions? Points for discussion?

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