

Supporting collective action in European agriculture – a ten point summary

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Trends in global markets and the concentration in food processing and retailing put rural areas and farm households, particularly in regions with less advantageous conditions, under massive economic pressure. At the same time, farms are confronted with important changes in EU policy frameworks towards broader rural development measures which offer new opportunities but require an active adjustment of future strategies. Generally, the possibilities for individual farmers to challenge powerful supply chain partners and to adequately respond to changing policy frameworks are limited. **Collective Farmers Marketing Initiatives (COFAMIs) have the potential to strengthen the position of farmers, to increase rural incomes and employment, and to collectively develop viable future strategies.** This ten point summary focuses on the question how to more effectively support collective action in European agriculture. The analysis is based on 18 in-depth case studies carried out in the EU-funded COFAMI project in 10 countries of the enlarged EU covering all relevant regions.³

- 1. Broader orientations in policy and institutional frameworks:** National agricultural policy in North-west Europe until now mainly concentrates on the traditional model of farm rationalisation, while there still is a general lack of support for alternative farm development models based on value-added chains, distinctive food qualities and the provisioning of public goods and services. In most of Central and Eastern Europe access to support is particularly difficult for smaller cooperatives and integrated region marketing initiatives. Farmers' trust in cooperatives and collective action in this region still tends to be low. In the Alpine Region and Southern Europe integrated rural development policy has a longer tradition. Particularly in Italy it has been a deliberate policy aim to create producers' associations, recognising the handicap of a very fragmented supply of products. National policy here is generally oriented towards supporting pluriactive farm households, multifunctionality and sustainable development. Powerful decentralised regions enabled a strengthening of territorial diversity in agriculture and food, which also helped to sustain a large number of small- and medium-scale processors vital to the maintenance of regional / local food chains.
- 2. Importance of different kinds of support:** The largest share of support measures received by the studied initiatives is related to finance, followed by training / consulting and knowledge / learning-related support. Technical and legal supports rank third, while public relations and advocacy play only a minor role in terms of frequency. Sponsoring by agribusiness is reported to be of 'high symbolic value', while sometimes, however, diverging interests of agribusiness partners and the initiative are an obstacle for long-term and serious cooperation. Overall, existing support should be better coordinated and gaps in the availability of assistance at national level should be addressed, creating equal support conditions independent of place. This concerns public policy measures, but also good coordination with private support from development agencies, farmers' organisations and advisory services is required. A stronger concentration of support on novel products and new markets and market relations is proposed in various case studies.

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³ Full paper: Knickel, K., S. Peter & H. Renting (2008) Supporting collective action in European agriculture. EU project SSPE-CT-2005-006541, COFAMI. For more info on the project see: www.cofami.org



3. **Financial support:** Investment support, start-up finance, risk capital and support to reduce financial risks, tax reductions and exemption from tax payments as well as marketing-related funding can be grouped under the heading financial support which is, in general, seen as critically important. Investment / start-up support generally constitutes a crucial contribution in the early life cycle stages of initiatives, when self-financing capacity is still limited. At the same time, co-financing by members effectively safeguards commitment to the initiative and COFAMIs are mostly eager to avoid structural dependence on external support. Generally, a longer-term perspective on the initiatives' development and a longer-term commitment and strategy of support are crucial.
4. **Access to support:** Several case studies indicate that access depends much on previous experience, and new initiatives encounter difficulties in finding possibilities for support. In other cases the difficulty to fulfil the requirements for getting access are seen as problematic. More support policies are needed that are specifically designed for groups of farmers and not only for individual farmers. Typical examples for this are measures in support of producer groups marketing food products with distinctive qualities and initiatives pursuing the joint provision of environmental goods. A pan-European support information system may provide a solution to the problem that existing information on access to support is fragmented. Also farmers unions and advisory services may play a role in assisting initiatives to identify relevant support measures.
5. **Information and public relations:** Information and public relation measures help to improve relations to consumers and communication with other chain partners. The proliferation of (new) labels confuses consumers and decreases sensitivity to the specificity of products. Collective marketing initiatives ought, as far as possible, build on existing labels and systems. Governments can play an important role in the promotion of labels, guaranteeing their credibility and thereby help establishing the reputation of products and services.
6. **Support related to knowledge and learning:** A differentiation is useful between support related to concrete training and consulting measures implemented on a project-basis within a limited time frame, and support related to more long-term knowledge exchange / generation and learning processes. The challenge of organisation and the time demand to set up collective marketing often are underestimated. Again, longer-term support to learning and negotiation processes should be allowed for to strengthen the social capital and relevant networks of initiatives. Skill-building and learning / knowledge-related measures should be expanded beyond merely technical issues. Training for leaders in professional management, 'soft' and entrepreneurial skills as well as strategic coaching are often needed. The identification and dissemination of best practices and information exchange on successful projects effectively enhance knowledge and learning. The establishment of a European exchange platform focused on the professionalisation of joint farmer initiatives and the organisation of (inter)national exchange programmes for key actors could effectively support knowledge and experience transfer.
7. **Advisory services:** The limited capacities to address questions beyond production and technology are a major constraint. Extension needs to help initiatives to achieve an efficient process management. Management and 'entrepreneurial' skills, and the particularities related to the processing and marketing of quality products are key issues that are not yet sufficiently addressed. Advisory services ought to incorporate much more the far-reaching and remarkable experiences of practitioners as well as the results of applied re-



search. In Central and Eastern Europe, innovative practices are disseminated in rural areas often only slowly, which is further aggravated by a lack of managerial knowledge. Overall, a stronger focus in advice on quality production, multifunctional farming, collective action and the position of farmers in supply chains is urgently needed. An improved targeting of ‘training / consulting’ and ‘knowledge / learning’ needs to recognize the key role of collective learning processes.

8. **Technical and legal conditions:** Several examples show that regulatory frameworks need to be managed and implemented by the public sector in more flexible ways in order to increase the room for manoeuvre for initiatives. Innovative and experimental approaches are sometimes constrained by an over-rigid, generalizing interpretation of conditions. Demanding production- and processing-related regulations tend to constitute an obstacle to the development of initiatives. Especially small-scale, specialized processing cooperatives, regional branding initiatives, and initiatives engaged in direct marketing face difficulties in meeting requirements. Opportunities offered by EU regulations for flexible implementation are often hardly used by national and regional administrations (e.g. hygiene regulations). Time and again there are possibilities to combine flexibility in technical conditions with a greater role of collective mechanisms in control and monitoring.
9. **New institutional arrangements:** COFAMIs have in common that they build and capitalize upon new social networks of farmers with actors beyond the agricultural sector. There is a great need for the development of new institutional arrangements with relevant public administrations and other stakeholder groups, as well as ‘brokers’ that facilitate the establishment of these. However, the nature of relevant (chain, territorial, private-public) networks is highly differentiated amongst strategies, ranging from chain networks in the case of quality food marketing to territorial / community networks for direct marketing and region branding initiatives and public-private networks in the case of the marketing of public goods and services. The functioning of ‘territorial’ or ‘chain brokers’ and process facilitators needs to be supported (e.g. through co-financing) to enable the strengthening of relevant networks. Also wider territorial development policies (e.g. LEADER+, Biosphere programmes) may be conducive in the establishment of new institutional arrangements.
10. **Differentiation of support strategies:** COFAMIs apply different strategies in terms of the markets they address, the quality criteria they establish for goods and services, and the regional contexts in which they operate. Also, they develop their activities, capacities and impacts over longer periods of time and go through different life-cycle stages. A differentiation of support measures therefore strongly improves the effectiveness of support. Backing is especially needed during the ‘vulnerable’ start-up and early life cycle stages of initiatives when commercial activities are still weakly developed. Support to the strengthening of networks, development of leadership and skills, and formalization of organizational structures are key points of attention in this stage. Particular support measures for smaller initiatives operating in newly established (organic, public goods) markets should be considered. Other kinds of support, like the permission of exemptions to food safety regulations or support for marketing campaigns, tend to be more important in later phases. Generally, measures need to be better tailored to particular needs and strategic clusters of initiatives. Also, individual support measures will be more effective when they are part of a well-targeted programmatic approach, and when fragmented project-based interventions are avoided.

