

Encouraging Collective Farmers Marketing Initiatives

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Collective Farmers' Marketing Initiatives across Europe – Driving Forces, Diversity & Challenges

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Outline

- Past and present of collective action in European agriculture
- Main lines and objectives of COFAMI project
- Wider market & policy trends and driving forces of COFAMIs
- Different COFAMI strategies and examples across Europe
- Conclusions

Past and present of collective action

- Important role of collective action by farmers in history of European agriculture
 - Marketing and buying co-operatives → improved market access, farm incomes, regional employment
 - Farmer study groups → technological innovation, spread of sustainable production methods
- Traditional co-operative strategies run counter to changing market contexts, societal demands and internal management challenges



Past and present of collective action

- New collective farmers' marketing initiatives (COFAMIs) are emerging throughout Europe, including:
 - Producer groups of organic and regional / local foods
 - Supply chain co-operation to guarantee product quality
 - Direct producer-consumer associations
 - Groups providing public goods & services (tourism, landscape, care etc.)
- What can we learn from new COFAMIs? Do they provide answers to challenges of EU agriculture? If so, how can they be best supported?



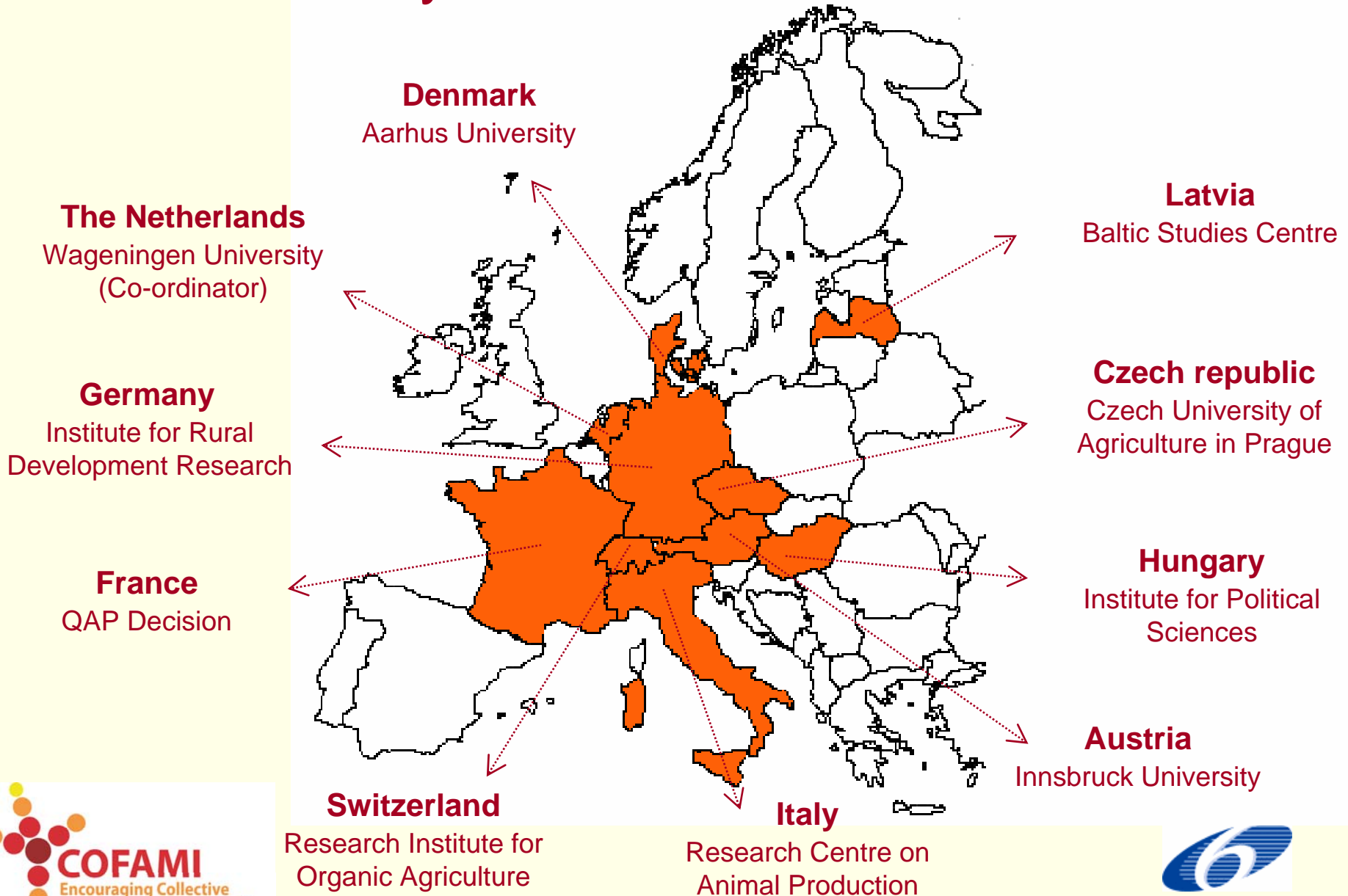
Objectives of COFAMI project

- Funded by EU under 6th Framework Programme, Priority Scientific Support to Policies (SSP), September 2005 – May 2008
- To identify (social, economic, cultural & political) factors that limit / enable farmers to pool ideas, experiences and capital in the development of co-operative producer organisations and marketing initiatives
 - To obtain overview of diversity of COFAMIs across Europe and identify different strategies
 - To identify different limiting / enabling factors and their importance according to regions, COFAMI strategies and development stages
 - To formulate support strategies and policy measures for the development, performance and dissemination of COFAMIs

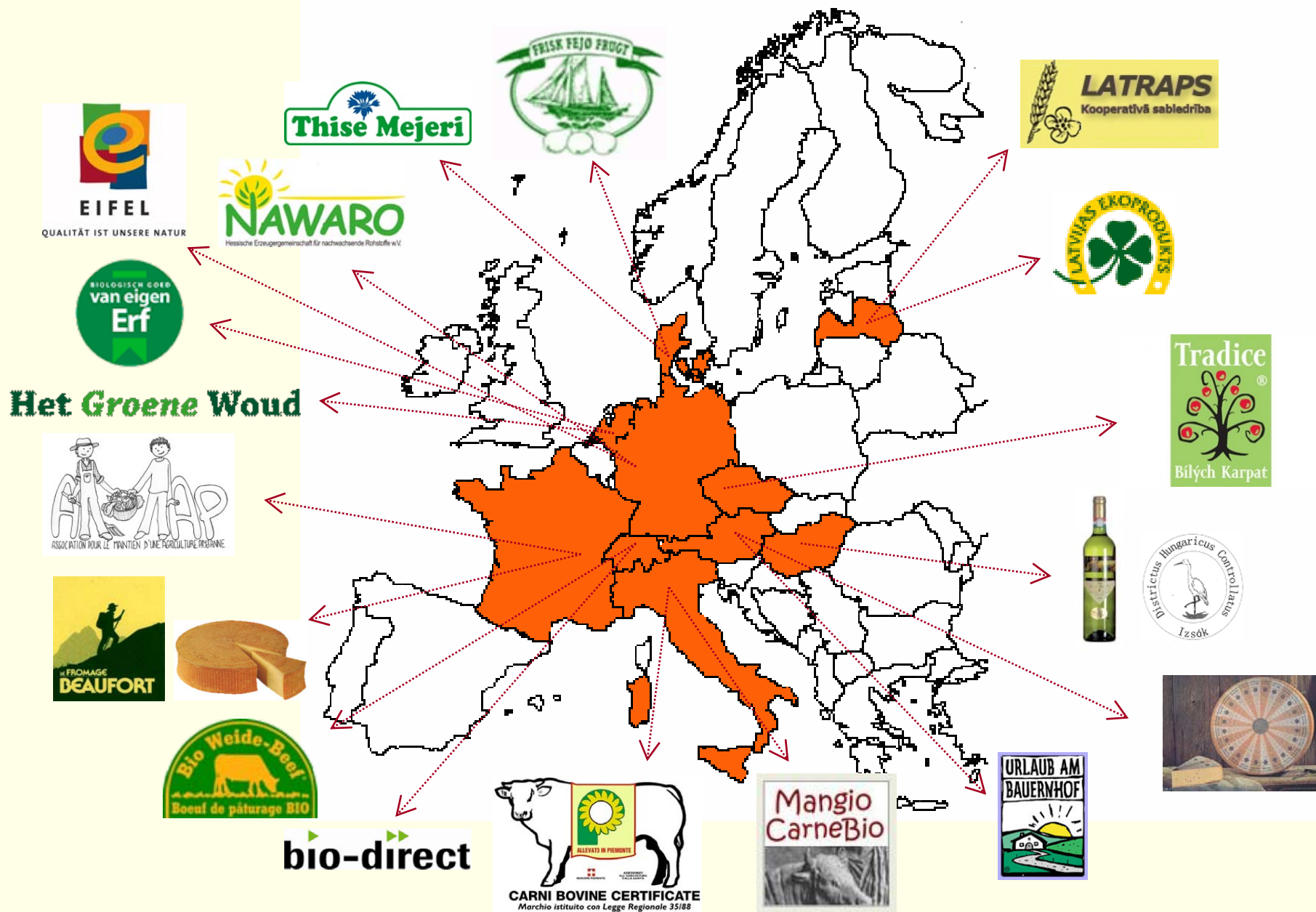
COFAMI research activities

- Literature research, incl. 'quick-scan' of results from 8 previous research projects
- Status-quo review of collective marketing in 10 countries, resulting in typology of COFAMI strategies
- 18 in-depth case studies of representative set of COFAMIs, covering: strategy, relevant networks, sustainability impacts & support strategies
- Comparative analysis of case studies to identify (general and specific) limiting / enabling factors
- Stakeholder & expert consultation by European Expert Group and National Stakeholder Forums in all countries

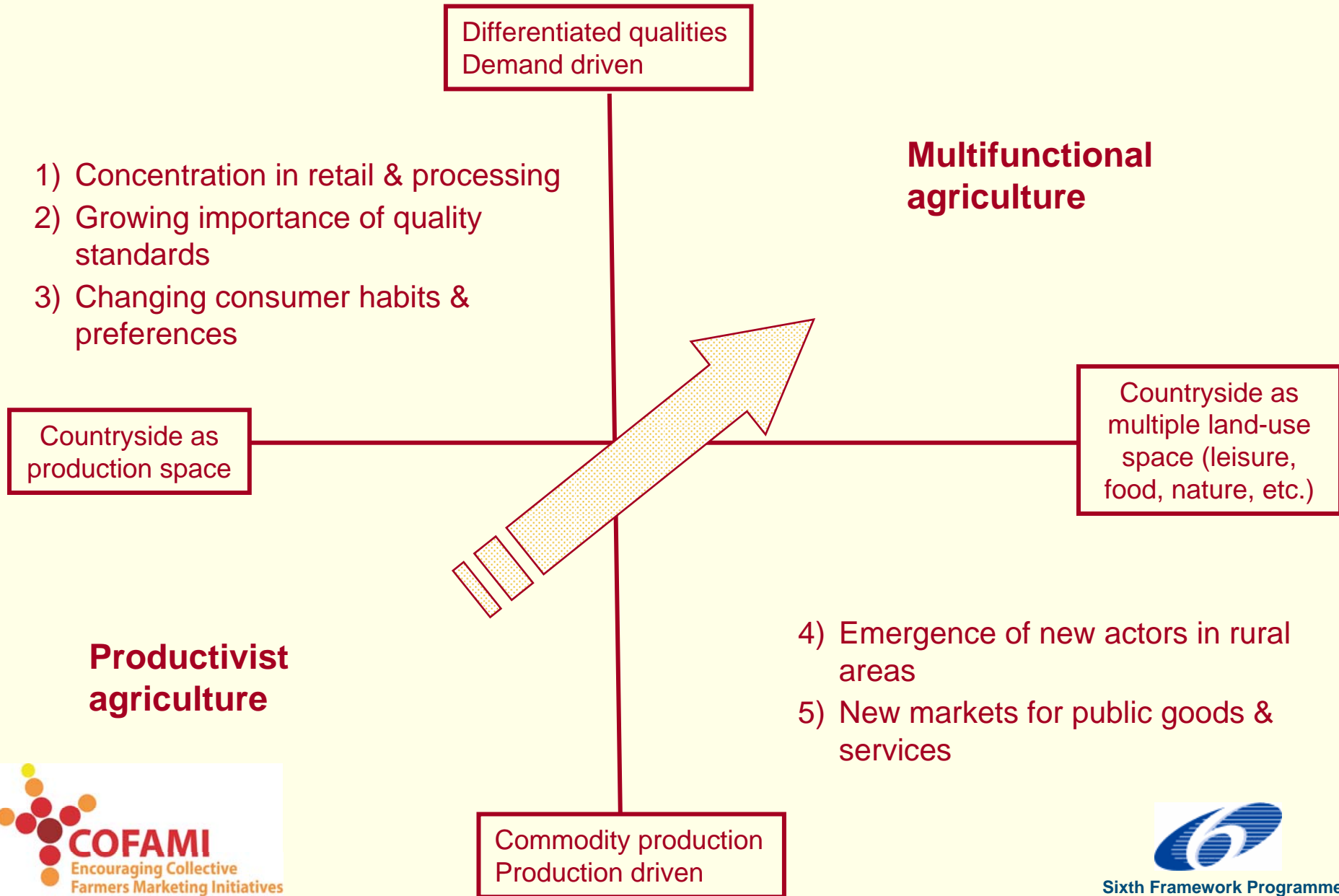
COFAMI study countries & research teams



18 COFAMI case studies



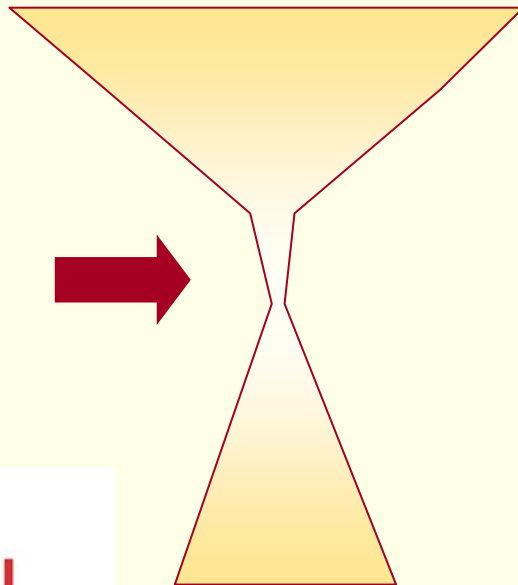
Relevant market & policy trends



Relevant market & policy trends

■ Concentration in retail & processing

- Transnational retailers have obtained central position as 'gate-keepers' between farmers and consumers
- 'Global sourcing' of retailing & processing → competition and substitution amongst primary producers world-wide
- Dominance of large retail surface → general lack of small and medium-sized retail / processing infrastructures



Consumers: 160,000,000
Customers: 89,000,000

Outlets: 170,000

Supermarket formats: 600

Buying desks: 110

Manufacturers: 8,600
Semi-manufacturers: 80,000

Suppliers: 160,000

Farmers/producers:
3,200,000

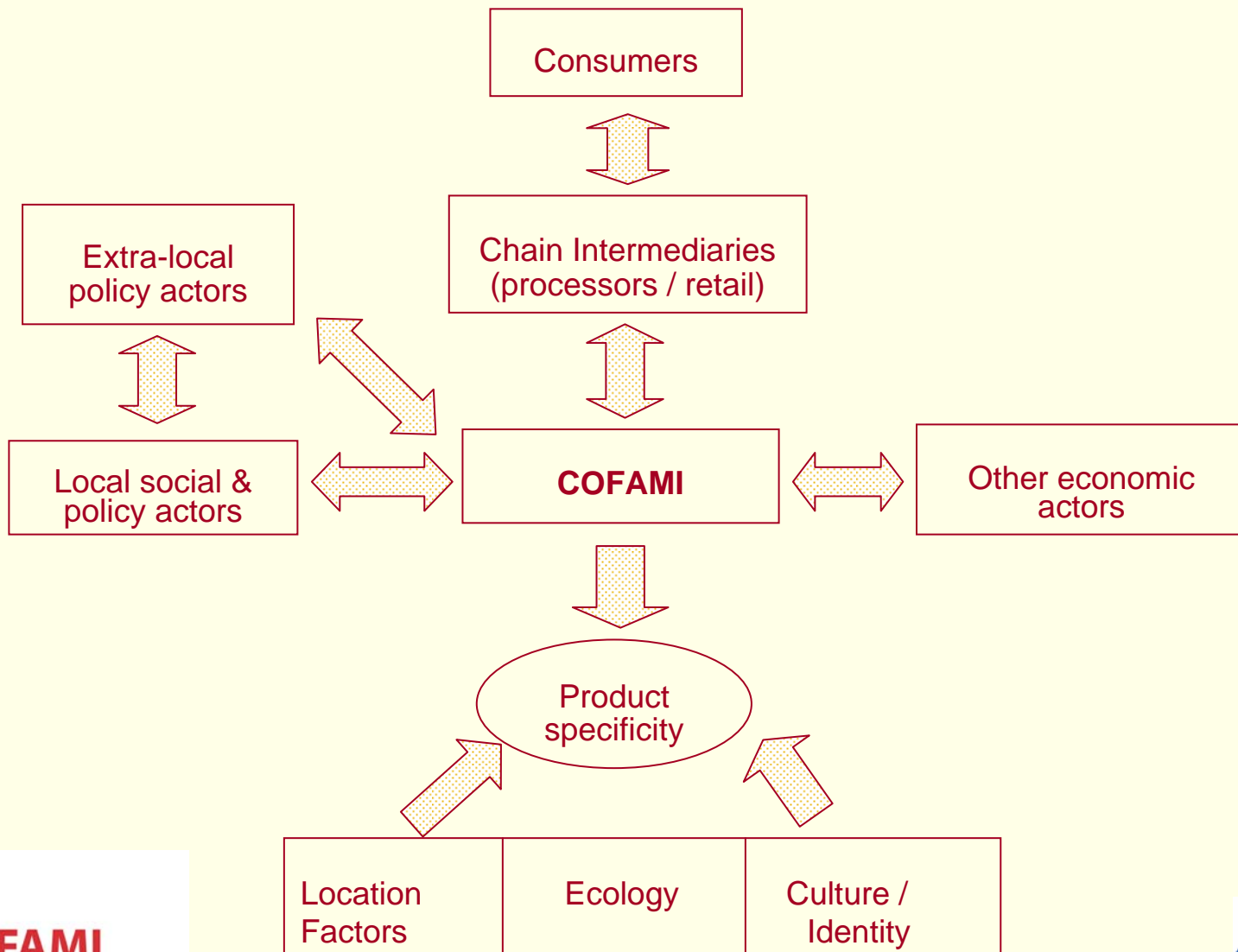
Relevant market & policy trends

- Growing importance of quality standards
 - Shift from 'bulk' markets to differentiated product qualities and brands
 - Increase of public requirements for environment, safety, hygiene, animal welfare etc.
 - Multiplicity of private quality standards on top of public ones
- Changing consumer habits & preferences
 - Changing consumer habits (convenience, grazing & snacking, outdoor consumption)
 - At same time appreciation for food quality, authenticity and mode of production (environment, animal welfare)
 - More active involvement of consumer NGOs in food and rural issues

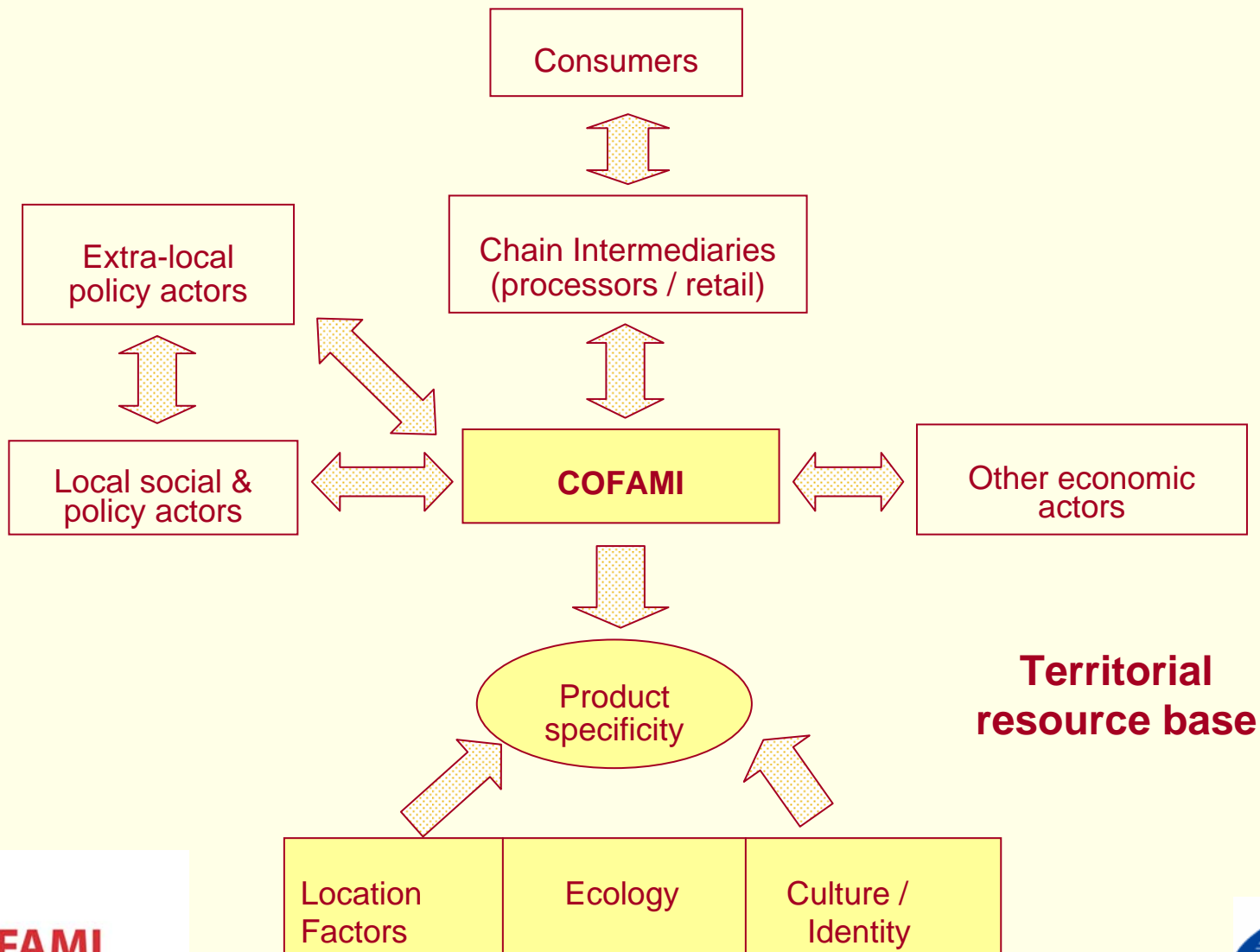
Relevant market & policy trends

- Emergence of new actors in rural areas
 - Rural areas no longer strongholds of farming, but meeting place of variety of rural actors
 - From production space to 'consumption countryside'
 - Growing role of partnerships in rural development policy
- New markets for public goods & services
 - Recognition of contribution agriculture in preservation biodiversity, landscape, culture etc. (multifunctionality)
 - Emergence of new non-food markets in rural areas, e.g. energy production, tourism, care etc.
 - Importance of synergies between different functions / activities in successful regional development

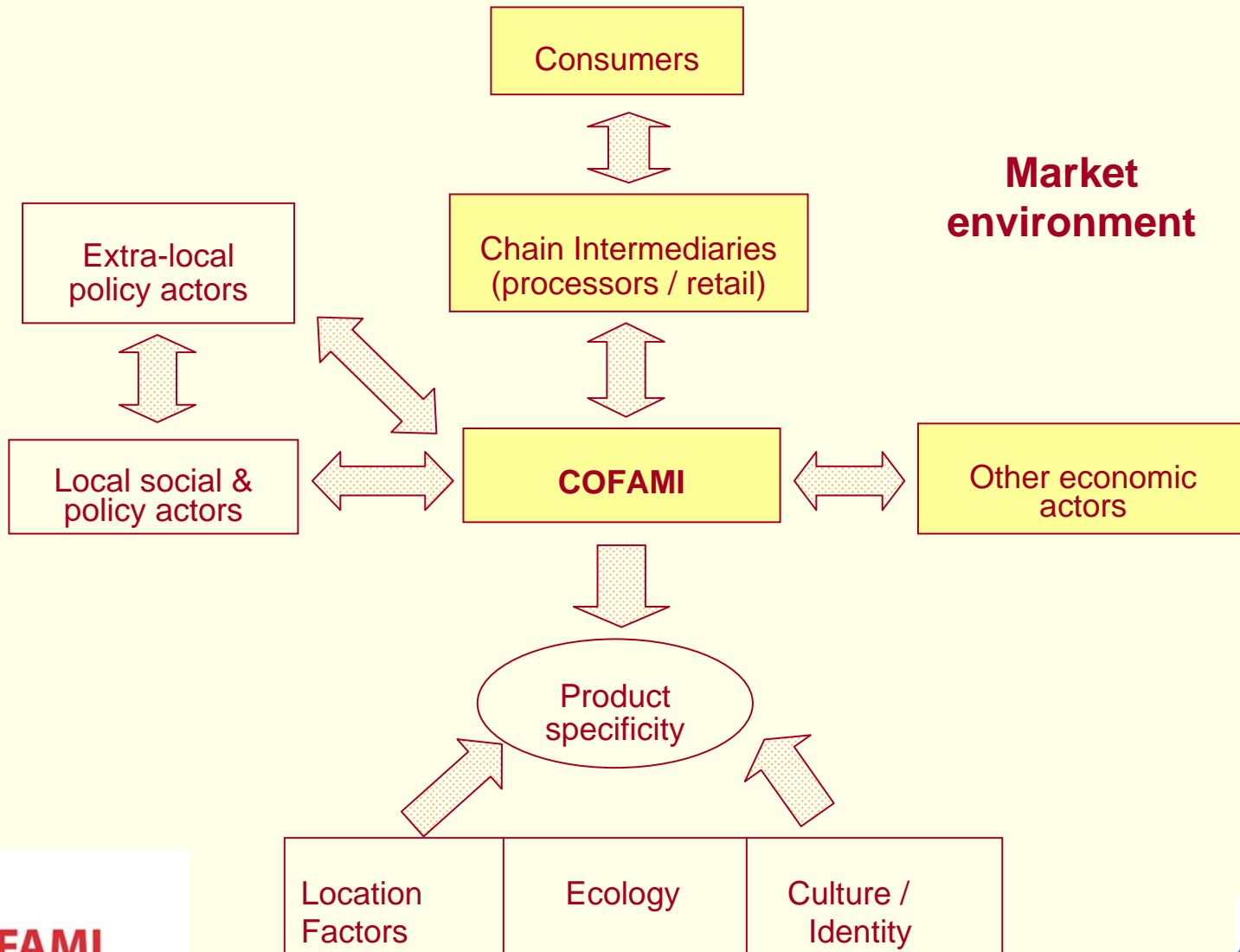
Different COFAMI strategies



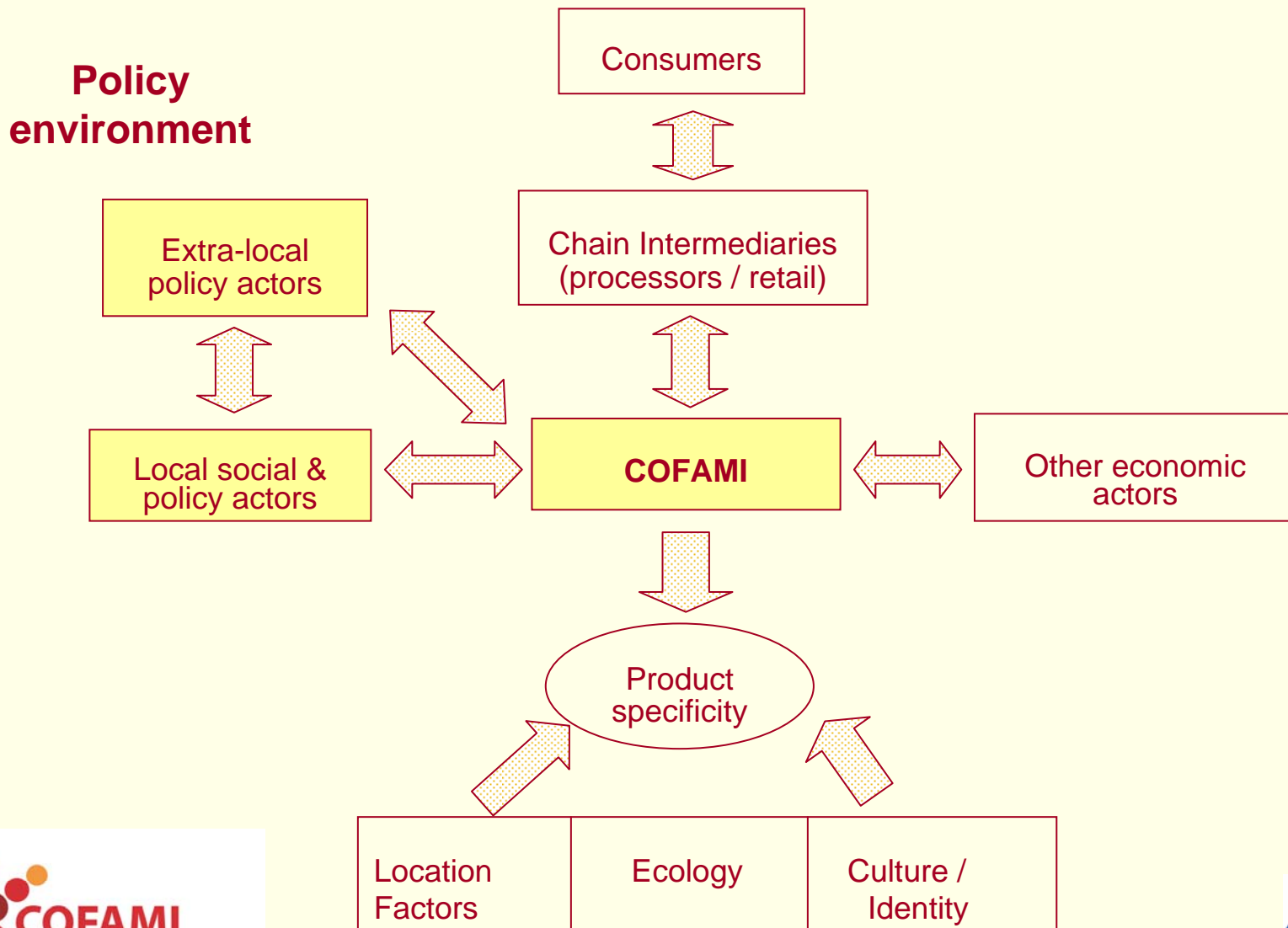
Different COFAMI strategies



Different COFAMI strategies



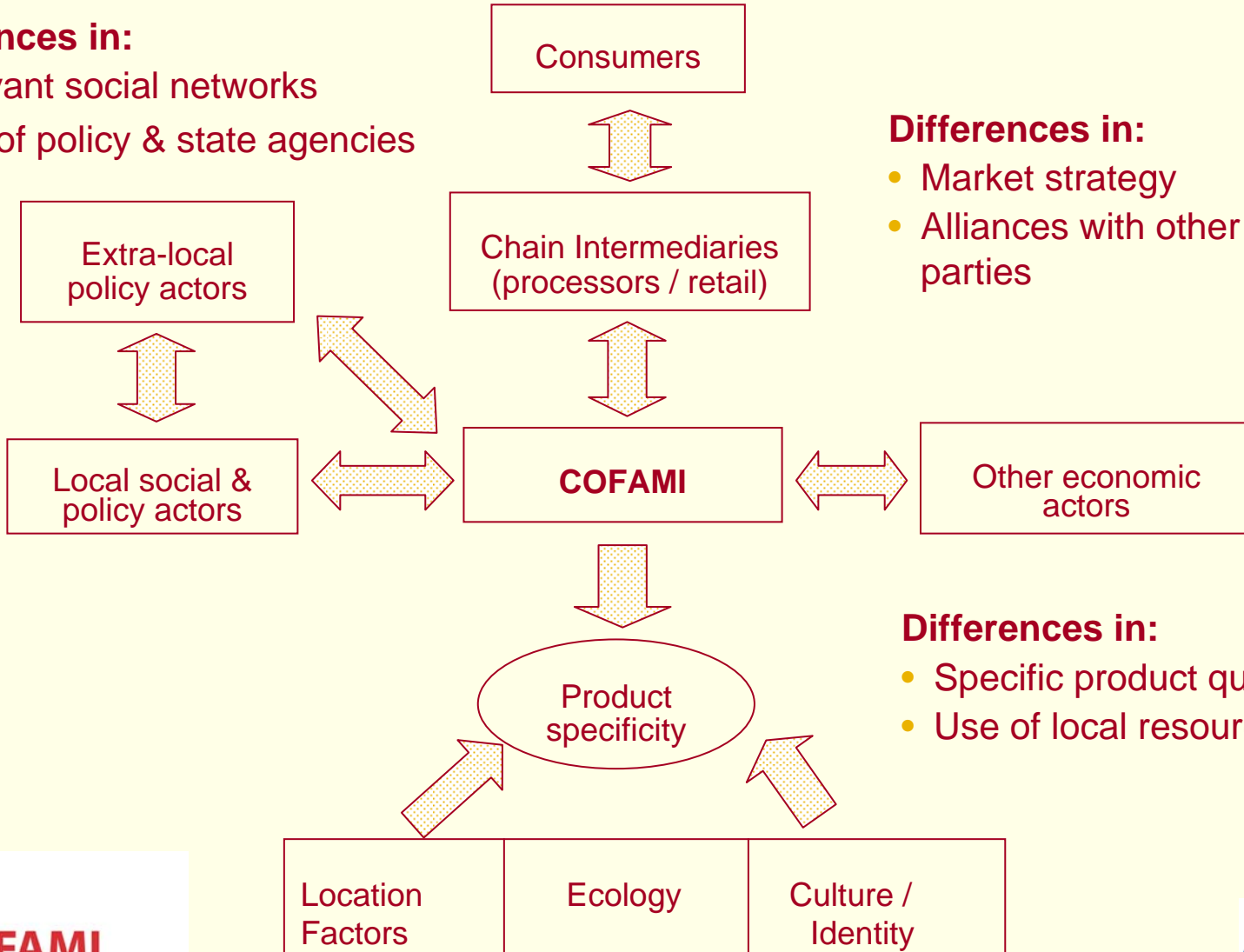
Different COFAMI strategies



Different COFAMI strategies

Differences in:

- Relevant social networks
- Role of policy & state agencies



Differences in:

- Market strategy
- Alliances with other market parties

Differences in:

- Specific product quality
- Use of local resources

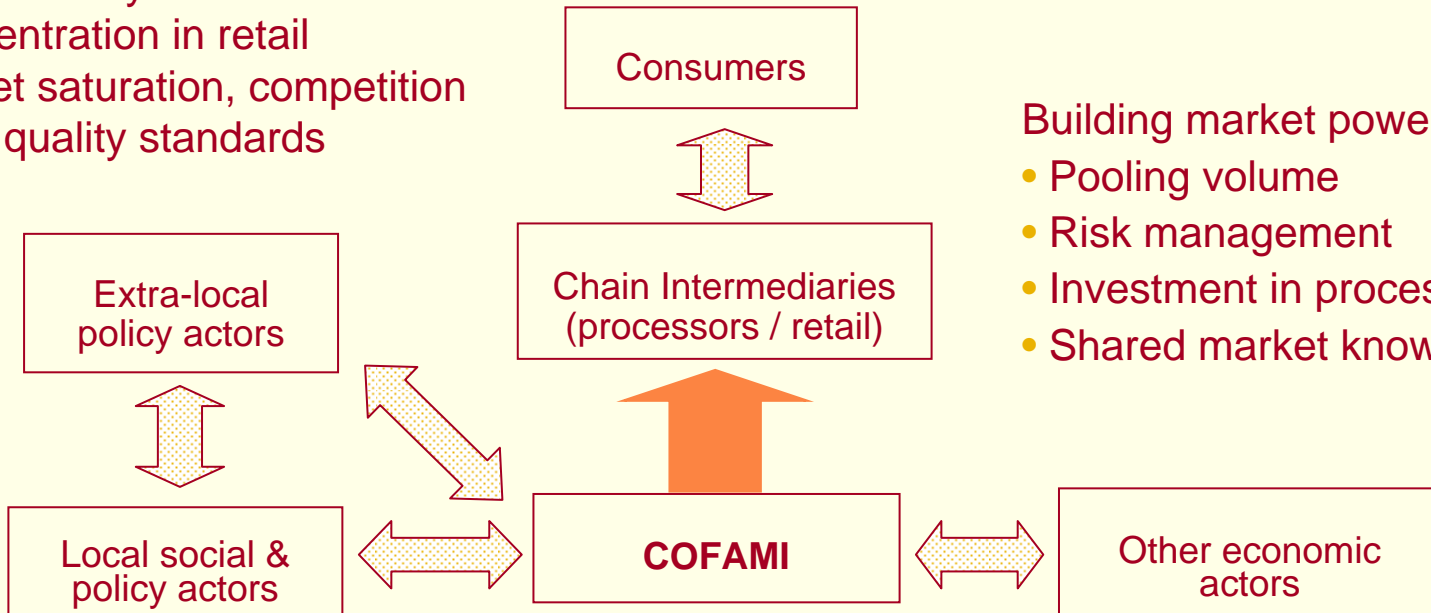
1. Countervailing power

Undermined by:

- Concentration in retail
- Market saturation, competition
- Food quality standards

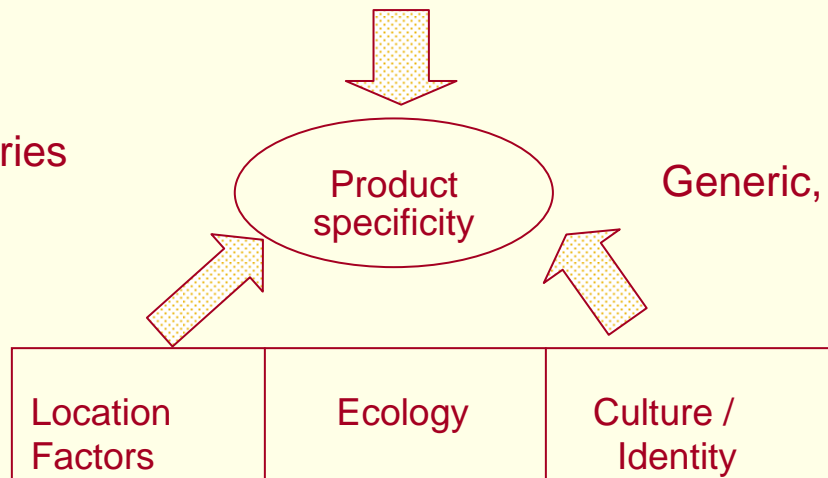
Building market power by:

- Pooling volume
- Risk management
- Investment in processing
- Shared market knowledge



Important in CEE countries and non-food markets (e.g. energy crops)

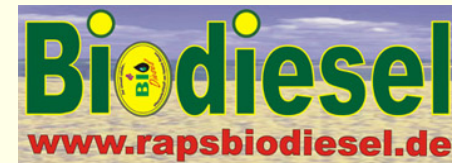
Generic, 'bulk' quality



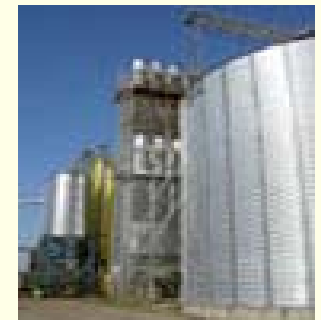
Examples



NAWARO - Germany

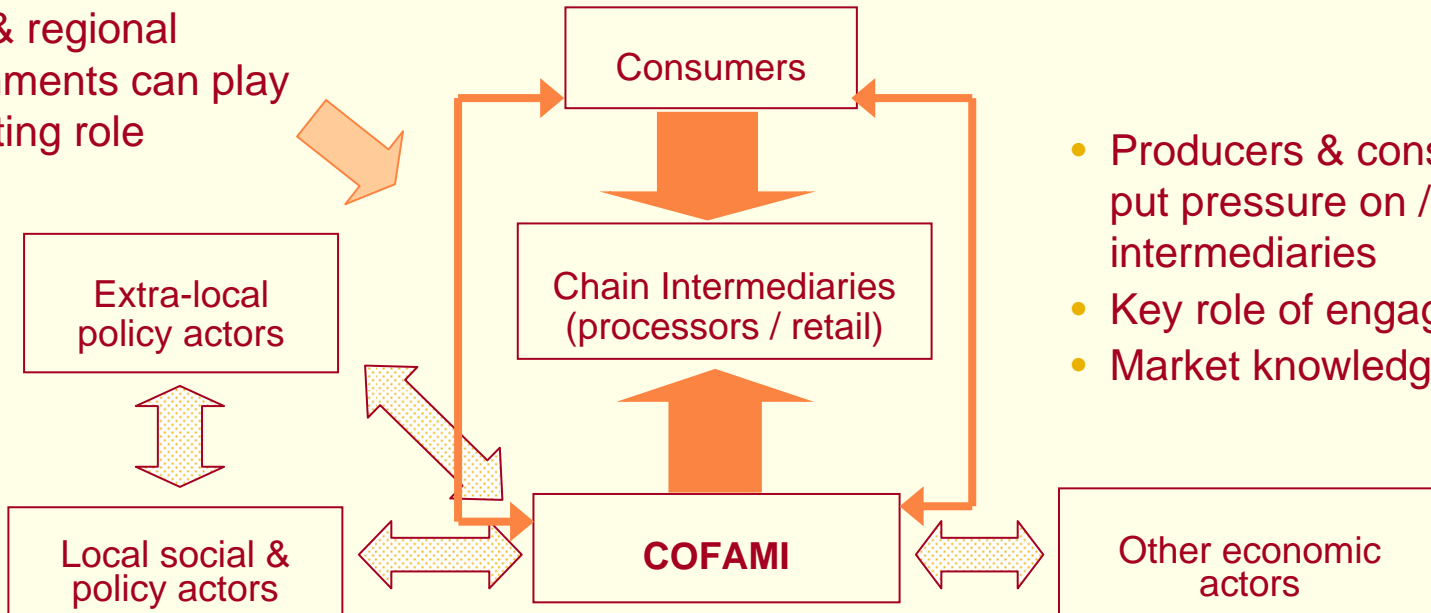


LATRAPS - Latvia



2. Producer-consumer co-operation

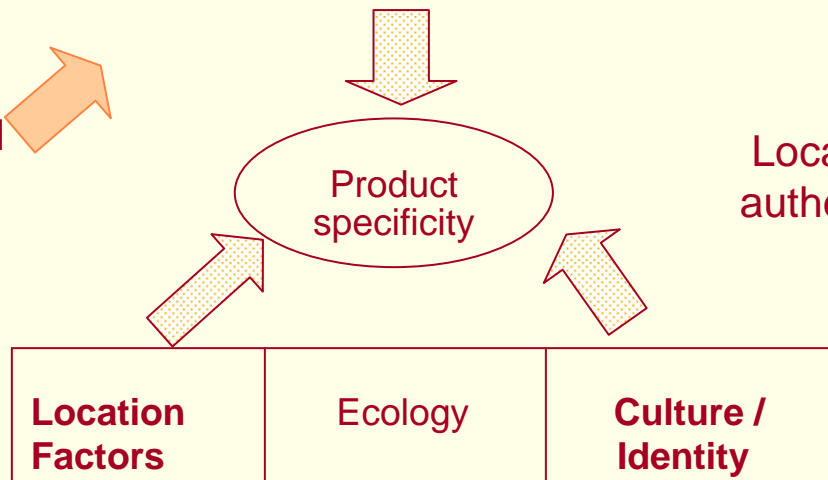
Local & regional governments can play facilitating role



- Producers & consumers jointly put pressure on / circumvent intermediaries
- Key role of engaged consumer
- Market knowledge

Enabling role NGOs and social movements

Local food, fair trade, authenticity, freshness



Examples



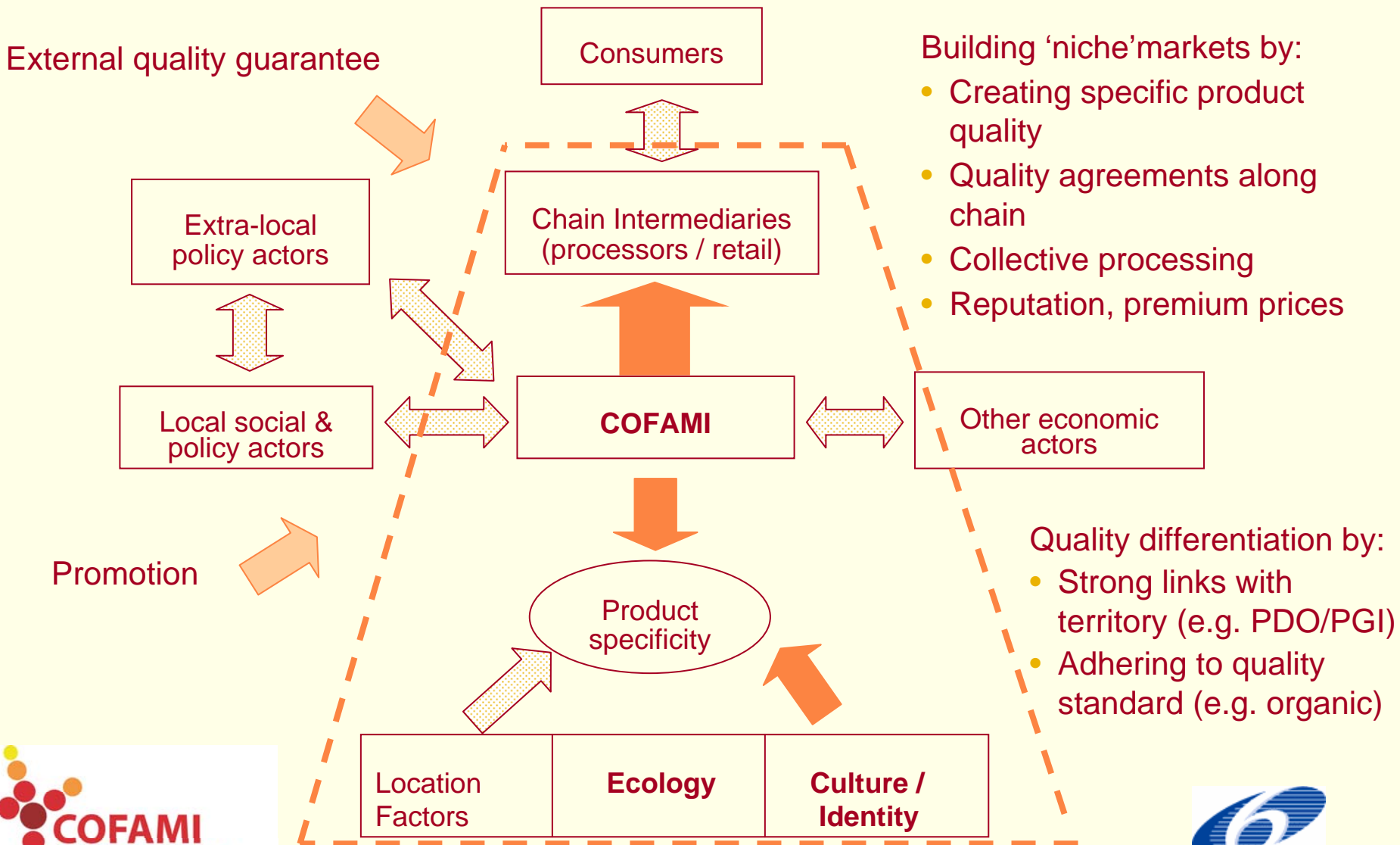
AMAP - France



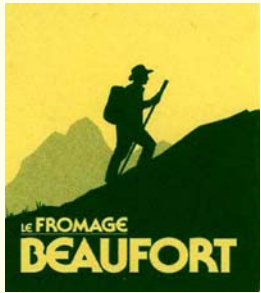
Organic webshops in Netherlands, Italy and Switzerland



3. Quality differentiation



Examples



Beaufort - France



Fejø- Denmark

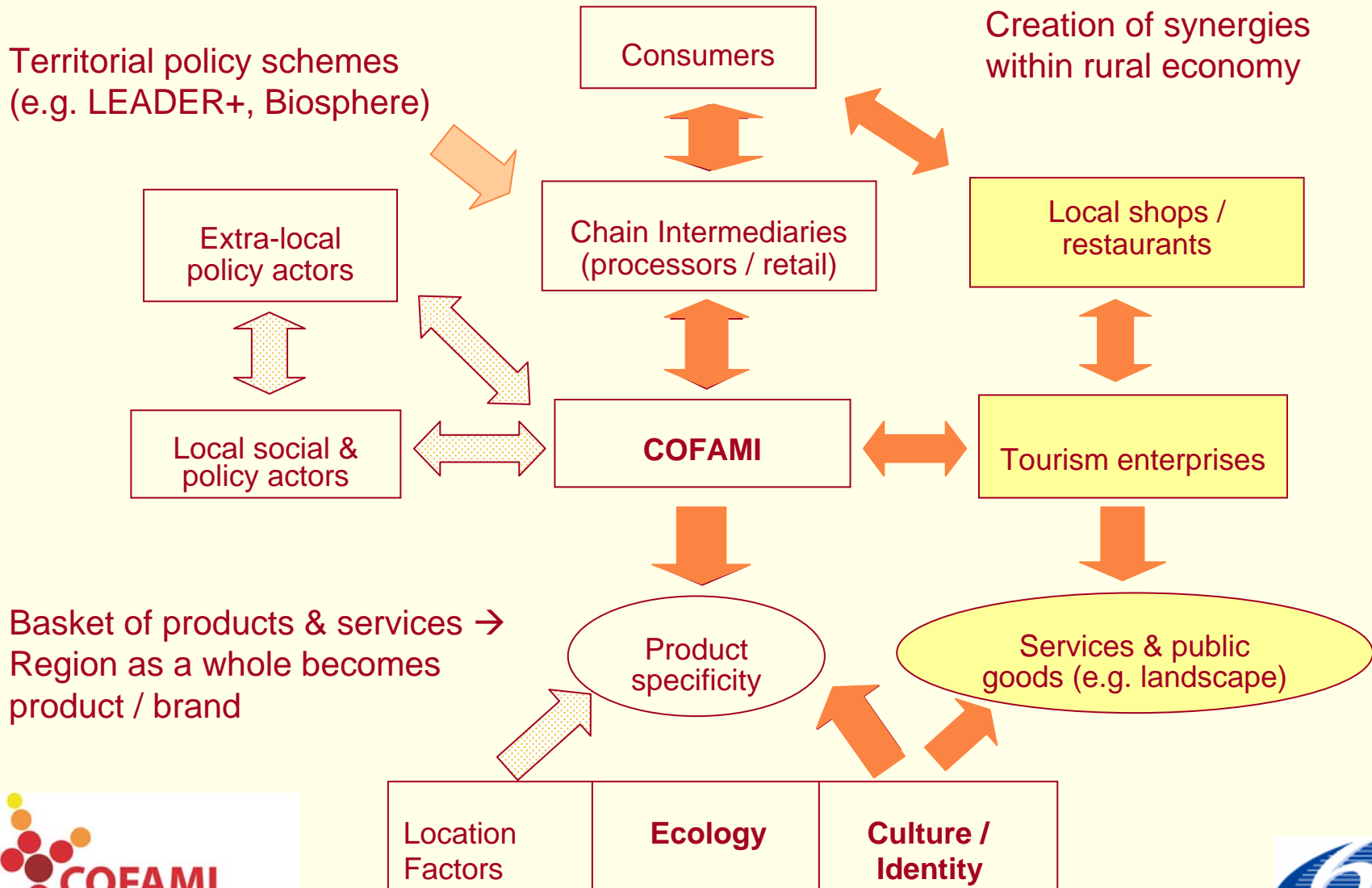


Arany Sárfehér - Hungary



Sixth Framework Programme

4. Region marketing / branding



Examples



Fuchsia Brand - Ireland

Region branding in Netherland, Czech republic and Germany



Conclusions

- New forms of collective farmers' marketing that go beyond traditional co-operative mechanisms (‘countervailing power’) can be observed across Europe
- These can be understood as responses to changing market, policy and societal contexts:
 - Loss of control over supply chains due to concentration in retailing & processing
 - Growing differentiation of rural areas, evolving urban-rural relations, and changes in EU rural policy frameworks
 - New markets for distinctive food qualities, services & public goods
- COFAMIs apply a diversity of strategies - sometimes in combination - that are crucial to understand their functioning and (potential) impacts

Conclusions

- COFAMIs are mainly driven by the collective entrepreneurship of farmers, but have in common that build and capitalize on new networks beyond the agricultural sector.
- The nature of new (supply chain, territorial, community, private-public) networks and relevant actors for these is different for COFAMI strategies

Thank you for your attention

