Sixth Framework Programme

Scientific Support to Policies

SSPE-CT-2005-006541

COFAMI

Encouraging Collective Farmers Marketing Initiatives

Country level status-quo analysis (WP3)

France

09 2006

Gérald Assouline

QAP (France)

1 Introduction

The objectives of this French status quo analysis are:

- To obtain an overview of the state of knowledge on forms of producer co-operation in marketing initiatives, their relations to other partners in the supply chain, and with their policy and market environment;
- To facilitate the mapping of the range of COFAMIs across the study countries and European regions, with emphasis on: a) the territorial diversity, and b) different forms of co-operation among farmers and with other partners in the supply chain.
- To make a first review of the influence of different natural, institutional, political and market contexts and of stakeholders' perceptions on the performance of COFAMIs, and identify critical issues related to these.
- To establish a typology of COFAMIs, which addresses different types of producer co-operation and their relation with different contextual factors.

This report has been elaborated by mobilising mainly previous research results and wider literature.

It makes emerge some key research questions related to the context and conditions of sustainable development of collective farmers marketing initiatives. Those questions will frame the further field investigation to be carried out.

2. General description of the importance of collective farmers' marketing in the country

The major trends of the evolution of cooperation in agriculture can be characterised by the following features :

- Political factors at the beginning of the 20th century enhance the social meaning of cooperation for urban workers and farmers;
- Economic factors are very important after the WW2, for the reconstruction of the country and support to agricultural production consolidation. In 2004, 9 on 10 of the 400 000 farm holders are members of at least one cooperative;
- More recently, adaptation to food industry evolutions are important to understand the concentration of major cooperatives and their relations with food actors;
- Social and local factors help to understand the role of cooperation forms in the development of proximity and territorial solidarity; this development is often coupled to *terroir* and quality re-orientation of agricultural productions and marketing initiatives but also to new social dynamics in changing rural areas.

So to sum up , we could say that on one side that there is a massive concentration process at work in the *cooperative system* and on the side there is a broadening process of *cooperation forms* in the French countryside.

2.1 Historical context in which collective farmers' marketing has developed

At the end of the 19th and early 20th century, cooperativism was an important component of political debates and propositions. After the WW1 the cooperative movement developed rather fast especially in agriculture. It concerned agricultural cooperatives (supplying, purchasing, processing, selling agricultural products and services) and financial cooperatives (*credit agricole*).

Depending on the kind of agricultural activities, the development of cooperative movement and structures has been rather unequal. Very early, in wine production it plaid a dynamic and specific role. In the 60's, organisational and economic transformations have been important: they pushed supplying, marketing and processing cooperatives to engage in adaptation strategies, through growth, restructuring and *subsidiarisation.* This evolution contributed to identity questioning from farmers' membership.

Public regulation and law concerning cooperatives

- 1906: a law gives the responsibility to credit cooperatives for proposing advantageous credit to agricultural cooperatives;
- Early 30's: cooperative equipment investments are subsidised by state at a proportion of 20%;
- 1945: economic activities are forbidden to unions and attributed to cooperatives;
- 1947: a "general status of the cooperation" defined two principles: the cooperative can operate only with members and the member provided a part of the capital according to his activity;
- 1962: a law strengthens producers organisation in the fields of animal production and fruits and vegetables, less organised that wheat and milk productions and proposes the denomination of 'groupements de producteurs' (producers groups). State provides financial support.
- 1972: a law reiterates tax exemptions and financial support and gives them the possibility to adopt commercial organisational forms via non members associates and own capital mobilisation;
- 1991: a law allows the creation of subsidiaries to facilitate processing and commercial activities;
- 1992: a law allows to create prioritary dividend shares (more attractive for investors) and to get out of the cooperative status.

Source: [1]

[1] Transrural Initiatives n° 263 – 15th June 2004

The diversity is broad when talking of **cooperation** forms in the French countryside: between the big multinational cooperative groups and the local Jura Comté cheese processing and marketing collective structures (called *fruitière*), what are the common points?

There is a permanent regenerating process of solidarity and cooperation ideals, with farmers and sometimes consumers, reinventing new organisational forms or diversifying existing ones.

- Development of collective production and marketing organisations to develop AOC and other kinds of quality and *terroir* new labels;
- Creation of collective agricultural products direct selling forms, involving or not consumers;
- Diversification of CUMA[2] cooperatives towards service selling (for rural projects with local municipalities).

Those new cooperation initiatives emerge as answers to :

- loss of credibility and trust between farmers and cooperatives which transform into international industrial groups,
- major concern in certain categories of the population with better income levels for quality and traceability of food,
- attempt to increase the added value and income resulting from farm products processing, by focussing on local brands and terroir quality labels,
- will to create new relationship, based on values as ethics and citizenship, between consumers and producers to preserve farmers' income and consumers expectations for quality.
- new responsibilities for local municipalities on environment and landscape protection.

Such factors induce different kinds of relations with food market:

- multiplication of direct selling initiatives, piloted either by farmers or by alliances between consumers and farmers;
- local brand and *terroir* quality labels development and consolidation strategies , driven by groups of farmers and cooperatives;
- development of partnership (contracting) between producers (farmers), processors (cooperatives and private firms) and retailing companies which are the pushers.

2.2 Present situation and trends: General configuration of collective farmers' marketing

To present the general overlook of the different forms of marketing cooperation, we face a quantification problem: cooperatives can be analysed quantitatively, thanks to their organisations , while localised cooperation forms are more dispersed: there is no systematic statistic survey available. The presentation proposes a segmentation considered as relevant for the whole report:

- Collective marketing initiatives (re)-acting in the industrial food market competition,
- Collective marketing initiatives as a collective project of local actors.

Within each category, the organisational forms can be diverse: cooperative, association, private.

[2] Cooperative d'utilisation du matériel en commun [cooperative of agricultural equipment used in common]

Collective marketing initiatives (re)-acting in the industrial food market competition

Cooperative groups

The cooperative system is organised on a rather complex way: by category of product (cereals, milk, meat, wine…) and by geographical level (local cooperatives, county union of cooperatives, regional federations of cooperatives and national confederations). Those cooperatives can be single purpose or multiple purpose oriented:

- Single purpose cooperatives can collect and sell the production of its members in order to sell it to the best possible conditions on the market[3];
- A supply cooperative provides its members with fertilisers , pesticides and other agricultural inputs for farming and domestic gardening activities. They have an advisory activity for farmers;
- Processing activities represent 40% of the turnover of agricultural cooperatives. For the 7 sectors representing 94% of the cooperative industrial activities (livestock slaughtering, dairy products, animal feed, canning industry, sugar refinery, wine production and distillation), cooperatives owned 40% of market share in 2003;
- Non food product markets are also explored by cooperatives as a diversification way: cereals or oilseed rape cooperatives are investigating biofuels market, for instance.

T1. Global turnover of agricultural cooperatives in 2003 (in billion euros)

Main activity	Turnover
Collecting and selling activities of cooperatives	32
Processing and selling activities of cooperatives	11.5
Collecting activities of subsidiaries	10
Processing and selling activities of subsidiaries	19
Other activities	4.5
Total	77

Source: Coop de France, 2003

A national collective initiative for organic milk: GIE Biolait

The GIE Biolait was created in 1995 as Groupement d'intérêt economique [4] by organic milk producers of Western France, ie as an intermediate organisational form between a company and an association. In 2005, this economic farmers' network had about 220 members in France, spread in 41 counties and collected approx. 25% of the national production. Its objective was to develop the collection and the selling of the organic milk at a national scale[5].

[3] 48 cooperatives are specialised in artificial insemination and 20 cooperative unions carry out 85% of all dairy breeds inseminations and 12% of meat breeds

[4] Joint economic interest group. The objective of a GIE is not to be profitable, but to contribute to develop the activities of its members. The members of the GIE are pre-existing enterprises: farms in the Biolait case. Each associate is responsible for the debts of the GIE. A GIE can be created without initial capital.

[5] This initiative has been studied in the MAS European project

Collective marketing initiatives as a collective project of local actors.

Small independent farmers cooperatives

A significant number of such cooperatives are in some specific markets like cheese, or wine. Their limited size induces an uneasy market positioning : they may be too big to be positioned only on direct selling and too small to have a strong autonomous marketing strategy.

For Comté cheese, there are some 200 fruitières (local processing cooperatives) in Jura region. They are engaged in the quality label AOC Comté du Jura, which allows a better valorisation for the milk and cheese than Gruyère or Emmental. This label is more constraining that the Emmental Grand Cru one: For that cheese, there has been a drastic disappearing of fruitières, while large cooperatives have been monopolising the production and marketing and de-localising the production from the original region - Eastern France - to Brittany, which produces now 80% of the French Emmental production.

Short distribution initiatives

There are many different types of short distribution collective initiatives. We couls say that the territorially embedded category may not be really discriminating: to some extent , all COFAMIs , even large cooperatives, are territorially embedded.
We shall focus here on smaller initiatives, managed at local or regional level, with specific values in front like ethics, solidarity, aiming at implementing direct selling or short distribution channels. The main focus of those initiatives is to reconstruct proximity and relation to territory. They aim at proposing local products to local consumers and at escaping to the retailing system pressure.

Direct selling

Direct selling can be managed by individual farmers, local processors or groups of farmers. In this case, food actors communicate to local consumers on the local origin of the product.
According to a recent study[6] carried out in Ile de France region, Paris administrative region:
- The smallest are the farms , the highest is the proportion of direct selling; this remark is not surprising as industrial (processing) and retailing channels require high and stable production volumes;
- For fruits and vegetables producers, 40 to 50% of the farms practice only direct selling, while some 25 to 30 combine several marketing channels; these proportions are similar for flower production;
- For eggs and poultry, approx. 70% of the producers are direct sellers and only 15% are multiple channels marketers.

The quality of the proximity product is at stake: consumers have no quality guarantee, the products they may buy at the farm or at the market place, can contain chemical residues. Many local groups of farmers organise jointly to market their products at the local market places.

---

[6] Agreste Ile de France, 2005: Direct selling, pillar of agricultural marketing in Ile de France region. N° 78, Oct. 2005

Community supported agriculture projects

Community supported agriculture (CSA), called Association pour le Maintien d'une Agriculture Paysanne (AMAP) is another way to think the direct relations between consumers and producers. The first AMAP were created in 2001 and 2002 in Provence by farmers , members of Confederation Paysanne farmers' union and consumers members , close to ATTAC association.

Those projects are based on an association between both categories of actors.
Consumers get a basket for a fair price (based on the production cost (and not the weight). In France, farmers engaging in those projects are most organic farmers, with an alternative discourse on the building of a solidarity economy by opposition to market economy. In 2006, the number[7] of AMAP is estimated at 200, supplying some 24 000 persons, mostly located in Southern France (Southeast and Southwest).
An international network of AMAP similar networks has been set up in 2004, with US, Japan, Portuguese, Brazilian, French, Dutch…It is called Urgenci[8].

COFAMIs focusing on non food products or services

In that category, the existence and role of CUMAs should be stressed. CUMA are local cooperatives of agricultural equipment collective use, federated in regional and national federations. In France, there are 13 300 CUMAs with 240 000 members: it means that almost one farmer on two is a CUMA member. They employ some 4 000 people (2 400 are seasonal). The CUMA proposes to its members, services specialised in agricultural machinery and staff to drive it. 1240 CUMAs are involved in environmental activities: river bank cleaning, de-snowing, forest preservation, hedges, composting, collecting and recycling agricultural waste…

2.3 Conclusions of the general importance of collective farmers' marketing

The economic weight of the cooperative groups is real: by multiplying mergers and operations with private actors, cooperative groups succeeded to stay major actors in the restructuring of the food industry. Those changes made the organisational configuration of those groups extremely complex and the functioning of power more distanced from farmers who are the local shareholders of the cooperatives.

Besides those key evolutions, there is a permanent process of blossoming of new initiatives based on local cooperation forms, corresponding to a real need for developing joint initiatives in a changing rural context. Their goals and functions are very diverse: development of services and non food productions, social re-integration, building of new relations between producers and consumers, direct selling…Between those two polarised trends, we have ambiguous situations. An initiative like Biolait, national organic network, is facing serious difficulties when trying to impose a favourable power relation to processors and retailers for supplying organic milk. Small and medium sized independent cooperatives very rooted (like fruitières) need to reinforce their territorial and quality identities to keep a favourable position in front of big market actors controlling 80% of the distribution.

---

[7] Le Monde , February 14^{th}, 2006
[8] www.urgenci.net

3. Characterisation of the main forms of collective farmers' marketing initiatives in the country

3.1 Different forms of collective farmers' marketing that can be found

Industrial food market actors

Cooperative groups as major food actors

In 2004, the French food industry, with a total turnover of 140 billion euros and 420 000 employees, was the first industrial sector of the country. [9]

Food cooperative groups represent a significant economic weight in this food industry. With 3500 industrial and commercial enterprises and 1500 subsidiaries, they represented a total turnover over 77 billion Euros in 2003 (including subsidiaries). More than 150 000 employees were working in those organisations.

They are experimenting a very fast concentration process: in the last 40 years, the number of cooperatives (without counting CUMAs) decreased by a 40% with their total turnover was multiplied by 20. In 2005, 2/3 of the turnover of the agricultural cooperation is achieved by 10% of the cooperatives. In 2004, 17 cooperative groups had a turnover over 750 million Euros and 12 in 1999.

For several years, the cooperatives groups have been living a restructuring process corresponding to a double trend:
- Between cooperatives: 42 operations carried out during the 9 first months of 2004 and 36 in 2003;
- Between cooperatives and private companies (purchasing or selling subsidiaries , partnership): 33 operations during the 9 first months of 2004 and 18 in 2003.

Till 2002, the increase of the economic perimeter of agricultural cooperatives was mainly due to a radical change in the location of private food firms investments:
- Cooperatives purchased industrial capacities that private food firms wished to sell.
- Big food industrial actors gave priority to delocalisation in 'emerging countries' (Asia and Latin America).
- Simultaneously, the biggest cooperatives were also investing abroad: to follow their clients (malt cooperatives following breweries in China), to purchase cheaper products, to compensate CAP change impacts.
- Since 2003 and 2004, some important cooperatives have been purchased by international firms (ex: Cabanon, the tomato processing and marketing cooperative bought by a Chinese company, or France Champignons bought by a pension fund…)[10],

[9] http://www.frcara.coop/sites/frca_rhone_alpes/La_cooperation_agricole/Quelques_chiffres/
[10] Observatoire économique – Coop de France Departement Entreprises: La coopération agricole française – Analyse du périmètre coopératif et des secteurs d'activité. Oct. 2004

M. Filippi[11] identifies three organisational forms of cooperatives:

- In a first model of "concentration of offer", members join a cooperative on a geographical proximity criteria. Its service is to mediate the relation to market by looking for the best price for the collected / purchased products of the members;
- In a second model of "reaction to competitive pressures", the link to geographic territory is getting more distanced and the organisational territory, structured by relations with downstream actors, becomes more important The cooperative develops *filiere* strategy in which territorial origin is secundary;
- In a third model of "co-construction of competitive advantages", the territory and its actors are important in defining the specificity of the cooperation, as well as the relations with downstream actors: quality and *terroir* references, selection and training of members for implementing the certification procedure (of the product or of the organisation).

The three models mentioned above are not exclusive: they can co-exist within the same organisational configuration, according to the concerned products and the kind of organisation. The evolution towards the third model represents for those key actors an innovative strategic movement.
An example: at the end of the 90's, in Southwest of France, there has been a diversification strategy of big regional cooperatives collecting and selling maize, seeds etc…towards *foie gras filière*, protected by IGP for the whole Southwestern France (90000 km2). In 2002, on the four major actors on this market, 3 are cooperatives. So those cooperatives play an important role as major regional maize collecting and selling actors, they position themselves as European seed producers and they implement the third model[12].

The organisational process accompanying those strategic changes of the French cooperative system is hybrid: activities directly related to farmers and agriculture are framed by the cooperative form, while processing and marketing are increasingly managed by private subsidiaries, partly due to the narrower relations between those cooperative groups and private food groups. Those changes modify drastically the management of the groups and the distinction between private and cooperative status becomes more blurry.

GIE Biolait: a national organic farmers' network

Biolait was created in 1994 to valorise as much as possible organic milk by trying to build a strong power relation with dairy industry through the control of the raw material. Even not being a cooperative, Biolait principles explicitly referred to the original cooperative spirit and goals:

- to pay the same price to every farmer without considerations of quantity or distance (mutualism principle),
- to sell the milk to every processor asking for it, whatever the quantity and its location, but with a preference for long-term partnerships,
- to encourage and sustain the conversion of dairy farmers until organic farming surpasses conventional farming,

---

[11] Filippi M., 2004, "Réorganisations dans la cooperation agricole: recherche de proximité et solidarités territoriales" [Reorganisaiotns in agricultural cooperation: looking for proximity and territorial solidarities]. In Economie Rurale n° 280, avril – mai 2004.

[12] Filippi M., 2006, "Coordination des acteurs et valorisation de produits liés à l'origine. les signes d'identification comme signes d'exclusion" [Coordination of actors and promotion of products linked to origin. Does labelling generate exclusion processes?]. In Revue d'Economie Regionale et Urbaine, n° 1 – 2006.

- to develop quality of milk and strict regulations about organic production methods through an active presence in political and professional structures for organic farming development.

Locally driven collective initiatives

The independent small or medium sized cooperatives, defending AOC and other quality sign products.

They represent a kind of intermediate category:
- Their centre of gravity is local: in terms of management, supplying, processing, quality strategy, political support.
- And this strong local anchoring constitutes a decisive advantage in their relation to food market.

We already mentioned the Comté cheese fruitières: there are some 200 **fruitières** in Jura region. In Rhone Alpes region, 2300 milk producers are engaged in AOC cheese productions like Reblochon, Chevrotin, Abondance, Beaufort, Fourme de Montbrisson…In total, 30% of the regional farms are concerned by quality signs (for wine, dairy products, meat, nuts, olive oil, olives…).

And the management of those quality products is based on cooperation and networking , between different regional actors and other food actors: local producers and processors agreeing on specific terms of reference and rules, local maturing cellars small and medium private companies mediating the relation with retailers.

Short distribution initiatives

In this category, configurations can be very different and too dispersed to be quantified precisely.

We find **social experiments referring to ethics** and social, solidary economy: like AMAP, which focus on the direct relation between producers and consumers. There are approx. 200, supplying some 24 000 persons, mostly located in Southern France (Southeast and Southwest).

Close to AMAP, should be mentioned the network *Jardin de Cocagne* of some 100 peri-urban horticultural gardens or farms which aim at playing a social role of re-integration of marginalised people, long term employed persons…(like care farms in the Netherlands). Consumers and producers are together at the board of the associations managing those farms. Consumers subscribe to a fruit and vegetable basket delivery system.

In this category, we should mention also the many informal collective marketing initiatives aiming at facilitating farm direct selling activities. They are mainly emerging at a proximity level.

Non food initiatives

Service cooperatives

Besides those **industrial and commercial cooperatives**, there is a very dense **service cooperative tissue** based on the 13 300 CUMAs. They propose to their with 240 000 members and other costumers machinery services: it means that almost one farmer on two is a CUMA member. Today , the *CUMA movement* [13] wishes to broaden the scope of the proposed services out of the farm market: especially towards local municipalities, counties, regional natural parks. It also claims for lightening the geographical constraint of the service marketing.

Renewable energy projects

Those projects may emerge with very different organisational configurations:
- Cooperative form, like CUMA to develop the valorisation of biomass residues or to collect and process agricultural productions (oilseed rape) for biofuel use,
- Associative form (light form of collective organisation) to explore and study the feasibility of renewable energy production projects (wind mills).

3.2 Individual characterisation of each main form

Industrial food market driven initiatives

- Cooperative groups

T2. Global turnover of agricultural cooperatives by category of product

Products	**%**
Cereals	26
Meat	21
Milk	20
Alcoholic beverages	7
Animal feed	7
Services and retailing	6
Fruits and vegetables	5
Sugar	3
others	5

Source: Coop de France, 2003

T3. Market share owned by cooperatives in 2003

Activities	**%**
Cider	80
Table wine	74
Animal feed	60
Sugar	62
Pork	46
Maize	40
Malting	40
Quality wine	38
Dairy products	37
Beef	36

[13] Transrural, 2004: La cooperation agricole en débat. N° 263, June 15th, 2004

Milling	35
Champagne	30

Source: Coop de France, 2003

An international food group in Brittany: Coopagri Bretagne cooperative group

Key figures

- Created in 1906 in Brittany
- Total staff : 4,200 employees
- Members : 20,000 member farmers
- Local shops : 145
- Industrial plants : 45
- Turnover : 1.37 billion euros in 2001
- Export : 25% of food product sales

In 1906, 11 presidents of mutual insurance organisations or syndicates in Brittany set about organising a joint purchasing system. In 1911, Augustin de Boisanger, the figurehead behind the movement, suggested that the new body should be a co-operative based in Landerneau. This would later become Coopagri Bretagne. Coopagri Bretagne has been a major actor in the Brittany agriculture and food activity which led the region to have a dominant place in France as in Europe. In 1963, the different cooperatives merged to become the Cooperative des Agriculteurs de Bretagne in 1966.

Through its three main specialities, Coopagri Bretagne relies on Breton agriculture. Altogether, cooperative accounts for more than 750 men and women in contact with its farmers members.

- Vegetables: In 1962, the first frozen vegetables were produced in Landerneau for large establishments.
- Animal productions: In 1965 the Centrale Laitière de Lanrinou (The Lanrinou Dairy Group) was founded. In 1973 it became the U.C.L.A.B. (The Union of Brittany's Dairy Co-operatives). In 1968, the need to expand product processing was the incentive for the Coopérative des Agriculteurs de Bretagne (the Brittany Farmers' Co-operative) to implement a policy of acquisitions and partnerships (through private subsidiaries) with the Socopa group in the pork and then the beef sectors.
- Services for farmers: In 1972, the co-operative decided to develop a self-service distribution chain for the general public and for farmers, using a brand name which was to become "Magasin Vert" in 1975. In the same year, Coopagri Bretagne's first animal food factory was founded in Pontivy, and then a second opened in Plouagat in 1974.

Coopagri Bretagne has become one of the leading French food-processing and agricultural co-operative groups. It has re-focused on its three core businesses: agriculture, food-processing and distribution in the pet and garden centre sector.

> "*By increasing the development and the segmentation of food products, and by forging new industrial and commercial partnerships in the food-processing sector, our group is expanding its international commercial horizons on a daily basis and is ensuring that the work of the co-operative's pioneers lives on*"[14].

[14] http://www.coopagri-bretagne.com

- An hybrid organisational form : A national collective marketing instrument for organic milk producers: GIE Biolait

Key figures

- Created in 1994
- 220 members
- milk collected in 41 counties
- Collect ¼ of the national organic milk production
- Market the milk to some 40 processors

GIE Biolait has been an attractive project with a growth from 6 members in 1994 in 2 departments to 220 (2006) over 41 counties (out of a total of 95 departments in France). It was created under private status GIE (Groupement d'intérêt Economique) and not cooperative status. Biolait controls 1/4 of the organic milk production, marketed to some 40 processors. This initiative has been emerging and evolving in parallel with organic food demand cycles: the production went from 54 million litters in 1998 to 202 in 2002 and 225 in 2004. But in 2004, 47% of this national production was sold and processed as conventional milk (while it was 39% in 2003).

The strategy is to gain a sufficient power to negotiate with the industry and to maintain the milk price and the solidarity between farmers. The rule is that farmers themselves always contact the new members, to develop trust and to inform them through concrete experience.

GIE Biolait project is linked to organic farmer associations at local and national scale with a mutual enrolment: associations give information about GIE Biolait to organic farmers and GIE Biolait supports the associative network as a social and technical meeting point for its members. The organic associations are long-term partners. Therefore GIE Biolait has important relationships with the national organic farmer association (FNAB) to defend the organic development dynamics, for instance in the negotiations about the European organic regulations for animal production.

Difficulties and answers

GIE Biolait faces with a greater diversity of demands about milk quality. It has to develop the quality of milk collected for some products like raw milk cheeses. GIE Biolait has to develop some internal technical exchanges and experiments by organising local technical groups outside of the associative network.

There is also a real marketing problem for organic milk: approx. 30% to 40% of the GIE collected milk would be sold as conventional milk, while organic milk imports are still growing (between 20 and 40 million litters).

In 2005, the GIE decided to create two different organisations: a commercial private one to collect and market the organic milk of the members and a non for profit association, the Milky Way, to promote organic milk consumption and to encourage collective processing and marketing initiatives. On short term, 8 to 9 processing projects would be supported by the association[15].

[15] DRAF Pays de Loire – Note trimestrielle n° 60 – January 2006

Locally driven collective initiatives

- Independent local / regional cooperatives

Example of the Comté system

Key figures

In 2004, Comté production has been of 44 000 tonnes. Sales of Comté in France have been undergoing a modest but regular increase since the beginning of the 90's. Sales of Comté abroad represent 1500 tonnes, mainly consumed by the German, Belgian and American markets.
The changes in the structure of sales in France emphasise:
- the marked progression of pre-wrapped Comté, to the detriment of freshly cut cheese,
- and the very dominating weight of the big retailing companies in the distribution.

T4. Progression of the Comté market (in tons)

	1999	2004	2004 / 1999 (%)
Blocks	20.134	17.081	- 15,1 %
Pre-packed cut	3.951	6.826	+ 72,6 %
Portions	12.186	15.247	+ 25,2 %
Melting (fondue)	4.339	4.341	-
Total	40.610	43.498	+ 7,1 %

Source: http://www.comte.com

T5. Evolution of the comté consumption according to the distribution channels (%)

	1990	1999	2004
Hyper/ Supermarkets	66,4	84,4	77
Hard discount	4,8	2	12
Market, specialised shop, producer	26,1	11,8	9,4
Other	2,7	1,8	1,6

Source: http://www.comte.com

The Comté Fruitières

> *"Comté is much more than a great cheese, it is a heritage shared down the centuries by an entire territory. Comté cheese originated in the days when the harshness of the long winter months forced men to seek collective solutions to the problems of sustenance. In accordance with the cooperative principle, they started to pool their farm production and to elaborate and mature this cheese "made to be kept"..."*[16]

The territory of the Comté Cheese AOC is the Jury massif, in the Eastern part of France, Jura being a transborder region, shared with Switzerland. This AOC zone comprises 190 fruitières.

The fruitières are local cooperatives dealing with a limited number of milk producers and processing the purchased milk. In general, the cheese dairy ("la fruitière") is to be

[16] http://www.lesroutesducomte.com/english/terroir_culturel.asp

found in the heart of the village. There are almost two hundred of them in the massif. Each dairy goes round and collects milk daily from a handful of nearby farms. The central character in the cheese dairy is the cheesemaker, often assisted by his wife who also looks after the small commercial dairy situated next to the cheese-making area.

> *"The cheesemaker is an artist, whose talent will enhance the value of this dairy product in making his Comté, in accordance with time-honoured tradition passed down over the ages…"*[17]

The milk used in Comté cheese comes from small holdings where extensive farming methods are used. Only milk from Montbéliard cows may be used in the production of milk for Comté cheese. The cattle are fed virtually exclusively on fresh grass during the summer months and hay in the stable over the winter. This AOC is supported by a multi–stakeholders network: made of producers, processors, technical and marketing support with a very explicit link with the Region France-Comté.

What is known as the Comté network today consists of :
- 4200 milk producers,
- 190 production shops, known as cheese dairies, or fruitières, most of them being cooperatives,
- 20 maturing centres. Each one, depending on its geographical location, provides Comté cheese with a specific type of maturing process. Those cellars are mostly owned by small private companies.

This professional network connected by history and culture is also united in terms of its economic destiny. With a production of 40 000 tons, Comté makes an important contribution to the economic growth of the Jura Massif. The essential functions of promotion (the *Comté routes*) , defending the network's interests, cultural activities and research…, are the role of the CIGC (Comité Interprofessionel du Gruyère de Comté[18], based in Poligny, capital of Comté cheese). This committee is both the representative and the link between the various partners in the network and the economic, administrative, political or university environment with which it co-operates. The CTC (Comité Technique du Comté[19]) is the technical and scientific actor of the network.

Example: the fruitière of Chaux-neuve, Chaux-neuve[20]

- The fruitière gathers 5 producers settled in 3 nearby villages,
- Since 2004, the milk is collected by another fruitière. Till 2004, each producer was bringing his milk daily,
- 1.2 million litters processed per year exclusively into comté; fresh cheese and cream are sold in the shop,
- 1 permanent cheese maker also responsible for the shop and 1 cheese maker employed by several fruitières for substitution during holidays,
- Cheese are sent to 2 cellars, owned by Juragruyère, a private company.

Other example: the Arbois cheese cooperative, Arbois[21]

- The fruitière gathers 14 producers,

---

[17] http://www.comte.com

[18] Inter-professional committee of Comté Gruyère
[19] Comté Technical Committee
[20] http://dklik.planetb.fr/fruitieres/cooperative.php?idFruitiere=233
[21] http://dklik.planetb.fr/fruitieres/cooperative.php?idFruitiere=259

- 400 cows,
- 2 million litters processed per year,
- The milk is collected daily (collect circuit of 56 km),
- Production: Comté (80% of the production), morbier (15%), fresh cheese, butter, cream and Vignelait (specialitu of the fruitière),
- 2 permanent cheese makers and one permanent staff at the shop,
- Since the 60's, the cheese is matured in a private cellar own by a small private company.

- Short distribution initiatives dealing with ethics and social issues: A national horticultural collective farms network, the Cocagne network

As we said above, it is rather difficult to quantify and analyse into details those numerous informal local, proximity based initiatives aiming mostly at creating a new kind of relationship between producers and consumers. They position themselves as alternative initiatives in social and solidary economy.
How to measure their economic weight in the food market?
Let's say it is marginal compared with the big food actors, cooperative or not. But in the multifunctional process of diversification of agriculture, they may play a significant role in the future.

The Cocagne logic[22]

The 1st Jardin de Cocagne (Cocagne garden) was founded in 1991 by a non for profit association, inspired from the Swiss model. In 1999, the Cocagne network was created.
The network gathers some 90 farms (sept. 2005) mobilising a total number of 16 000 people (gardeners, permanent staff, members, volunteers, partners...). The network team is composed of 11 permanent staffs and 16 volunteers.

Using a generic terminology, the Jardins de Cocagne can be considered as *social farms*.

The social meaning of the project

Those organic collective gardens aim at social and professional insertion: their vocation is social. Those gardens allow adults in precarious situation, to find again a job and to re-build a personal and professional trajectory. The collective production of vegetables and fruits is distributed through a weekly basket system to members-consumers. Those members can participate in the decision making and also in the production tasks.
The central issue is to re-create social link at proximity level with all the engaged actors (gardeners, assistant-gardeners, members, neighbours, local farmers, institutional partners…).
Some of those farmers welcome school children and play a pedagogic role, supported financially by the relevant authorities.

The collective and economic dynamic

The objective is to mobilise members who will engage in the project by buying for one year a *share/vegetables.* With the support and supervision of professional horticultural farmers, people (the gardeners) in difficult social conditions, produce, pick up and

---

[22] www.reseaucocagne.asso.fr

distribute the fruits and vegetables of the farm. The delivery system can be *in situ* , and also to some specific places where members go to take their basket.

The balance of the project rely upon the economic viability (expenses versus number of members) and its social relevance (professional re-integration, social links, proximity dynamic). The political support to those initiatives can be rather unequal according to the region: municipalities, regions, social affairs ministry, professional training institutions, EU (through the European Social Funds)…Partly this support goes to each initiative at local level and partly it goes to the network.

- Non food initiatives

Local energy projects

Due to the high tensions on fossil energies, renewable energy projects are emerging partly from local farmers groups. In two directions at least:
- to develop the production and use of biofuels,
- to multiply wind energy units.

Those projects are developed collectively, using the associative status as flexible organisational form. At an early stage, to develop feasibility studies, groups of farmers constitute non for profit associations. At a later stage, to develop production and processing of raw materials for biofuel use, cooperatives may be key actors.

CUMA local equipment cooperatives have more experience in that field, by proposing and developing biomass valorisation projects (compost, heat production) for municipalities.

An example: A local association for developing renewable energy in Green Picardy region, ADER Picardie Verte[23]

Created by a group of farmers, the association ADER Picardie Verte gathers some 15 members. Its active members assess the feasibility of wind mill projects in the territory, not only technical but mainly political (support from local authorities and local acceptability). The association deals also with sensibilisation actions on wood energy.
In 2004, several members constituted a private company to get funds necessary to finance project development (studies, building permit…) and to build the mills.

An example: A local association to develop the use of sunflower for lubricant production, Bioléa[19]

In Indre county, an hybrid network has been set up by a group of farmers. In this network, have been enrolled farmers, a cooperative, a municipality and a lubricant formulation company. The associative form has been selected. The objective of this association is to develop and structure a sunflower *filière* for lubricant production. The feasibility studies show that the technical conditions are optimal for such a production. But there is still tangible no market, even with some 850 000 tons of lubricants being used in France. So the priority of Bioléa is marketing: some niches have been identified as integrated farms, forest work companies, public companies, ISO 14 000 certified companies.

---

[23] Travaux et Innovation, TRAME, Paris, February 2004, n° 105.

3.3 Conclusions on the identified different main forms

Cooperative groups

We have written above that in the last 40 years, the number of cooperatives decreased by a 40% with their total turnover was multiplied by 20. As a result of this process, in 2005, 2/3 of the turnover of the agricultural cooperatives is achieved by 10% of the cooperatives. This dominating trend contributed to the building of very complex organisations (in terms of structure and power) following a logic of scale economy (volume and cost).

Does it mean that the relation to territory has vanished?

The territorial anchoring of those actors is being renewed. The evolution of safety and quality standards imposes traceability and origin identification: this means that the technical role of producers who are also the local shareholders is reinforced. By the way, the relation to *terroir* is a key competitive element to strengthen product identity and marketing strategies.

Local independent cooperatives

This territorial anchoring is really crucial for small independent cooperatives.
In France-Comté region, the existence of a solid economic, technical and political hybrid Comté network succeeds to valorise quality standards, small size and proximity, terroir and regional heritage. Their relation to the distribution channels is mediated by the maturing cellars private companies. The relation between *fruitières* and cellars should be studied to understand how the interactions work.
In Rhone-Alpes region, many small fruitières disappeared in favour of bigger ones. In Lorraine, only few fruitières of Emmental could survive.

Community supported agriculture projects

Those associative initiatives are clearly marginal in terms of quantitative importance in the food market.
Although they are developing for different reasons:
- they correspond to a social function within the multi-functionality model (Réseau de Cocagne),
- they respond to a need for building new relations between producers and consumers: food safety and quality, alternative exchange modes as issues for citizenship (AMAP projects),
- they contribute to sustain organic farming.

Non food collective initiatives

They are in an emerging field. At the moment, the organisational configurations are diverse: mainly, cooperative or associative.
- A small number of local equipment cooperatives (CUMA) developed experiences in selling services to local authorities for landscape and forest activities with a limited number of projects for biomass residue valorisation (for compost and energy). This diversification process is considered as a priority for CUMA movement.

- Besides CUMAs, associations are created to explore and study renewable energy development projects: those associations gather farmers and other partners like local municipalities, technical actors, processing companies.

4 Contextual factors that affect the emergence and performance of COFAMIs

4.1 Description of the different contextual factors

4.1.1 Political and institutional factors

The agricultural cooperatives movement is a major political and institutional actor

The agricultural cooperatives federations are key pillars of the agricultural professional organisations system built all along the 20th century to preserve the different agricultural sectors interests. Due to their economic weight in the food industry and social role as big employers, they are, *per se*, an important power instrument. The influence of this power instrument can be observed at different levels.

- At national level, as a political and institutional actor, the cooperative movement succeeded to adapt the legal and regulatory framework to their organisational, financial and industrial transformations:

. 1972: a law reiterates tax exemptions and financial support and makes possible to adopt commercial organisational forms via non members associates and own capital mobilisation;

. 1991: a law allows the creation of subsidiaries to facilitate processing and commercial activities;

. 1992: a law allows to create priority dividend shares (more attractive for investors) and to get out of the cooperative status.

- In the international negotiations concerning agriculture at WTO rounds, they are in an ambiguous position. As crop collecting bodies, their interest is to preserve CAP as it is at the moment and they participate in the French defensive position. As internationalised food groups, their interest is 'free market'. The articulation between the two logics characterises the ambiguity of the French official positions on market liberalisation.

The contradictory signals of the decentralisation *à la française* towards local initiatives

The territorial governance construction has to be taken into consideration when analysing the ways citizens and stakeholders can build territorial development projects and finally territorial identities.

In that domain, nothing is easy: the decentralisation *à la française* produced regions which are political and administrative weak bodies[24] with counties remaining the key level. Recent evolutions made this decentralisation process rather controversial and contradictory. This situation results from very different processes:

- In February 2002, a law was voted on "proximity democracy" and "participation of inhabitants to local life"[25].
- In 2003, the constitution was modified to make possible the vote of a new decentralisation law framing the transfer of key responsibilities from national to

---

[24] As example, Rhone Alpes Region, the second French region, in terms of population and wealth, has a total budget of 1.5 billion euros, which is very weak for such a region

[25] http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=INTX0100065L

regional and local authorities, the development of financial autonomy and proximity democracy. The law was voted in August 2004 and came into force in January 2005.
- But in March 2004, the current political parliamentary majority supporting those legislative modifications, lost the regional elections in 21 on 22 regions.
- As a consequence, the central government reacted by reinforcing its control on regions financial resources. For example, the 2007-20013 EU structural funds will be dispatched by the central government on the basis of project contracts, negotiated between the government (co-funding EU contribution) and each region[26]. This contradicts regional authorities claims for having the competence to negotiate directly with Brussels their access to EU funds. In June 2005, regional political leaders asked for “a true decentralisation law which should clarify local authorities competencies on a basis of stable and dynamic financial resources.”[27]

Those recent evolutions are coherent with a structural and historical *jacobiniste* reticence of central authorities and *elites* towards decentralisation. All this means concretely that the financial interventions of the regions remain rather limited and under state control, while their responsibilities are broader.

This complex and polemic institutional construction may open different perspectives for rural development actors.

As important direct employers and agriculture conditioning actor, the cooperative movement is an influential interlocutor of regional and other local authorities in the co-definition of rural development programmes (in which counties play a significant role), supported by EU funds.

The 2002 law promoting “proximity democracy” aimed at harmonising and giving coherence to existing and new mechanisms intending to facilitate expression and participation of local actors in the local decision making processes[28]. This opened a legal frame for territorial development dynamics, based on the emergence of proximity initiatives created by different kinds of stakeholders, like cooperatives or associations.
In brief, this new institutional and regulatory framework encourages local actors to develop networks and projects, but the financial support remains rather limited. This financial constraint imposes to stakeholders :
- to look for financial liability of the projects,
- or to be positioned on priorities like social re-integration and employment for which there is support from national and decentralised administrations (employment agency, professional training funds…).

Farmers’ unions (FNSEA, Confederation Paysanne) are actors in those dynamics. They remain rather influential in the CAP and rural development official rhetoric, at national and local levels. When reading their publications, one can observe that they don’t have a lot to say on the cooperative groups evolutions. Meanwhile, Confederation Paysanne , close to organic producers and ATTAC association members, plays an active role in the development of local collective initiatives aiming at preserving small farming (agriculture paysanne).

---

[26] Libération, August 11th, 2006
[27] http://www.maire-info.com/article.asp?param=5778&PARAM2=PLUS
[28] Filippi M, Torre A., 2005: Les mutations à l’œuvre dans les mondes ruraux et leurs impacts sur l’organisation de l’espace [Changes at work in the rural worlds and their impacts on spatial organisation]. 12th ASRDLF Conference on Villes et territoires face aux défis de la mondialisation [Towns and territories in front of globalisation challenges]. Dijon, 5-7 September 2005.

4.1.2 Economic and market factors

The decrease of farm income

For several years, the agricultural net income has been decreasing: - 13,3 % in 2005, - 3,7 % in 2004, and a reduction rate of a 2,5 % since 2000. All sectors are concerned. In 2004, the reduction has been moderated by the decrease of agricultural population (-2,6 %) and the anticipated valorisation as income of stocks (important for wine production). In 2005, the important income reduction was largely due to the wine crisis reflected by overproduction and price reduction, except for top level AOC. Those data are average data and do not reflect very disparate situations, depending on climate, volumes, price levels, demand and subsidies (in 2004, the 2003 drought exceptional subsidies were not repeated).

What can be the impacts for collective marketing initiatives?

The field investigation may answer this question into details. At this stage, we can say that the impacts are contrasted according to the dominating agricultural and industrial patterns :

- In the case of wine production, the income reduction comes after several years of restructuring: gradual reduction of low quality wine-yard areas, quality investment, new *terroir* labels, new marketing strategies. In the export markets, French wines are facing tough competition from foreign 'new' producers. Simultaneously, the French consumption structurally decreases.
- In regions (East, Southeast and Southwest of France) where there is a processing know how and culture at local level, answers can be to develop new labels, new quality signs and terroir products. Such dynamics need networking and collective–ness.
- In regions (like Brittany or Ile de France) where the dominating patterns are based on industrial agriculture and big cooperative or private processing - marketing groups, the most common answer is based on farm concentration to lower the production costs and higher farm technical standards imposed by industry and distribution. Besides this *productiviste* model, small and medium sized farms (*agriculture paysanne*) explore quality and origin label collective strategies (for cattle and meat f.i.).
- Around urban areas, the income reduction may encourage farmers to consolidate or organise direct selling systems and re-think their relations with consumers.

The transformations of the food demand[29]

The proportion of food in family consumption expenses fell down from 20 % in the early 60 's to 14% in 2001. In those 40 years, food habits have been changing drastically, according to the following average trends:

- more concerns for health and safety,
- fewer demand for highly nutritive products, as well as sugar and fats,
- fewer red meat demand,
- more poultry and prepared fish,
- pre-packed products corresponding to life style changes (less time for cooking),

---

[29] INSEE, 2002: La consommation alimentaire depuis 40 ans: de plus en plus de produits élaborés [Food consumption in the last 40 years: more and more processed products]. INSEE Première n° 846, Mai 2002

- more fruits and more prepared vegetables.

Cultural, economic, social backgrounds and age influence a lot those food attitudes: in 1995, workers and employees spent 15 % less than the average for home food, while white collars spent 10 % more than the average. And farmers were close to the average. The structure of the food consumption was also different: more “quality and healthy products”, dairy products, fruits and vegetables, white meat and fish for higher social standard categories. More nutritive products, less fruits and vegetables for less wealthy categories. Very schematically , we can suppose that :
- Higher income categories ask for quality products, bought in hyper/supper markets and through other channels,
- Lower income categories and socially excluded people (3 million unemployed people, 4 million people covered by the universal health public insurance) look for cheap and nutritive food.

Such characteristics partly explain:
- The growing demand for organic products, purchased directly or through the retailing system,
- The fast progression of hard discount retailers (9% of the food market share in 2000 and 13,3% in 2005), (not only) frequented by low income groups,
- The diversified marketing strategy of hypermarket companies, to capture the demand for higher differentiated quality products (including direct sources in some cases) and to face hard discount competition.

These are determining elements of collective farmers marketing initiatives. We could say that they are the constraints to be taken into consideration when elaborating added value collective strategies.

Quality signs as a collective opportunity

The re-discovery of *terroirs* and origins is the result of a co-construction process in which are involved heterogeneous networks of local actors on a joint project and INAO (Institut National des Appellations d’Origine[30]).

INAO, national public institution, is very active in broadening the scope of AOC from cheese and wine towards meat, pork processed products (charcuterie), cereals and grains or honeys. There are some 660 AOC in France at the moment. It also contributes to the sophistication of the technical (soil studies f.i.) and sensorial references contributing to the definition of the relation to *terroir* and characterisation of its identity.

At national level, one on three farms is related to an official quality sign.

M. Filippi insists on the success conditions of the AOC procedure and then its implementation: it relies mainly on the quality of the network enrolled for building this joint project and then the engagement, in terms of territorial governance of a local production system. The promotion of such a system and its products can not be assumed by individual producers[31].

---

[30] National Institute of Origin Appellations
[31] Filippi , Torre , 2005, op. cit. p. 6.

T6. Official quality labels at national level in 2003

(% of number of exploitations)

Products	AOC	RED LABEL	CCP
Wine	85		
Sheep-goat	24	15	10
Pigs – poultry		15	28
Fruits	21	5	12
Beef meat		24	11
Milk beef	11	4	8
Mixt beef	4	9	11
Industrial crops	2	4	3
Horticulture	2	2	2
National average	18	8	8

Source: Agreste – Enquêtes sur la structure des exploitations[32]

In Rhone Alpes region, 67 quality collective entities manage 108 labelled products (ie 10% of national labelled products). Farmers are strongly represented in the CCP and AOC boards (90% and 83% of the boards) while they are less represented in "red labels", with high representation of processors. In Rhone Alpes, 2003 data show that, according to the quality label, the dependence on large marketing actors is unequal.

Each sign has its own marketing combination.
Perrier-Cornet and Sylvander[33] analyse the diversity of coordination forms among actors and the variability of problems in the AOC *filières*. One reason to this situation could be that there are different strategic logics at work: even if the territorial anchoring is a key element in the construction and definition of the AOC, some development processes seem to be more sector (more articulated to extra-territorial actors on the market) than territory oriented and vice-versa. This leads to AOC systems for which the intensity of collective engagement in the management of quality, production, marketing or technology can differ.

T7. Marketing channels of quality sign products in Rhone Alpes Region

(% of sales)

Channels \ labels	AOC	Red Label	CCP
Big retailing companies	37	50	82
Shops	12	36	10
Restaurants	20	12	2
Direct selling	28	2	1
Others	3	0	5

Source: Agreste Rhone Alpes – N° 79, January 2005

[32] In Agreste Primeur, 2005: AOC, Label rouge, CCP pour 116 000 unités professionnelles. .

[33] Perrier-Cornet P., Sylvander B., 2000: Firmes, coordination et territorialité. Une lecture économique de la diversité des filières d'appellation d'origine [Firms, coordiantiona nd territoriality. An eocnomic reading of diversity of origin appellation filières]. In Economie Rurale, n° 258, July-August 2000

Food quality standards

According to a recent law (January 2006), there are three modes of valorisation of agricultural, food and forestry products.

- **Identification of quality and origin**

Appellation d'Origine Controlée (AOC)
Identifies a product, coming from a specific geographic area and produced with a specific know how. This denomination was officialised in 1935 for wine, then in the 60's spread to milk products. Since 1990 all agricultural and food products can apply for an AOC.
The "red label" logo:
Created in 1960, guarantees the taste quality of a product, through specific characteristics, from the production to marketing. Initially it concerned meat and milk products. Now, all products can apply.
The Agriculture Biologique – AB – logo:
Set up in 1980, guarantees the absence of use of chemical products during the production cycle. A Bio aliment must contain more than 95% of organic raw materials.

- **Mentions with different denominations** like "mountain", "pays", …
- **Certification of product**

The Certification of Conformity (CCP):
Set up in 1990, it attests that a product is in conformity with specific characteristics or followed specific rules of production, strictly controlled. It certifies stable quality
The IGP – Indication Géographique Protégée - European label:
Defined in 1992 as corresponding to a product with a specific link to a territory at a stage of its production or processing, it has to reflect specific local methods. In France, only Red Label and CCP products can apply for IGP.
Source: Agreste Rhone Alpes – N° 79, January 2005

4.1.3 Technical and knowledge factors

Production and transfer of knowledge and know how

To understand the functioning of the French system, several characteristics need to be mentioned:

- There is a general trend to public funding reduction for education, research and technology transfer and a partial shift from national to decentralised authorities in that funding.
- This constraint modifies the funding channels and induces a strengthening of the relations with food industry, through contracted research (so called research valorisation) and training tax (taxe d'apprentissage) paid by any enterprise (for funding professional training institutions).
- The professional training system for adults (industry employees) is mainly managed by industry representatives (the clients) with public support.
- The professional technical centres get their funding from industry and quality initiatives (research contracts, training for technology transfer) and public subsidies.
- In the case of agricultural professional technical centres (like ITAB, Institut Technique de l'Agriculture Biologique[34]), their activities are mainly devoted towards *in situ* technical interventions, farmers training and agronomic experimentation. They get public subsidies (national, regional) and funding from "clients".
- At farm level, learning processes are supported by the agricultural council technicians and increasingly by farmers' groups.

[34] Organic agriculture technical institute

T8. Overall presentation of the French system

Functions / Actors	Education	Fundamental research	Applied research	Technology transfer	
				For processing activities	On farm
Higher education schools (private and public)	X		X	X	X
Technical colleges	X			X	X
Professional training system	X			X	
INRA		X	X		
Universities		X	X		
Food professional technical centres			X	X	(X) (indirectly)
Agricultural professional technical centres					X
Agricultural councils					X
Farmers'groups and networks				X	X

Technical support to innovative initiatives

In the case of AOC Beaufort cheese[35], the technical support is structured as follows:

- The Beaufort Producers Union (UPB) gathers all the Beaufort cooperatives which produce 75 % of the tonnage.
- The UPB set up a technical service opened to all actors (cooperative or not). It is funded by a subscription proportional to the volume of processed milk. This technical service mainly works on cheese processing. Processors, with the support of the technical service, work with milk producers on milk quality and standards.
- This technical service cooperates with INRA and ITFF (Institut Technique Français du Fromage[36]). The ITFF is a private research centre created by milk producers, dairy industries and cooperatives.

This scheme is rather common to AOC collective initiatives (cf above for Comté). It reflects the need for those networks to build their own technical support structure, working closely with producers. This technical structure is multi-functional: technical and market intelligence, relationship with research bodies and schools, interventions within the production sites, training, communication.

In Western France, there is a very dynamic horizontal process implemented by farmers' groups to develop technical learning and training through concrete experience exchanges with the support of a technician contracted by several groups. Those groups, mostly engaged in organic and integrated farming methods, were not finding within agricultural councils the adequate technical advises[37]. In Southeast of France, where organic farming is rather developed, farmers often contract agronomic consultants. Those examples show that there may be problems with conventional extension services of the agriculture councils, which may be perceived as disconnected from farmers'

---

35 www.fromage-beaufort.com

36 French Technical Institute of Cheeses

37 Assouline G., Just F. (eds), 2000: Making agriculture sustainable, The role of farmers' networking and institutional strategies. MAS European Research Project DG XII, ENV4-97-0443

needs: most of them face funding cuts and have to reduce the number of technicians and by the way, their reactive capacity. In the examples mentioned above, they are not seen as competent interlocutors for solving innovative farming agronomic problems.

The AOC collective initiatives and farmers' groups examples show that innovation, transfer and learning processes characterise the coherence of local production systems and propensity for innovation of the *milieu*. They reveal the network capacity to bring technical support to its members and also to enrol external competencies.

4.1.4 Social, cultural and geographical factors

The building of territory: geography, actors and joint vision

There is convergence among French scholars[38] to explain that a territory is the result of a social construction which relies on principles of identity, appropriation and anchoring, with three characteristics:

- A geographical basis, related to location, size of the area, physical features, but not always to identifiable limits,
- A reference to actors groups which act within this geographical space (political, administrative, economic, training, professional, social and associative actors, families…) and which possess or forge a common culture, visions of the territory and anticipations on its future;
- Interactions between this spatial basis and the actors groups, which frame projects and practices implemented for carrying out economic, social, political or cultural activities.

This proposition helps to understand why and how territorial identity, appropriation and anchoring may differ from one region to another, because of the singularity of the articulation between geography, actors and projects. And this diversity is very perceivable when looking at product quality representations.

Different quality representations

A first group of regions situated at the *North of a line Bordeaux – Strasbourg* (West, Centre, North, Bassin parisien…) can be schematically presented as dominated by mass productions. There, the notion of quality was mostly defined as the adjustment of product characteristics to users expectations, ie safety guarantees, traceability, technological requirements and standards defined by processing industries. Obviously, the situation is not monolithic and specific quality projects can be identified[39].

Western France and Brittany are an interesting example.
The region as a whole has a strong cultural identity. Agriculture and food are still important activities. There are major cooperative groups, pig producers *groupements…*Those key actors refer to the quality concept mentioned above. Within this productivist context, collective farmers initiatives promote other models in terms of farming, more extensive or organic, of environmental impacts reduction and quality references (for cattle or vegetables).

---

[38] Filippi , Torre , 2005, op. cit. p. 5

[39] Birlouez E., 2000: L'accompagnement régional par le développement agricole, des démarches de "qualité des produits" [Regional follow up by agricultural development actors, of product quality projects]. In Economie Rurale n° 258, July-August 2000

In a second category of regions being at the *South of a line Bordeaux – Strasbourg* (East, Southeast and Southwest), natural conditions and structure of agriculture are different and less favourable to industrial agriculture. Quality was firstly perceived as specific quality. Interviewees firstly referred to immaterial components of the product (taste, natural, *terroir*, authenticity, tradition) and less often to its production mode (environmentally friendly, animal welfare). In those territories, the dominant representation is highest quality, top standard, notions which can be associated to specificity, rare-ness, market niche and high price. Quality represents a key opportunity, even the only way to develop (or save) local agriculture but also to generate local development and collective dynamic. At the end of the 90's, the differentiation strategy was mainly carried out through official quality signs, while other origin identification signs like " *produit de pays*", "*produit de terroir*" or "*produit fermier*" were considered as more uncertain[37].

Drôme county, in Rhône Alpes region, is a good illustration of this second model. Specific quality labels and organic agriculture (the 1st French organic county) are seen as economic priorities by local authorities. There is no one dominant cultural identity. The geography of the county is divided into very different territories, naturally, historically and even religiously speaking: the Alpine area (Southern Grenoble), the Rhone valley and Provence. There are common characteristics: importance of organic agriculture, diversified productions, small and medium sized farms and collective initiatives. But each territory has its own quality strategy: AOC Côtes du Rhône wine, AOC Gigondas, AOC Olive Oil for the Provence part. Drôme county hosts also a significant number of community supported agriculture projects.

4.2 Reflections on the context factors

The field study will allow to identify clearly those contextual factors and analyse their impacts.

Very provisionally, we can say that most contextual factors which have been presented above can be considered as constraining ones. By the way, they impose creativity and innovative solutions to concerned actors.

- Agricultural professional organisations and cooperatives federations are still very influential on the government agriculture policy, i.e. defence of the CAP and the French dominant agricultural model.
- But the irreversible and chaotic decentralisation process corresponds to a weaker state intervention capacity in agriculture, food and rural development. This decentralisation by giving more responsibilities to local authorities, contributes to reinforce their proximity relations with rural projects holders. It may also be considered as an opening process towards the territorial diversity of agriculture and rural development.
- The recent multi-year farm income decrease reveals the failure of the dominant industrial farming model and the weakness of farmers to defend their incomes in front of food processing and retailing industry. It is also the price to pay to market liberalisation. This adverse economic context imposes alternative models. And the evolution of food demand justifies the implementation of quality strategies.

- The limitation of public funding to education, training, research and extension makes the system more selective. It forces collective initiatives to develop their own technical skills and instruments and their capacity in mobilising external competencies.
- Geographic and agro-climatic conditions may be (un)favourable to large scale production schemes. Although we can observe the emergence of innovative collective initiatives in contrasted contexts.
- The existence of territorial dynamics works as a generic condition of the development of farmers collective marketing initiatives. History, culture, coherence of the social tissue and milieu, capacity to build a common vision of the territory "in the world" are key ingredients which need time to be combined and achieved. This remark raises a question: how could it be possible to generate such processes in shorter period of time, while in many territories there is social and economic urgency to build up alternative productive and marketing modes?
- The wine sector has been facing a major crisis, concerning many products. The main stakeholders of the *filière* are questioned. Does that case represent a counter-example for collective marketing initiatives? Several hypotheses can be drawn up. They refer to the different AOC development logics, strong sector and/or territory focus, and raise the issue of their relevance in a very moving international economic context.

- AOC strategies would not be sufficient to protect farmers against new international producers aggressive marketing strategies on key export markets;
- AOC requirements should be more stringent to strengthen the differentiation and product specification. But is it the right way? What's the value of *terroir* in Japan or the US?
- Producers of Languedoc-Roussillon region are abandoning AOC strategy for giving priority to terroir valorisation.
- In front of the new products appearing on the international wine market, private brokers/exporters would be unable to valorise French wines.

5. Summary of the main points of the country report and research questions

The diversification and multiplication of collective farmers marketing initiatives

- There is a massive concentration process at work in the *cooperative system* and on the side there is a broadening process of *cooperation forms* in the French countryside. The adaptation to food industry evolutions are important to understand the concentration of major *cooperatives* and their relations with food actors. By multiplying mergers and operations with private actors, cooperative groups succeeded to stay major actors in the restructuring of the food industry. In 2005, 2/3 of the turnover of the agricultural cooperation is achieved by 10% of the cooperatives. In 2004, 17 cooperative groups had a turnover over 750 million euros and 12 in 1999. Those changes made the organisational configuration of those groups extremely complex and the functioning of power more distanced from farmers who are the local shareholders of the cooperatives.

- The territorial anchoring of those actors is being renewed. The evolution of safety and quality standards imposes traceability and origin identification: this means that the technical role of producers who are also the local shareholders is reinforced. By the way, the relation to *terroir* is a key competitive element to strengthen product identity and marketing strategies.

- Besides those key evolutions, there is a permanent process of blossoming of new initiatives based on local cooperation forms. The goals and functions of those cooperation forms are diverse:

- Development of specific quality sign strategies carried out by local independent cooperatives or other collective organisational forms (as associations). The territorial anchoring and collective dynamic are really crucial for small independent cooperatives. Beyond those common territorial and social dimensions, AOC projects develop according to different strategic and organisational models in which actors collective engagement vary significantly.
- Regenerating of the relation between producers and consumers, direct selling and social re-integration for community supported agriculture projects. Those associative initiatives are clearly marginal in terms of quantitative importance in the food market. They correspond to a social function within the multi-functionality model (Réseau de Cocagne) and contribute to build alternative exchange modes.
- Non food emerging initiatives launched locally by cooperatives and associations. A small number of local equipment cooperatives (CUMA) develop experiences in selling services to local authorities for landscape and forest activities with a limited number of projects for biomass residue valorisation (for compost and energy). Besides CUMAs, associations are created to explore and study renewable energy development projects: those associations gather farmers and other partners like local municipalities, technical actors, processing companies.

Some factors condition the development of farmers collective initiatives

- The irreversible and chaotic decentralisation process *à la française*. This decentralisation by giving more responsibilities to local authorities, contributes to reinforce their proximity relations with rural projects holders. It may also be considered as an opening process towards the territorial diversity of agriculture and rural development.

- The existence of territorial dynamics works as a generic condition. History, culture, coherence of the social tissue and milieu, capacity to build a common vision of the territory are key ingredients, which need time to be combined and achieved.

Propositions for key research questions / hypotheses for further research

In the report, a particular attention has been devoted to the development of *fruitières*, those small and medium sized independent cooperatives, as positive example of collective farmers marketing initiatives. In that category, it seems that there are different patterns:

- The very dense web of Comté fruitières and their small size make them depend on private maturing private cellars: they work as mediating actors to the market and retailers.
- A contrasted example is the Beaufort one: in Beaufort, it seems that farmers cooperatives control the relation to market.

. Are there other patterns illustrating the diversity of articulations between collective initiatives and marketing channels?
. How stakeholders assess their value?

We have also insisted in the interest of observing community supported farming initiatives, as a way to development multi-functionality and social role of peri-irban agriculture. Their continuity relies on the balance between members vegetable basket subscriptions and public support.
. What are the conditions of their long term sustainability in productive, economic, financial and social terms?

The European quality and origin sign policy evolution towards AOP and IGP seem to answer consumer and industry demands.
. How to position the French model in relation with the new European standards?
. Does it strengthen or weaken the French AOC model?
. Does it announce a multiplication of quality signs and a tougher competition in the European food market?
. If it is the case, what can be the French collective initiatives reactions? More specification relying on deeper collective engagement? Renewed marketing?

It has been said in this report that cooperative groups are developing global strategies, in industrial, marketing and financial terms.
One success condition is to fit with more stringent safety and quality requirements (as traceability). This supposes a solid and renewed relationship with their local members / producers.
. What are the impacts of the global / local articulation on farmers collective initiatives?
. Is it assessed by farmers as a major ‘survival’ constraint, an opportunity or a hurdle for developing new initiatives?
. What is the degree of autonomy of farmers?

6. References

- **Articles**

Agreste Ile de France, 2005: Direct selling, pillar of agricultural marketing in Ile de France region. N° 78, Oct. 2005

Agreste Primeur, 2005: AOC, Label rouge, CCP pour 116 000 unités professionnelles.

Assouline G., Just F. (eds), 2000: Making agriculture sustainable, The role of farmers' networking and institutional strategies. MAS European Research Project DG XII, ENV4-97-0443

Birlouez E., 2000: L'accompagnement régional par le développement agricole, des démarches de "qualité des produits" [Regional follow up by agricultural development actors, of product quality projects]. In Economie Rurale n° 258, July-August 2000

DRAF Pays de Loire – Note trimestrielle n° 60 – January 2006

Filippi M., 2006, "Coordination des acteurs et valorisation de produits liés à l'origine. les signes d'identification comme signes d'exclusion" [Coordination of actors and promotion of products linked to origin. Does labelling generate exclusion processes?]. In Revue d'Economie Regionale et Urbaine, n° 1 – 2006.

Filippi M., 2004, "Réorganisations dans la cooperation agricole: recherche de proximité et solidarités territoriales" [Reorganisaiotns in agricultural cooperation: looking for proximity and territorial solidarities]. In Economie Rurale n° 280, avril – mai 2004.

Filippi M., Torre A., 2005: Les mutations à l'œuvre dans les mondes ruraux et leurs impacts sur l'organisation de l'espace [Changes at work in the rural worlds and their impacts on spatial organisation]. 12th ASRDLF Conference on Villes et territoires face aux défis de la mondialisation [Towns and territories in front of globalisation challenges]. Dijon, 5-7 September 2005.

INSEE, 2002: La consommation alimentaire depuis 40 ans: de plus en plus de produits élaborés [Food consumption in the last 40 years: more and more processed products]. INSEE Première n° 846, Mai 2002

Le Monde , February 14th, 2006

Libération, August 11th, 2006

Observatoire économique – Coop de France Departement Entreprises: La coopération agricole française – Analyse du périmètre coopératif et des secteurs d'activité. Oct. 2004

Perrier-Cornet P., Sylvander B., 2000: Firmes, coordination et territorialité. Une lecture économique de la diversité des filières d'appellation d'origine [Firms, coordiantiona nd territoriality. An economic reading of diversity of origin appellation filières]. In Economie Rurale, n° 258, July-August 2000

Transrural, 2004: La cooperation agricole en débat. N° 263, June 15th, 2004

Travaux et Innovation, TRAME, Paris, February 2004, n° 105.

- **Internet resources**

http://www.coopagri-bretagne.com
http://www.lesroutesducomte.com/english/terroir_culturel.asp
http://www.comte.com
http://dklik.planetb.fr/fruitieres/cooperative.php?idFruitiere=233
http://dklik.planetb.fr/fruitieres/cooperative.php?idFruitiere=259
http://www.reseaucocagne.asso.fr
http://www.urgenci.net
http://www.frcara.coop/sites/frca_rhone_alpes/La_cooperation_agricole/Quelques_chiffres/
http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=INTX0100065L
http://www.maire-info.com/article.asp?param=5778&PARAM2=PLUS
http://www.fromage-beaufort.com