Encouraging Collective Farmers Marketing Initiatives

Final Conference, 8 May 2008, Brussels

Limiting and Enabling Factors for the Development and Success of COFAMIs

Markus Schermer, Innsbruck University, Austria
The Dynamics of COFAMIs

Contextual factors
Market, political, institutional, social, cultural

Opportunities / challenges

COFAMI
Goal, strategy

Organisation, networks, capacities

Impacts
Market, social, educational, cultural, environmental, political

Initial Capital assets
Financial, physical, natural, human, social

Changes in Contextual factors
Market, political, institutional, social, cultural

Improved Capital assets
Financial, physical, natural, human, social
Contextual factors and opportunities / challenges

Place specific contextual factors

- **Urban proximity / remoteness:**
  - Proximity to cities may encourage P2C initiatives, dedicated markets and / or supply of services
  - Remoteness may foster territorial networks between rural / supply chain actors and serve as basis for quality differentiation
  - ICT initiatives make ‘short chains at a distance’ possible

- **Rural attractiveness:**
  - Starting point for regional quality differentiation, marketing of public goods & services and region branding initiatives

- **Socio-cultural factors:**
  - Regional differences in tradition of farmers’ cooperation
  - Common political / ideological motivation
  - Strong regional cultural identity (or lack of this)
Contextual factors and opportunities / challenges

Non-place specific contextual factors

Market context:
- Globalization and ‘price squeeze’ stimulate search for added value and establishment of new chain relations / dedicated markets
- Societal demands result in new markets (non-food, green care, agro-tourism, rural landscapes and biodiversity, etc.)
- Wider societal trends offer new network opportunities (consumer lifestyle, environmental awareness, slow food, etc.)

Policy context:
- Regional policies may serve as enabling factor (Biosphere reserves, LEADER+, RDP measures)
- National and EU policy frameworks both enabling and limiting (hygiene regulation, PDO/PGI, CMO Fruit & vegetables)

Institutional context:
- Existence of innovative milieus and institutional arrangements
- Support for infrastructure and investments

Sixth Framework Programme
Strategic orientation and relevant networks

Contextual factors
Market, political, institutional, social, cultural

Opportunities / challenges

COFAMI
Goal, strategy

Organisation, networks, capacities

Changes in Contextual factors
Market, political, institutional, social, cultural

Impacts
Market, social, educational, cultural, environmental, political

Improved Capital assets
Financial, physical, natural, human, social

Initial Capital assets
Financial, physical, natural, human, social
Strategic orientation and relevant networks

Limiting and enabling factors depend on COFAMI strategy

- Quality differentiation in chain networks
  - Focus on *product* quality (e.g. regional speciality, quality standards, labelling)
  - Farmer initiated, key role for new supply chain networks

- Quality differentiation in territorial networks / dedicated markets
  - Often build on *process* quality (e.g. organic, face-to-face)
  - Mostly farmer initiated, key role for new networks with consumers (direct marketing) and other rural actors

- Developing markets for new rural goods & services
  - Also initiating role of non-farmer partners and policy actors
  - Networks integrate diversity of actors (e.g. region branding)

- Developing markets for non-food / energy products
  - Role of policy actors, use of pre-existing networks
  - 'Traditional' co-operative mechanisms important (pooling volume)
Internal organization, capacities and life-cycle stages

Limiting and enabling factors depend on life-cycle stage

- Founding phase
  - Role of key initiators & leadership
  - Different types of (bonding, bridging and linking) social capital
  - Initial financial support requires formalisation of organisation
  - Internal coherent view on strategy needed (common ideology, diversity of actors)
  - Role of pre-existing networks for resource mobilisation (positive) and path dependence (negative)

- Flexibility and capacity to adapt to changing contexts
  - Reaction to changing trends (reactive and proactive)
  - Learning from shocks to build up resilience
  - Creating a learning milieu (continuous professionalization)
  - Internal communication / democracy vs. efficiency
Translation into impacts and performances

**Contextual factors**
Market, political, institutional, social, cultural

**Opportunities / challenges**

**COFAMI**
Goal, strategy

**Organisation, networks, capacities**

**Changes in Contextual factors**
Market, political, institutional, social, cultural

**Impacts**
Market, social, educational, cultural, environmental, political

**Improved Capital assets**
Financial, physical, natural, human, social

**Initial Capital assets**
Financial, physical, natural, human, social
Translation into impacts and performances

- COFAMIs result in improved impacts in terms of social, economic, and environmental rural development aims.
- Positive impacts are observed in all fields, but positive social performances appear a prerequisite for delivering other (market, environmental) impacts.
- COFAMIs develop activities and deliver impacts over longer periods of time.
- Relevance of and scores on different impacts depend on: regional context, strategic orientation, size and life cycle stage.
Translation into impacts and performances

- Social performance
  - Internal: sense of belonging (*size, strategy*)
  - External: trust in food, urban rural relations (*size, strategy*)

- Market performance
  - Premium prices, market shares, contribution to rural economy (*size, life-cycle stage*)

- Environmental performance
  - Reduced negative impacts (e.g. pollution, food miles) (*strategy*)
  - Positive effects through production practices (*strategy*)

- Educational performance
  - Innovation and learning capacity (*size, strategy*)

- Cultural performance
  - Traditional farming practices, gastronomic traditions, regional identity (*strategy*)

- Political performance
  - Lobbying capacity (*size, life cycle stage, strategy*)
Conclusions

- Limiting and enabling factors for development and success of COFAMIs depend on regional context, strategic orientation and life-cycle stage
- COFAMIs result in improved rural development aims, but deliverance of impacts requires time
- Successful COFAMIs manage to:
  - Tune their strategic orientation well to region-specific opportunities & challenges
  - Mobilize relevant actors and build strong and coherent networks that fit with their strategy
  - Adjust their internal organization to available capital assets and stay adaptive to changing conditions
  - Succeed in building social capital and translate this over time into other (market, environmental, etc) impacts