



## **Short food supply chains: reconnecting producers and consumers**

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Recent developments in the food market show a renaissance of traditional, direct ways of delivering food, coupled with an emergence of more innovative types of distribution systems which provide direct links between producers and consumers. These numerous types of short food distribution channels, commonly named short food supply chains, now coexist with longer, more 'conventional' channels of (mass) food distribution.

### **What are short food supply chains?**

A short food supply chain (SFSC), as defined by the EU, is a supply chain involving a limited number of economic operators, committed to cooperation, local economic development, and maintaining close geographical and social relations between food producers, processors and consumers.<sup>1</sup>

SFSCs were defined for the first time in the EU's rural development policy for 2014-2020. The policy encourages European producers to become involved in SFSC initiatives with the possibility of co-financing from the European Agricultural Fund for Rural Development. As a result, urban and rural farmers who sell their produce directly to consumers, with minimum intermediaries, have increased in number in recent years.<sup>2</sup>

There are several different forms of SFSCs. One of the simplest is direct sales from the farmer to the end-consumer (on-farm, farmers' markets, internet deliveries). Other forms include box delivery schemes, 'pick your own' and community-supported agriculture (CSA), where consumers financially support local growers by purchasing a 'subscription' to their fresh produce for a particular growing season. The main products typically traded in a SFSC are fresh seasonal fruit and vegetables, followed by animal products (mainly meat, fresh and prepared) and dairy products as well as beverages.<sup>3</sup>

To a large extent, the growth in SFSCs can be linked to a shift in consumer behaviour, which has shown an increased appreciation of local food and related attributes such as the place of origin, traditional production methods and processing techniques. Moreover, a 2016 survey carried out across the EU found that four out of five European citizens consider that strengthening the farmer's role in the food chain is either fairly or very important.<sup>4</sup> In keeping with this trend, the European Commission is supporting multi-actor projects in which researchers and agri-food practitioners (such as farmers' groups, trade bodies, advisers and small enterprises) actively cooperate throughout the duration of these projects. STRENGTH2FOOD and SMARTCHAIN are two such projects, which share a specific interest in the topic of SFSCs and their impact on the local region. SFSCs are viewed by the European Commission as an important topic because of their potential for encouraging sustainable rural and urban development.

## **The Strength2Food Project**

[Strength2Food](#) is a 5-year (2016–2021) H2020 EU-funded project aiming to improve the effectiveness of EU food quality schemes, public sector food procurement policies and to stimulate SFSCs through research, innovation, and demonstration activities.<sup>5</sup>

Strength2Food researchers and practitioners have been working alongside each other to provide a better understanding of the sustainability of SFSCs, by assessing their economic, social and environmental impacts across Europe. The project has delivered two extensive reports on the key success factors and limitations of SFSCs, with important lessons for transferability, by looking at different types of initiatives across six European countries: France, Hungary, Italy, Norway, Poland and the UK.

### **SFSCs - what are the benefits and challenges for consumers and producers?**

The first Strength2Food report explored the motivations, attitudes and practices of consumers, producers and retailers across 12 different SFSC initiatives (e.g. farmers markets, local fish shops etc).<sup>7</sup> The researchers collected data using interviews and consumer surveys, providing important insights across the whole food chain. The report highlights that SFSCs can provide important benefits to the general public. The increased face-to-face interaction with consumers typically results in higher levels of consumer trust. Consumers also appreciate the increased transparency and traceability associated with SFSCs, in providing information about where the food comes from, how it is produced and its associated characteristics (e.g. organic). Producers not only enjoy economic benefits but also greater autonomy and better utilisation of resources.

The research also highlights that different SFSCs use different types of communication strategies to share information about products between producers and consumers, and face specific challenges in this respect. They also play different roles in consumers' daily food purchasing habits, as well as in local community building. For example, traditional SFSCs, such as farmers' markets in Eastern and Southern European countries, were found to be important suppliers of fresh, seasonal and affordable food for many consumers. They are, however, challenged by the larger supermarkets on price and convenience. Other types of SFSCs distinguish themselves from conventional food retailers by offering local speciality products. As they often attract more affluent customers, they may exclude those with less spending power. Due to this complexity, a single measure, such as a certification or a common labelling system for SFSCs, to strengthen transparency and avoid fraud, will not be enough to address different needs and challenges faced by different SFSCs. Measures have to be developed in accordance with the local

context.

Read [here](#) about the second Strength2Food report which looked at the economic, social and environmental impacts of SFSCs and their sustainability.

## **The SMARTCHAIN Project**

The EU-funded H2020 project [SMARTCHAIN](#) was launched in September 2018 with the goal to accelerate the shift towards collaborative SFSCs, introducing new business models and practical solutions that improve the competitiveness and sustainability of the European agri-food system.<sup>6</sup> The project has also established a [virtual platform](#) including novel interactive tools to share knowledge and [innovative practical solutions](#) relevant to SFSCs.

### **Understanding how and why consumers buy from short food supply chains**

The SMARTCHAIN project investigated consumer perceptions and behaviour regarding SFSCs through focus groups and online surveys in Germany, Greece, Hungary and Spain. Researchers also carried out interviews with experts from organisations across the EU representing consumers, producers, government bodies and policy makers, the catering industry and food certifiers. Results show that when shopping for food, consumers consider freshness, taste, quality, low prices and convenience to be most important. Most of them report buying from SFSCs at least sometimes (especially vegetables, fruit, eggs, honey, and bread) with farmers markets being the preferred channel. Consumers buy from SFSCs to support local producers, to know where the food comes from, because they feel the products are more natural (e.g. using less pesticides), [better for the environment](#) and higher quality than those from conventional long food chains. Producers may choose SFSCs mainly to maintain a closer control on their product along the value chain and to create a direct relationship with consumers, as well as to be paid a more attractive price, to diversify their source of income and to get involved in the local community and economy.

Inconvenience and price were singled out as the main barriers to purchases from SFSCs, which are considered as expensive, hard to reach, not well promoted or readily available. As consumers tend to prefer to buy a wide variety of food from one place, having a wider range of SFSC products in one place would make them more convenient (e.g. farmers markets, farm shops, cooperatives or online platforms combining multiple producers). Interestingly, a considerable proportion of consumers in the survey showed positive attitudes towards SFSCs, but did not tend to buy from SFSC because of concerns about their high prices. This implies that reducing the cost of food from SFSC or justifying it (e.g. explaining production processes and benefits for consumers, the environment, and the producer/local community) would be more likely to encourage uptake compared to promoting the benefits of SFSCs and their products.

Lastly, SFSCs are a promising avenue for supporting sustainable food systems and increasing their resilience against shocks such as the COVID-19 outbreak. According to the surveys, the pandemic saw a slight increase in consumer awareness about SFSCs, and an increased intention to purchase from SFSCs and to support local producers.

## Way forward

While previous studies indicate that conditions in the EU are currently favourable for the development of SFSCs, some important barriers persist. One of the main concerns is that production volumes within these chains can be limited and that they cannot always meet the demand for larger purchasers such as hospitals, universities, schools.<sup>3</sup> SFSCs may also struggle to up-scale due to capacity constraints and higher costs of production, processing and transport.<sup>3</sup> In addition, they often have limited resources for communication and marketing, even if they benefit from institutional support.<sup>3</sup>

A further obstacle is the limited range and volume of produce, given that many SFSCs are seasonal and highly localised. This can restrict individual farmers' competitiveness compared to other conventional actors in the food chain and limit their ability to take part in public procurement.<sup>2</sup> Consumers, in general, also feel that local and organic food products, are not always easy to recognise and access. This may be due to insufficient information on their benefits, and increased price, compared to more conventional products.<sup>7</sup> Research addressing these issues will help further strengthen the efficiency, effectiveness and sustainability of SFSCs and overcome these barriers.

## References

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4. [Europeans, Agriculture and the CAP Special Barometer 440 \(2016\). European Commission.](#)
5. [Strength2Food, European Union's Horizon 2020 research and innovation programme, grant agreement No 678024. Website: \[www.strength2food.eu/\]\(http://www.strength2food.eu/\)](#)
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