

# THEMATIC SUB-GROUP: SMART AND COMPETITIVE RURAL AREAS

Briefing Paper

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# Briefing Topics

## 1. Smart Supply Chains

- Short food chains
- Collaboration
- Public procurement
- Food hubs

## 2. Smart Villages

- Cultural and Creative Economy
- Experience Economy
- Economies of Scope



# Short Supply Chains

"short supply chain": means a supply chain involving a **limited** number of economic operators, committed to **co-operation, local economic development, and close geographical and social relations** between producers, processors and consumers. EU Regulation 1305/2013







Killarney

West Linton

United Kingdom

Birmingham  
King's Lynn

Rotterdam /  
Gouda  
Tilburg  
Eindhoven

Netherlands  
Rotselaar

Pacé

France

La Roquebrousse  
Montpellier

Grosseto

Portugal

Spain

Lisbon

Casablanca

Morocco

Norway

Oslo

Denmark

Aabyhøj

Hamburg

Germany

Cologne

Munich

Vaduz

Milan

Turin

Italy

Rome

Tunis

Tunisia

Tripoli

Stockholm

Gothenburg

Baltic Sea

Poland

Berlin

Prague

Bratislava

Austria

Vienna

Čakovec

Zagreb

Croatia

Citta di Castello

Slovenia

Slovakia

Finland

Helsinki

Tallinn

Estonia

Tartu

Latvia

Riga

Lithuania

Vilnius

Belarus

Minsk

Мінск

Moscow

Москва

Krakow

Ukraine

Kyiv

Київ

Kharkiv

Харків

Moldova

Dnepropetrovsk

Дніпропетровськ

Ukraine

Odessa

Одеса

Romania

Bucharest

Bulgaria

Istanbul

Ankara

Greece

Izmir

Athens

Αθήνα

Turkey

Antalya

Aleppo

حلب

Syria

Amman

Lebanon

Georgia

Mosul

الموصل

Iraq

Alexandria

الأسكندرية

Israel

Map data ©2014 Basar

# EIP-AGRI Focus Group Working Definition

- Short food chains have as **few links as possible** between the food producer and the **citizen** who eats the food
- The citizen who eats the food knows exactly where the food comes from, how it has been produced, and ideally, **the price paid to the producer.**
- The food chain is structured in a way that ensures that the producer retains a greater share of the **value** of the food that is sold
- Intermediaries become **partners** in SFCs, fully committed to sharing information on the origins of the food... and recognized for their role in building SFCs



# What benefits do SFCs deliver?

## Benefits for rural areas

- Resource sharing eg. Equipment, tools, logistics
- Maintaining food infrastructure e.g. abattoirs, processing
- Jobs creation
- Re-localize economic development
- Maintaining traditional skills, heritage etc
- Supporting resilient and sustainable agriculture

## Benefits for society at large

- Healthy, fresh food
- Environmental benefits [*if sustainable farming + logistics efficiency combined*]
- Maintaining vibrant farm-based economies in rural, peri-urban and urban areas
- Resilient food systems

# Problems and Solutions for SFCs

Problem	Solution
1. Skills deficit	Peer-to-peer learning in many countries e.g. 'disclosure' farms in Italy; rural networks
2. Access to finance	UK, France, Netherlands: crowd-funding
3. Hygiene regulations – complex and expensive	Austria: simplified procedure; less laboratory analysis; reduced documentation



# Successful Product Development

## 1. Branding

- Has to communicate values embedded in product

## 2. Technical Innovation

- ‘Soft technologies’ : equipment downsizing, traceability, food safety, risk management systems, quality control, packaging, nutritional analysis
- ICT– manage logistics, stocks, customer relationships

### Case: Ici. C. Local, France

- Participatory labelling scheme
- Colour coding for consumers
- Backed up by a charter ‘sustainable agriculture’





# Short Food Chains and Public Sector Procurement

## Opportunities:

- EU Public Procurement Directive (2014/24/EU)
- Increasing consumer awareness
- Health and environmental agendas
- Public sector 'ethic of care'

## Challenges:

- Too much red tape
- Need for larger quantities and consistent qualities
- Lack of knowledge on the part of both sides – procurement and producers

**Documented examples in Malmö (Sweden), Rome (Italy), East Ayrshire (Scotland), Copenhagen (Denmark) and Vienna (Austria) – see Foodlinks Project**



# Factors of success

Key points from Foodlinks research (2011-13):

- ✓ Need a creative procurement approach
- ✓ Tailored to local culture and governance context
- ✓ Use of smaller 'lots'
- ✓ Use of innovative award criteria
- ✓ Progressive, incremental approach
- ✓ Develop indicators and action plan
- ✓ Need for skills and collaborative working
- ✓ Many examples available...



# Example: food hubs

- Mechanism for enabling more small producers to supply either more individual consumers, or larger customers
- Any kind of organisational model where food sourcing and supply is co-ordinated (in contrast with dispersed market system)
- Acts in same way as wholesaler or ‘broker’
- Can be virtual or physical
- Rather limited research in EU, but see National Good Food Network, US, for examples



# Why is collaboration important?

- Increased negotiating power for small-scale producers
- Reduced competition between small-scale producers
- Mutual support between all actors in food chain
- Ability to supply to larger customers
- Sharing skills, resources and knowledge

**DISTR  
KEMPEN**  
VERS UIT EIGEN STREEK

Login

*Distrego*

Leiseinde 9, 2300 Turnhout

Tel. 0473 545 201

Email [post@distrikempen.be](mailto:post@distrikempen.be)

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Login

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New credentials

## **DISTREGO, WHO ARE WE?**

Distrego is an independent distribution company founded by brother and sister Goris for the supply of fresh farm products Distri Kempen. Dorien Goris is the manager and will take charge of the administration while brother Geert will be responsible for transport. In order to manage administration well, we work with a tailor-made computer program that supports us in everyday tasks. To the products fresh and in the right conditions to the customers to get a customized refrigerated we put in. Distrego will be the link between producer and customer. Since we ourselves grew up on a dairy farm we have very much in touch with the sector of farm products and we are still the appropriate team!





# How can 'scaling up' be achieved?

- Not only through individual enterprises increasing in size...
- **Proliferation, co-ordination, connecting-up**
- Wide **variety** of forms: SMEs, micro-businesses, social enterprises, community interest companies, co-operatives
- Urban **citizen-led / 'civic'** initiatives are important
- Strong need for advanced collaborative skills; trust-building; new financial models; reduced regulatory barriers – i.e. **social innovation**



# What still needs to be done?

Problem	Solution
Lack of access to finance	establish reliable references and indicators; initiate, and evaluate, innovative funding models
unable to access technological innovations individually	innovation brokerage to match business needs with technology providers
proliferation of products claiming to be 'local' or 'from the farm' but difficult for consumers to judge the accuracy of these claims	set up territorial guarantee schemes suitable for small-scale farmers and producers operating within SFCs.
struggle to meet the demands of larger customers, especially in the public sector.	set up territorial 'food hubs' or 'one stop shops' which enable groups of farmers and producers to collaborate to serve the needs of large customers. Establish smart and dense logistics.



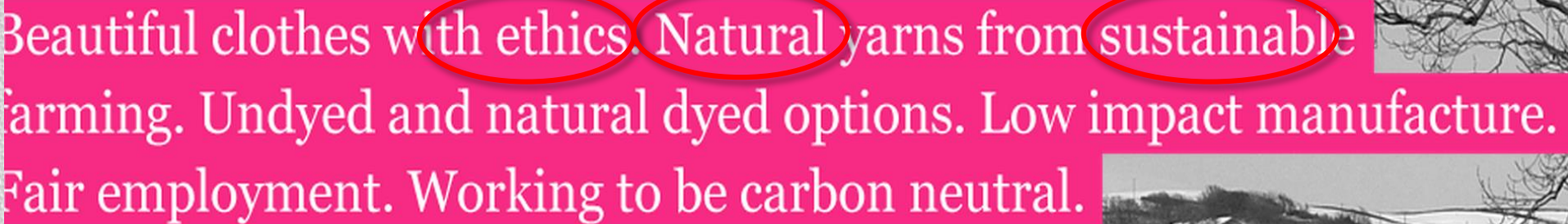
## 2. Smart Villages

- **‘Place based’** approaches; often community-led
- **Culture** and **creative** economy = bundling cultural and creative resources together
- **Experience** economy = oriented towards the creation of memories, unique tangible and intangible experiences
- **Social interactions** are a vital part of the experience
- **Ethical** and **Environmental** issues are increasingly important
- Social media **‘know how’** is needed – to communicate with **‘digital natives’**
- **Economies of scope** = efficiency of variety, rather than volume



# Example: Creative Economy of Crafts

- Craft Trails and craft towns; craft holidays and creative breaks
- Sustainability, ethics
- Local: farm to fibre
- Strong use of social media and design technology
- Source: Craft Council UK

The logo for 'makepiece' is written in a white, cursive script on a dark, textured rectangular background that resembles a piece of fabric with a dashed white border.A large, semi-transparent pink rectangular box is overlaid on the image, containing white text. Three words in the text are circled in red: 'ethics', 'Natural', and 'sustainable'.

Beautiful clothes with ethics. Natural yarns from sustainable  
farming. Undyed and natural dyed options. Low impact manufacture.  
Fair employment. Working to be carbon neutral.

A horizontal navigation menu with a white background and a thin black border. It contains several text links in a sans-serif font: 'Home', 'About', 'Blogs', 'Events', 'Media', 'Shop', 'Login', and 'View Basket'.

Home About Blogs Events Media Shop Login View Basket




# Example: Experience Economy

www.westcorkaplaceapart.com/home/ — Home | West Cork A Place Apart

Member login & forum | About Fuchsia Brands | Contact Us | Subscribe | Links | Blog Search the Site... Search Advanced

**West Cork**  
A PLACE APART

**Home** Accommodation Food Crafts Activities Themes News & Events



**What is Fuchsia Brands**  
A quality regional brand for food, tourism and craft from West Cork, Ireland.



more about fuchsia

**What are you interested in?**  
Use the drop down menu to select your area of interest

- Choose a theme
- Adventure
- Heritage
- Family

featured theme  
**Atlantic Sea Kayaking with Jim Kennedy**



# Example: Economies of Scope

## Suffolk Food Hall, England

- On-farm restaurant
- On-farm butchery
- Artisan baker, using **local** flour
- Food Hall
- Garden centre
- Cookery workshops
- Pilates studio... .. and more.....
- **Quality, ambience** are key

← → ↻ [www.suffolkfoodhall.co.uk](http://www.suffolkfoodhall.co.uk)

*"probably the most ambitious retail and restaurant project that any farm in the UK has undertaken"*  
national farm shop association, FARMA, Oct '13



## Forthcoming events

**DrawEast Art Class - Experimental Drawing** Nov 2

**Outrageous Cake Academy Workshop** Nov 2

**Christmas Breadmaking Workshop - Susan Hudson** Nov 2

**Outrageous Cake Academy Workshop** Nov 2

**Outrageous Cake** Nov 2



# Conclusions

- **Collaborative** behaviours are central
- Combine traditional and contemporary skills
  - **hybrid** skills sets
  - **technological innovation** – ‘soft’ technologies; social media
- **Social Innovation**– governance, quality, new funding and business models
- Combine **culture + creativity** in place based/territorial approach (multi-sectoral)
  - Consumer orientation needed
  - ethics and environmental issues matter
  - On-farm **economies of scope** can be exploited
- Learn from experience... many examples available



# Thank you - any questions?

- Please note, unless otherwise stated, the information on Short Food Chains is taken from the EIP Agri Expert Focus Group report on innovative short chain management (forthcoming)
- For further information see [www.eip-agri.eu](http://www.eip-agri.eu)
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