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# OBSTACLES AND SOLUTIONS IN USE OF LOCAL AND ORGANIC FOOD

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# MUNICIPAL SUPPORT FOR LOCAL FOOD

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## **Introduction**

Kiuruvesi town has made a decision to support the use of local organic food in the municipal kitchens. This decision is closely linked with the town's other goals for the industrial sector and for sustainable development, rural vitality and employment. In Kiuruvesi the municipal kitchens are encouraged to use local and local-organic products even though they are often a little more expensive.

## **Why local and organic food?**

Kiuruvesi is a sparsely populated rural town located in the middle of Finland. It is rural in the sense that a big share of the income comes from the agricultural sector, a sector that has faced a lot of challenges in Finland during the last few decades. Many farms have become unprofitable, and this has resulted in people either moving away from the municipality to the growth areas or staying and becoming dependant on social security. Both are poor options for the municipality.

The town of Kiuruvesi decided to fight against and hopefully stop this trend by investing in organic agriculture. This is part of a more general multi-sectoral strategy the town has to consciously guide its activities towards sustainable development. This strategy and the decision to develop organic production have evolved over time. Local organic farmers together with interested government officials and politicians planned organic production and processing to be one of the goals in the strategy for sustainable development (Paananen & Forsman-Hugg 2005, 18). The initiative presented here is connected to this. Municipal kitchens are encouraged to use local organic products not only to improve the quality of the meals they serve but also because this can contribute to rural development.

The strategy formulated in the mid 1990's and valid until the end of 2005 includes the promotion of enterprises, increasing trade and strength-ening the municipality's organic image as main goals. Also, because many of these enterprises are local food processing plants that need a secure supply of raw materials, supporting organic farming is also important. This is particularly important for milk production and processing. The inclusion of organic meat production as a goal is partly linked with milk production. The goal is to develop a concentration of know-how in the region and tight cooperation between the town, the food products development centre and educational institutions. (Kiuruveden kaupungin elinkeino-ohjelma, 1999.)

The strategy also takes into account the importance of purchasing instructions. For example, there are guidelines for including environmental criteria when making purchasing decisions as well as how the environmental impact of the products can be determined. Eco labels

are most often used as a way to determine if products have been produced in an environmentally friendly manner (Kiuruveden paikallinen kestävä kehityksen ohjelma, 1998, 6).

Kiuruvesi has 19 municipal kitchens. They employ 42 people and produce about 620 000 meals annually. The strategy includes goals for how the kitchens should function at a practical level. Cooking, food supplies, packaging, waste management, organic waste, refrigeration and hygiene are aspects of sustainable food services that are explicitly mentioned in the development goals. The call for tenders includes suitable criteria so that domestic, local and organic products can compete. The goal to have contacts between farmers, processors and municipal kitchen units is written in the strategy. These contacts should help the demand from kitchens and the supply from farmers and processors to meet each other better. Kitchens are encouraged to use less processed food, even though this requires more personnel (Kiuruveden paikallinen kestävä kehityksen ohjelma, 1998, 18-19).

### **What happened?**

The town council's decision to encourage the use of local and local organic food has been implemented successfully and has had a positive effect on the local economy. Accordingly, a considerable part of the food bought by the school kitchens is now purchased from local farmers and producers. In this way the town has had a say in the food production and transportation while simultaneously supporting the small, local producers. Favouring local producers in all its activities is a general strategy and in this way the town has had a positive effect on employment and the local economy. (Repola et al., 2003.) Such alternative local food chains make a positive contribution to rural development. They have been particularly significant in supporting the development of diverse livelihoods and in having a positive effect on female employment (Paananen & Forsman-Hugg, 2005, 22). By favouring the local food system and giving support to it, it has been possible to slow down the trend of decreasing employment opportunities in the countryside. Profitable farming has provided a basis for local processing, product development and distribution activities all of which have had a positive effect on the local social and economic wellbeing.

In 2002, school kitchens in Kiuruvesi purchased on average 26 % organic (of which 17 % was locally produced) and 18 % local products. This means that in total 44 % of the all raw materials that the school kitchens purchased were local and/or organic (Repola et al., 2003). In comparison Paananen & Forsman-Hugg (2005, 19) estimated that the town of Mikkeli, which is also actively supporting the use of local food, purchases 10–15 % locally produced products.

Of all the vegetables that the biggest kitchen bought in 2002, 82 % were local or local organic. 95 % of the purchased berries were picked locally; the remaining 5 % were organic from elsewhere. Most of their bread, i.e. 85 %, was local organic (54 %) or local (32 %). (Repola et al.,

2003, 8-12.) Even though the percentages differ a little from year to year, it is clear that the amounts are big. Because schools need large amounts of bread it has made a big difference to the local bakery that supplied most of this bread. The steady demand made it easier for the bakery to make investments. This is only one example of the added value that stays in the town when local services are utilised. To monitor the positive effects of local food is not simple. Economic effects are not necessarily very big and it is not always clear if it is the increased use of local food has caused them or not. However, the social impacts can be more significant. More knowledge about the employment development in farming and processing as well as some kind of social audit are still needed.

To secure the availability of local and organic food, the town is continuously investing in infrastructure and other development. The town supports telecommunication in remote areas, the development of new food products and processing activities as well as education both for primary and secondary production. Education includes for example, information about changes in legislation, research information, as well as training in practical skills. (Paananen & Forsman-Hugg, 2005, 25.)

### **Obstacles have been overcome**

One challenge has been to find ways to include small and remote schools. It is not profitable for them to purchase from wholesalers. The amounts required are too small and transport costs too high. The solution for these small kitchens has been to purchase from the local shops. The prices in these shops are higher and this is reflected in the higher cost per portion (Repola et al., 2003, 6). However, it seems to be the best alternative. Also it has the added advantage of contributing to the shops profitability and thereby its chances of surviving. Small country shops provide an important service to the local community. Distances also have a strong influence on what products can be ordered directly from farmers. Only farmers who are close by can deliver small amounts regularly. The smallest school with only 13 pupils can only order small amounts. This means that they are even more dependent on the local shop for their supplies. Big central kitchens can and do cooperate with smaller school kitchens in purchasing food, but such collaboration only works when schools are in close proximity.

In all these activities the town also has to keep the law of General Terms of Public Procurement for Finland (1416/93) in mind. Locality is not a valid argument for awarding contracts so there must be some other reasons. Although it means extra work, it is possible to organise the purchasing so that local and local organic products can be used. The example of Kiuruvesi shows us this. In their tenders suppliers can make "split offers". This means that although the purchasing cooperative wants to buy a total of 100 000 kg potatoes, a farmer can offer 50 000 kg and someone else can supply the rest. Some fresh vegetables and other products that experience rapid changes in price

can also be left outside the competitive bidding and these can, basically, be ordered from anywhere.

The four main constraints, from the kitchen's perspective, to increase their use of local food are:

- Poor knowledge about small companies producing and supplying local produce. Kitchens simply do not know about their existence.
- Lack of marketing. These producers do not market their products to institutional kitchens. Whether this is because of difficulty in providing the right quantities, in processing or simply because they haven't thought of it, is unclear.
- Small producer's products are not carried by the wholesaler where other products are ordered.
- These products are difficult to access due to lack of outlets, e.g. through wholesalers.

Price is not mentioned as a major constraint but is listed after the four above. (Repola et al., 2003, 27.)

### **Summary**

Where there is a will there is a way. For local food systems to function there must be trust between producers and buyers. In Kiuruvesi, cooperation among the farmers, processors and kitchen personnel has been built through a transparent system that encourages mutual trust and responsibility. Support from municipal authorities has been important for getting more local food suppliers and more products. Strategic decisions that were made in the last election period worked as a justification for the kitchens and as guarantee for the producers. Political forces are not the only challenge. Developments in the economic system are also an obstacle. Electronic ordering systems are evolving and these tend to result in purchasing systems covering larger areas. Such trends require that even greater attention is paid to local food and how it can be used.

Kiuruvesi represents an example where the town has taken an initiative and made a conscious decision for the use of local and organic food. This has more or less been carried out in all the municipal kitchens. Behind the development are municipal decision makers, co-workers and active pioneers. At the practical level the use of local and local organic products is very dependent on the matrons will and ability to find and use suitable products. The results are very pleasing. Unfortunately, often students in the Finnish schools tend to complain about the food served and often skip lunch. In Kiuruvesi this has changed. Sixth graders come to eat even though they do not have classes. There could not be a better positive feedback and display of appreciation to the matrons.

The Kiuruvesi example also shows the importance of municipal decision making in this matter. Basically this comes down to the question of whether the (rural) municipality is considered as a whole or sector

by sector. When regarded as a whole, it is easier to accept that one sector gets a bit more money because it is clear that this can simultaneously help other sectors. Just as Hans von Essen has stressed the importance of seeing a farm as a whole, it is also important to see the municipality as a whole and how all the different sectors are linked and interdependent.

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