

ISO FAR workshop, 17 June 2008, Modena IT

Collective Farmers Marketing Initiatives in organic supply chains – relevance, barriers and support strategies



Outline

- J. Sanders (FiBL)
Introduction to the topic and main lines of the COFAMI project
- M. Schermer (University Innsbruck)
Limiting and Enabling Factors for the Development and Success of Collective Organic Farmers Marketing Initiatives
- R. Lüthi (Helvetas)
Experiences with collective farmers' actions in organic value chains from Laos
- Open discussion

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Collective Farmers Marketing Initiatives in organic supply chains - Introduction to the topic and main lines of the COFAMI project

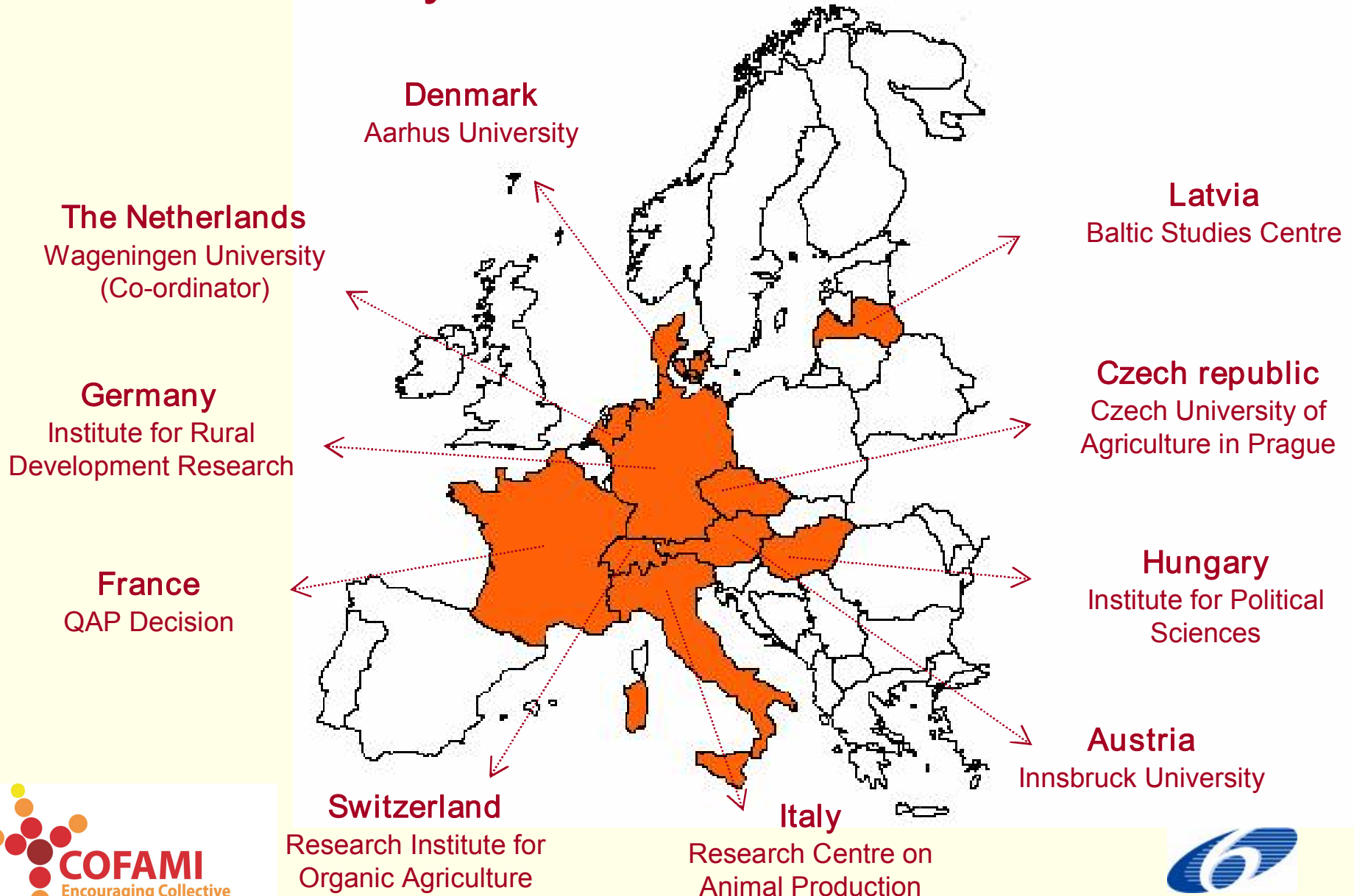
Jörn Sanders, Research Institute of Organic Farming (FiBL), Switzerland
Henk Renting, Wageningen University, Netherlands



Objectives of COFAMI project

- Funded by EU under 6th Framework Programme, Priority Scientific Support to Policies (SSP), September 2005 – May 2008
- To identify (social, economic, cultural & political) factors that limit / enable farmers to pool ideas, experiences and capital in the development of co-operative producer organisations and marketing initiatives
 - To obtain overview of diversity of COFAMIs across Europe and identify different strategies
 - To identify different limiting / enabling factors and their importance according to regions, COFAMI strategies and development stages
 - To formulate support strategies and policy measures for the development, performance and dissemination of COFAMIs

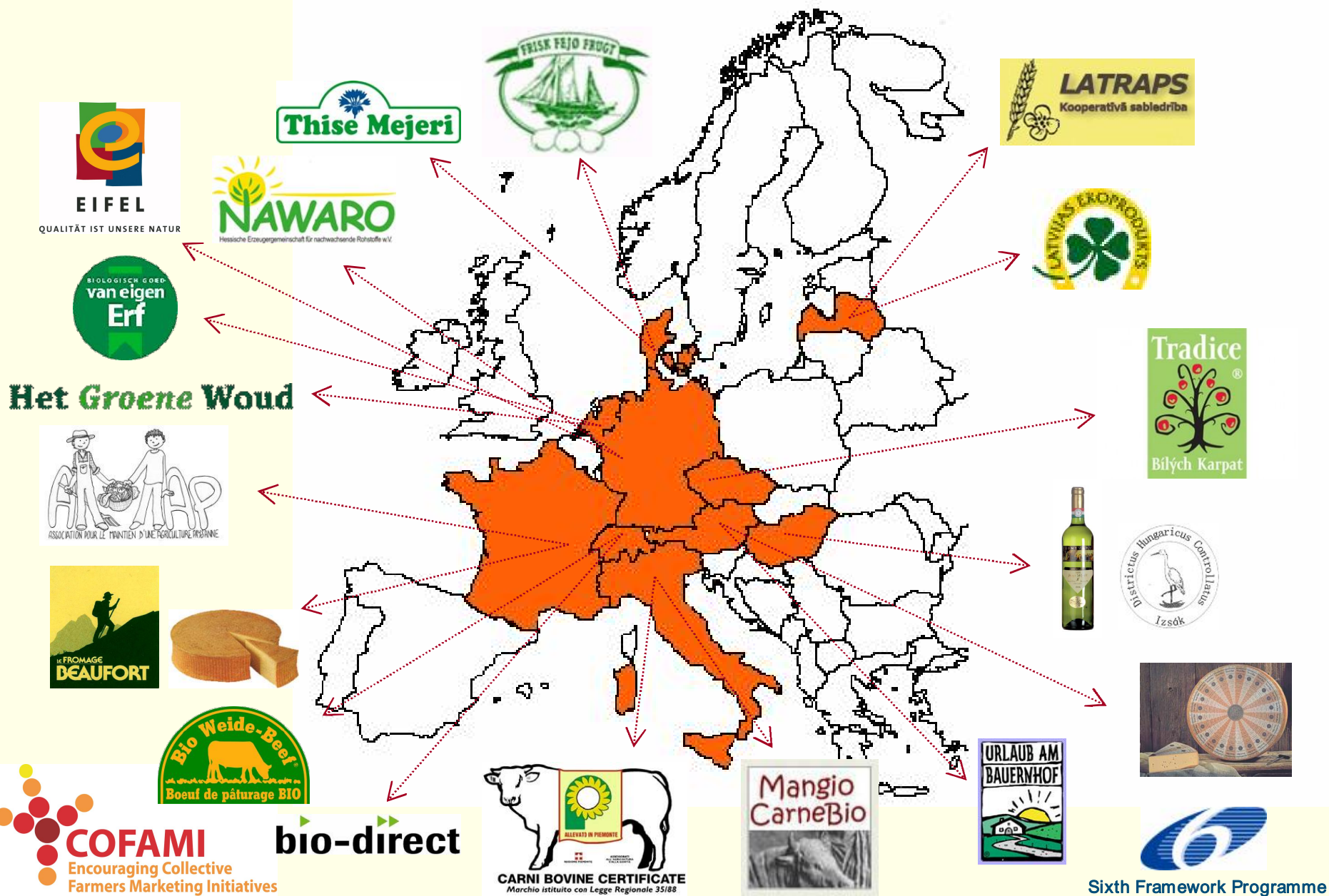
COFAMI study countries & research teams



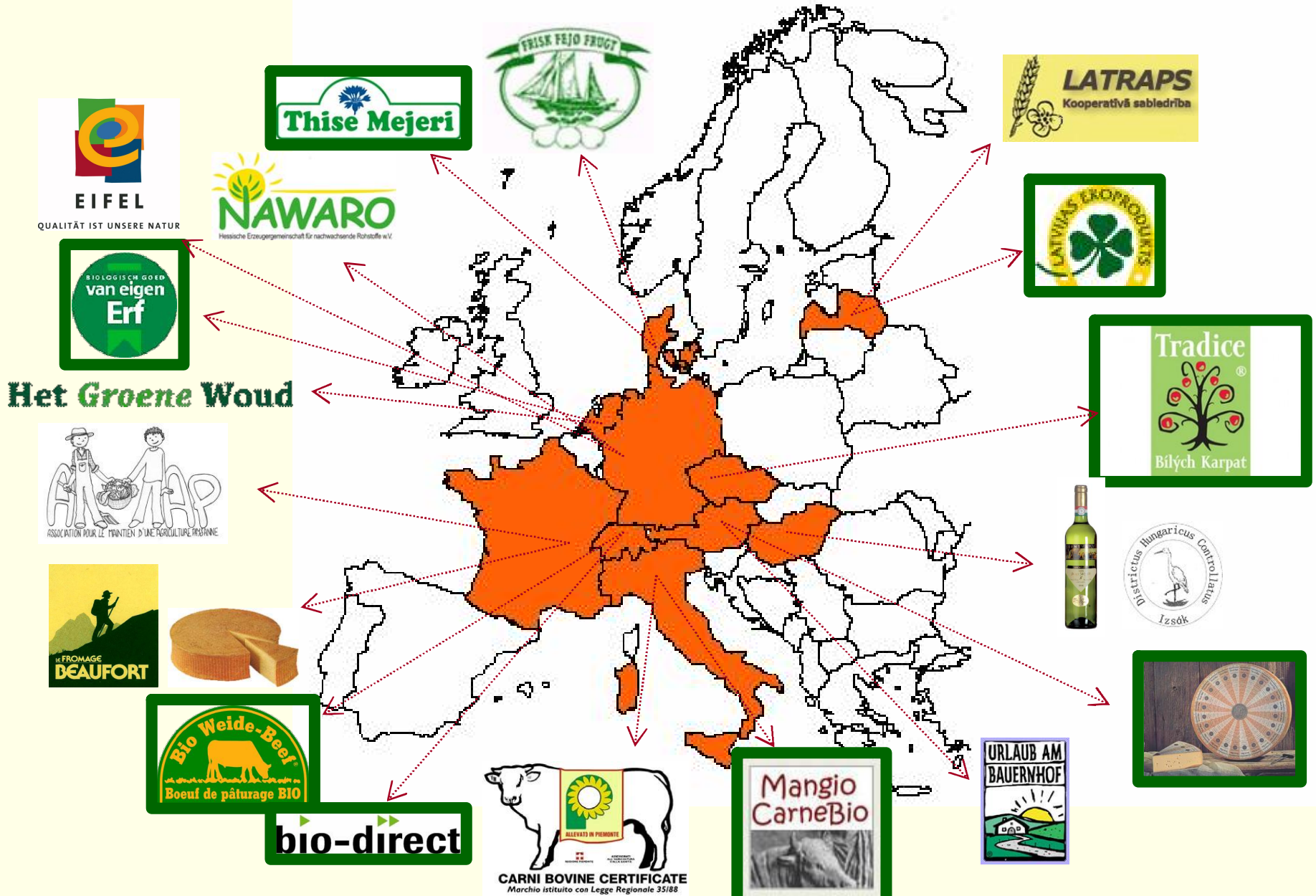
COFAMI research activities

- Literature research, incl. 'quick-scan' of results from 8 previous research projects
- Status-quo review of collective marketing in 10 countries, resulting in typology of COFAMI strategies
- 18 in-depth case studies of representative set of COFAMIs, covering: strategy, relevant networks, sustainability impacts & support strategies
- Comparative analysis of case studies to identify (general and specific) limiting / enabling factors
- Stakeholder & expert consultation by European Expert Group and National Stakeholder Forums in all countries

18 COFAMI case studies



18 COFAMI case studies

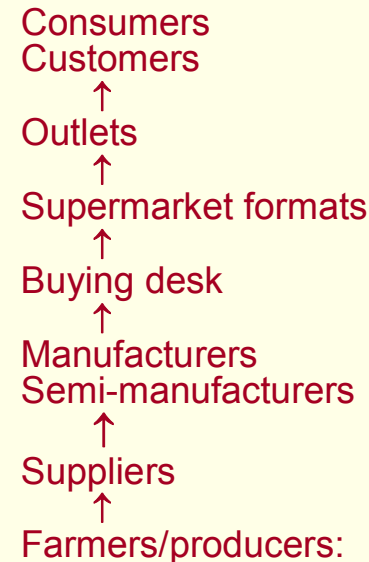
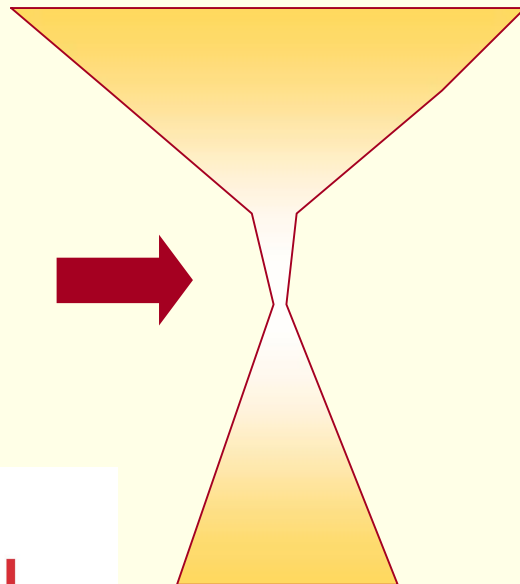


Past and present of collective action

- Important role of collective action of organic farmers in the past
 - Marketing and buying co-operatives → improved market access, supply of organic inputs (livestock breeds, seeds)
 - Farmer study groups → technological innovation, spread of production methods
 - Producer-consumer organisation
- Traditional organic co-operative strategies are facing changing market contexts, societal / consumer demands and internal management challenges
- New forms of collective actions provide possibilities to react on these trends

Relevant market & policy trends

- **Retailers become dominant market channel / concentration in retail & processing**
 - (Trans)-National retailers have obtained central position as 'gate-keepers' between organic farmers and consumers
 - 'Global sourcing' of retailing & processing → competition and substitution amongst primary producers world-wide
 - Large retail surface become dominant



Relevant market & policy trends

■ Growing importance of quality standards

- Standardised food-chain processes
- Increase of public requirements (environment, safety, hygiene, animal welfare) during food processing etc.
- Multiplicity of private quality standards on top of public ones / increased awareness of food transparency

■ Changing consumer habits & preferences

- Changing consumer habits (convenience, snacking, out-door consumption)
- ...and purchasing habits (internet shopping)
- At same time appreciation for food quality, authenticity and mode of production (not just organic)

Relevant market & policy trends

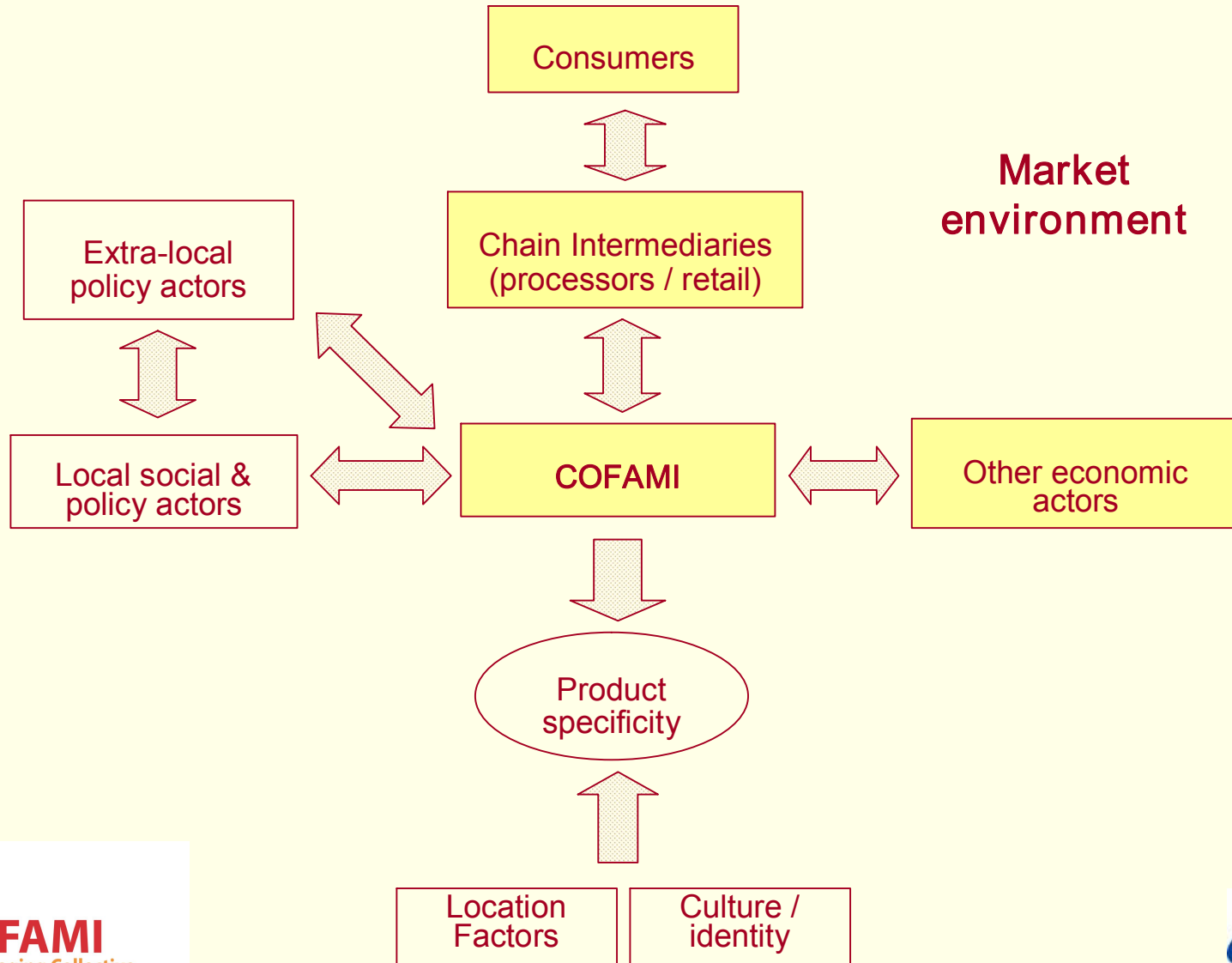
■ Emergence of new actors in rural areas

- Rural areas no longer strongholds of farming, but meeting place of variety of rural actors
- From production space to 'consumption countryside'
- Growing role of partnerships in rural development policy (agri-environmental cooperatives)

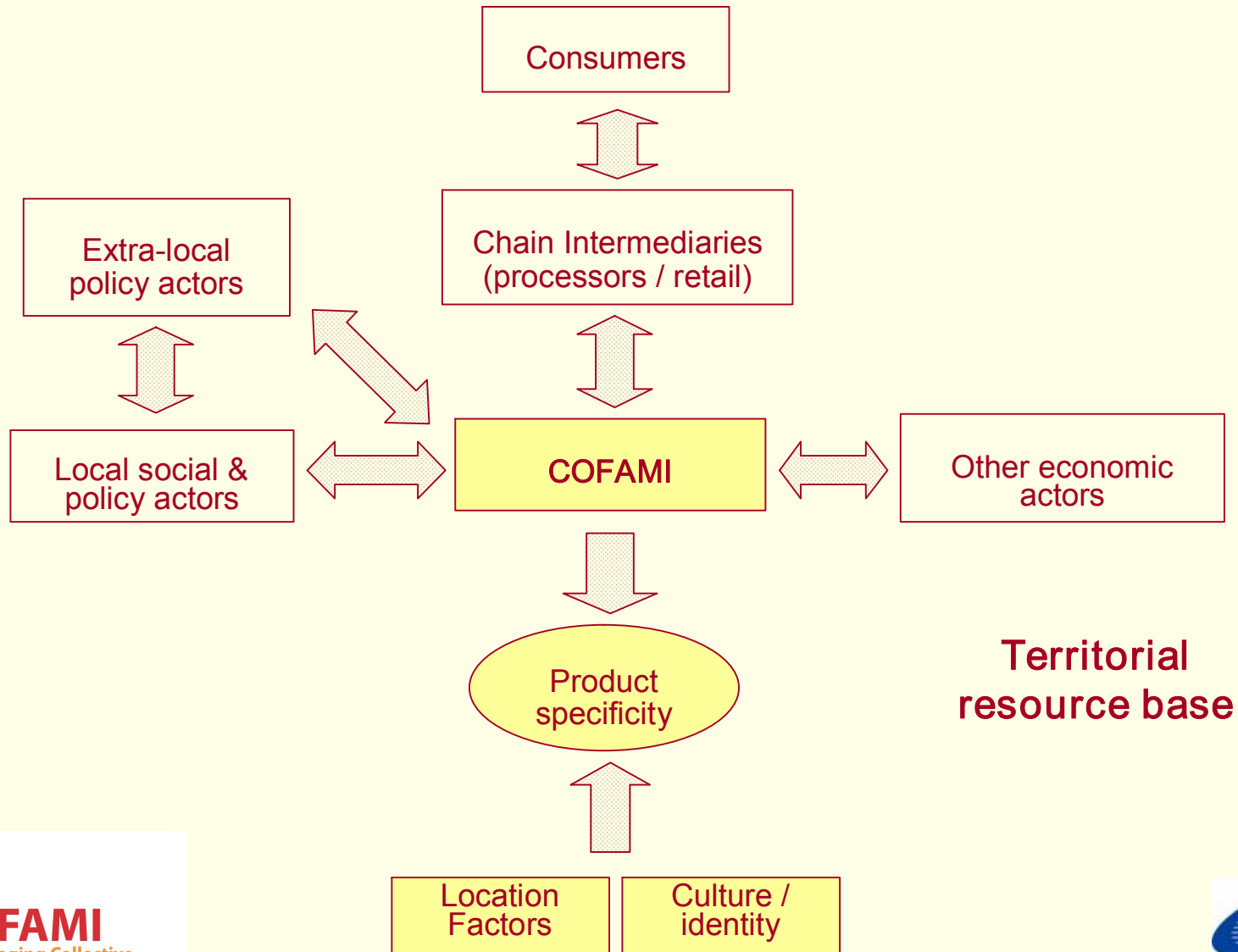
■ New markets for public goods & services

- Emergence of new non-food markets in rural areas, e.g. energy production, tourism, care etc.
- Importance of synergies between different functions / activities in successful regional development ("Organic regions")

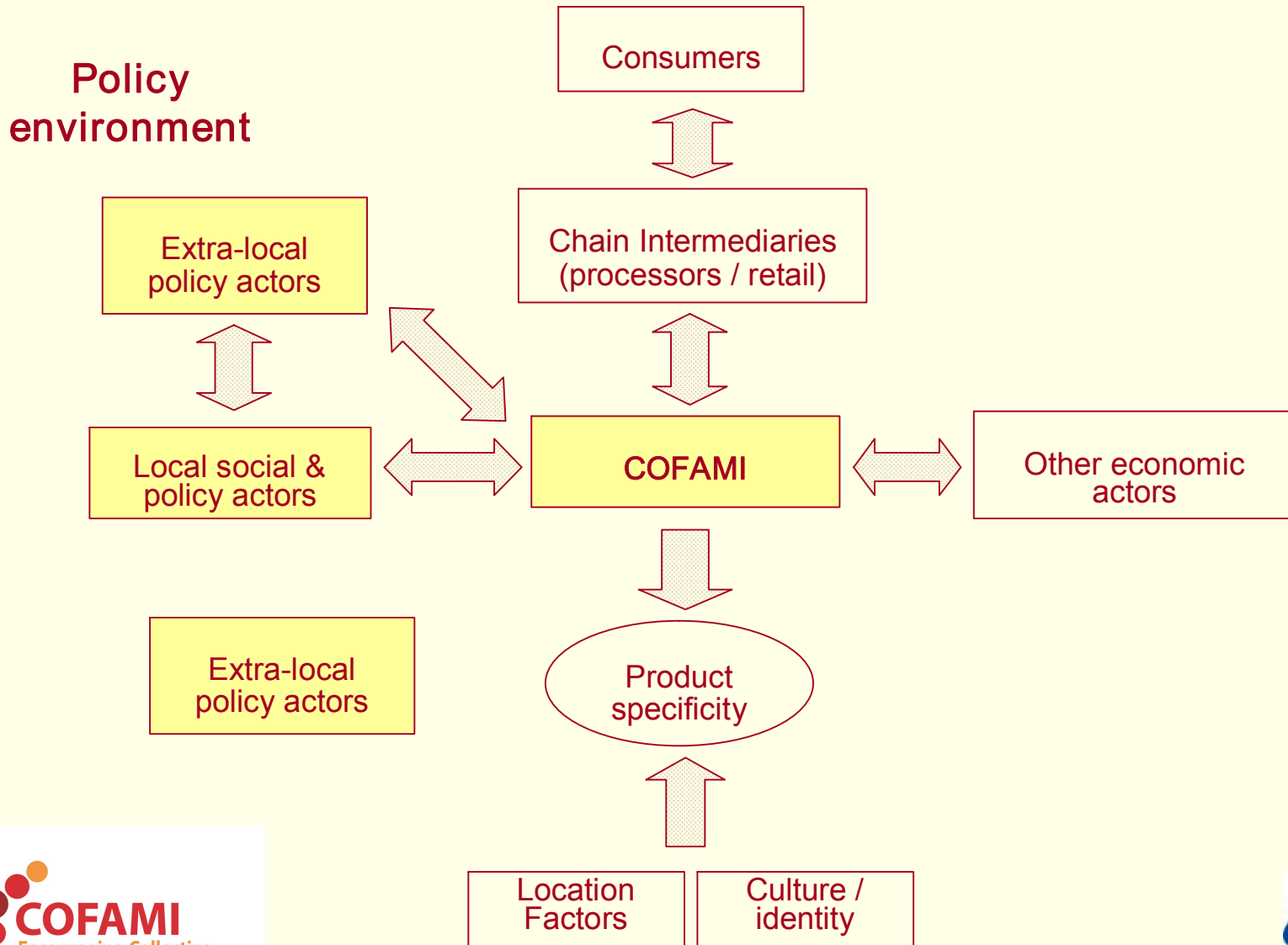
Different COFAMI strategies



Different COFAMI strategies



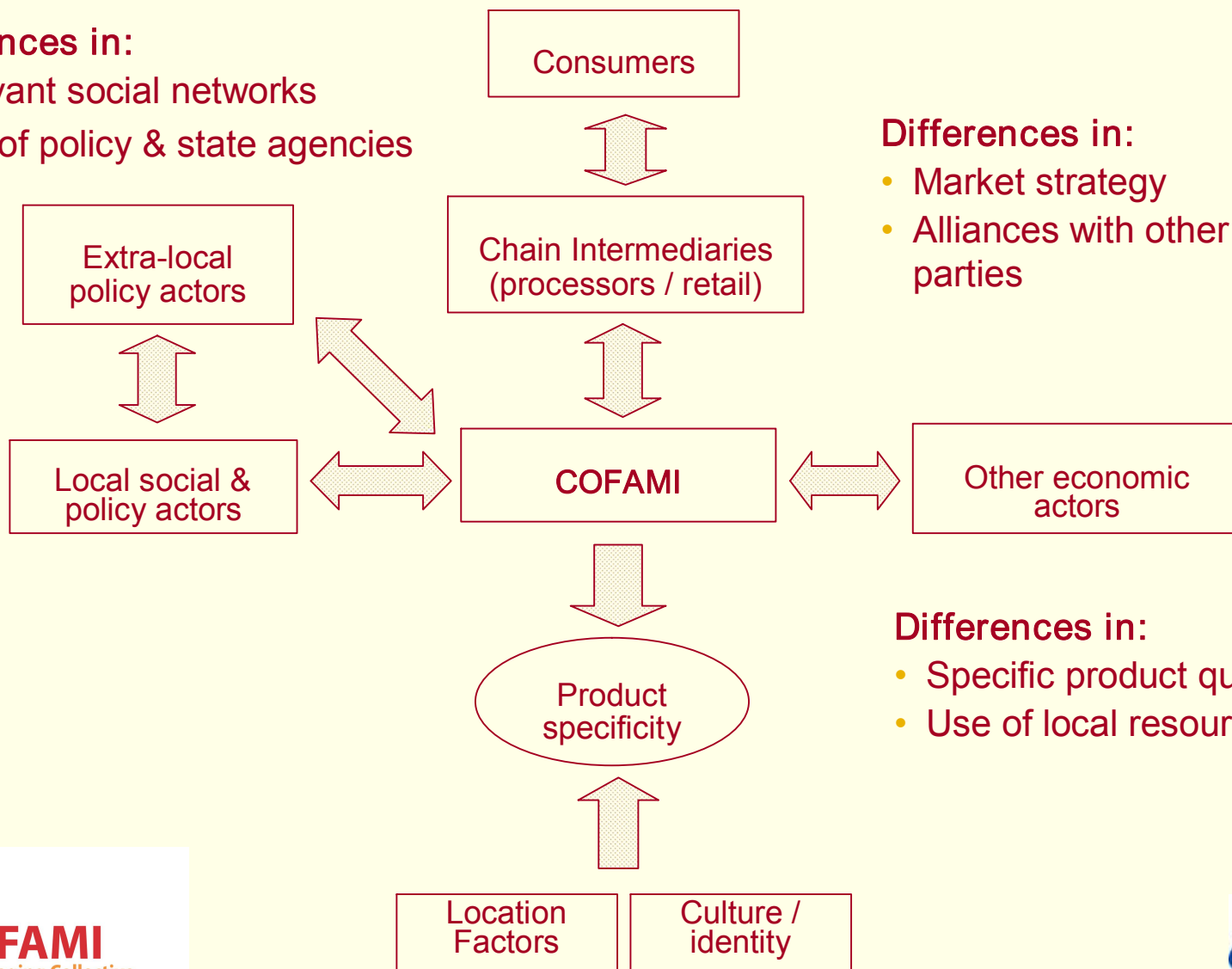
Different COFAMI strategies



Different COFAMI strategies

Differences in:

- Relevant social networks
- Role of policy & state agencies



Differences in:

- Market strategy
- Alliances with other market parties

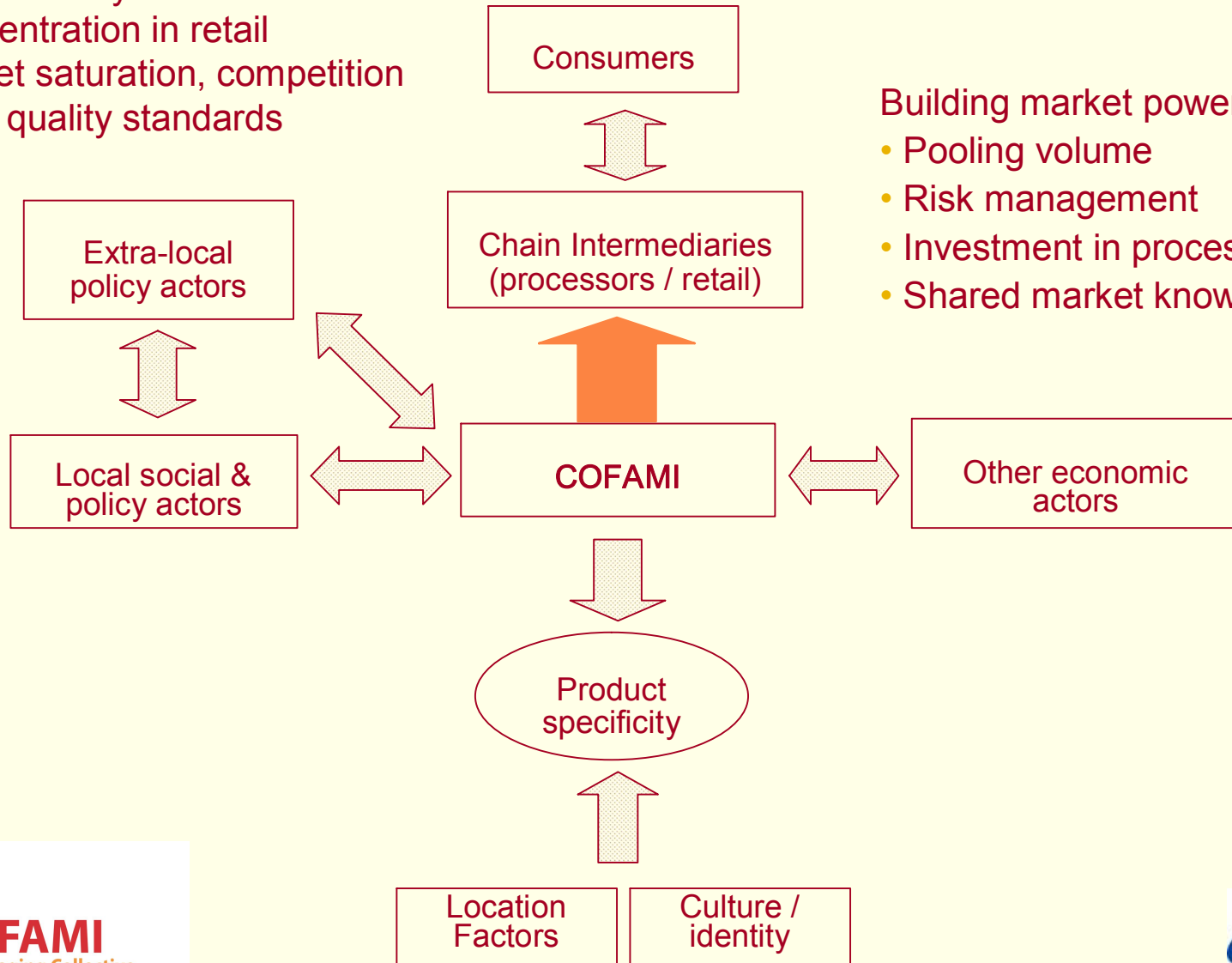
Differences in:

- Specific product quality
- Use of local resources

1. Countervailing power

Undermined by:

- Concentration in retail
- Market saturation, competition
- Food quality standards



Building market power by:

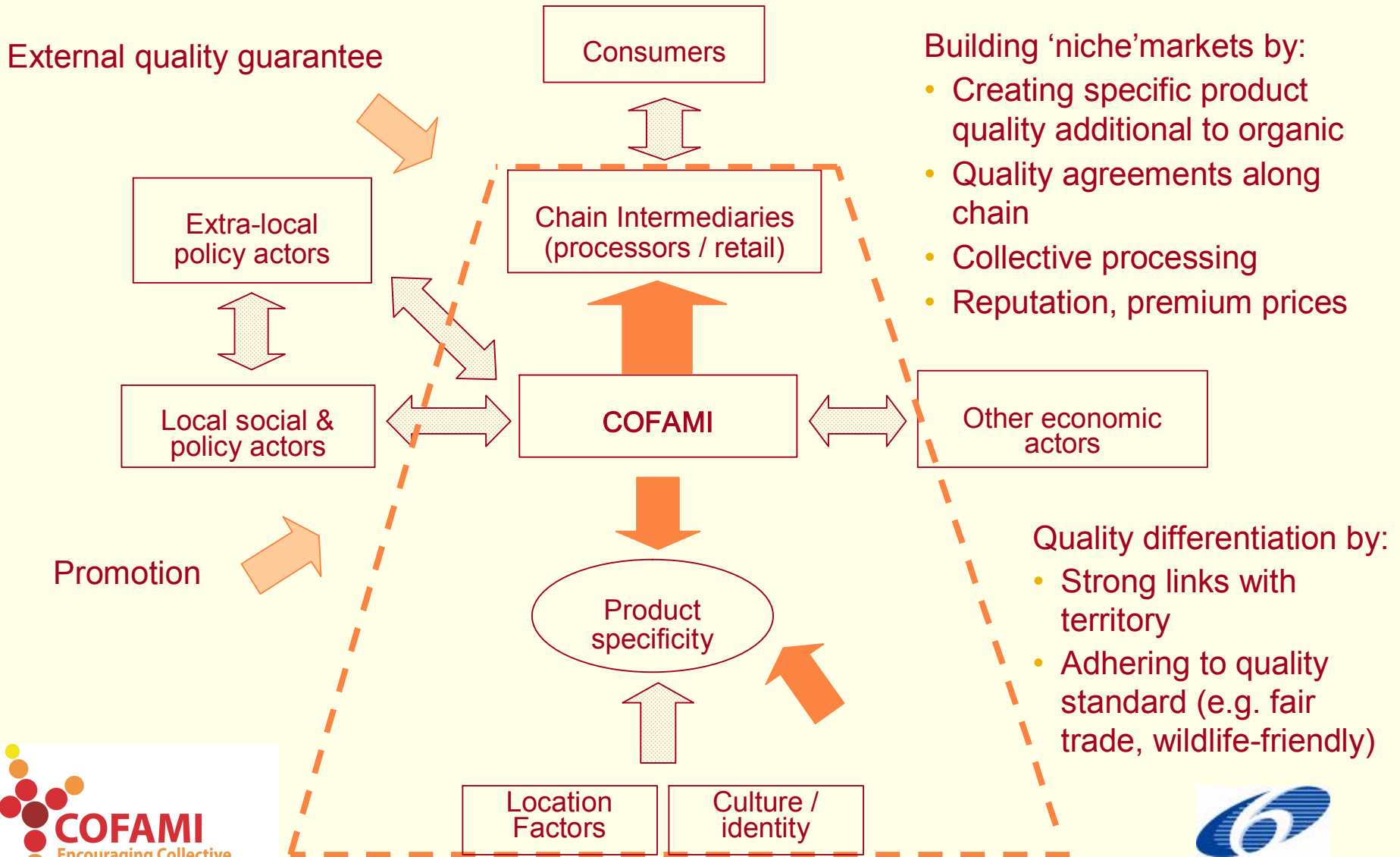
- Pooling volume
- Risk management
- Investment in processing
- Shared market knowledge

Example

Biomilchpool - Switzerland



2. Quality differentiation



Example

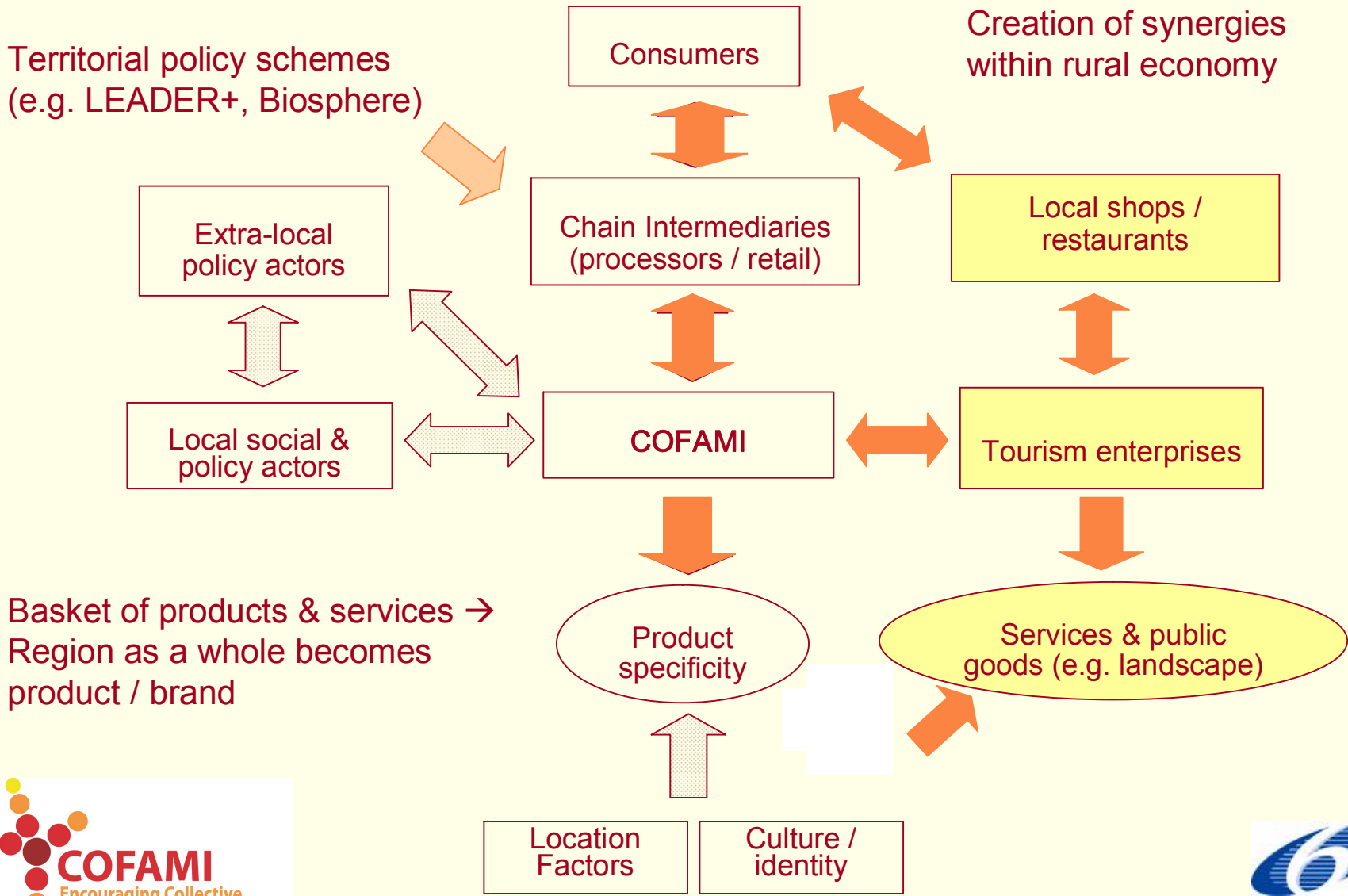
Napfmilch - Switzerland



Wildtierfreundlicher Landbau



3. Region marketing / branding



Examples

Region branding in Netherland, Czech republic and Austria



Conclusions

- New forms of collective farmers' marketing that go beyond traditional co-operative mechanisms can be observed across Europe
- These can be understood as responses to changing market, policy and societal contexts:
 - Loss of control over supply chains due to dominant position of retailers and concentration in retailing & processing
 - Increased production / processing standards
 - Growing differentiation of rural areas, evolving urban-rural relations, and changes in EU rural policy frameworks new opportunities
 - New markets for distinctive food qualities, services & public goods
- Collective organic farmers' marketing initiatives apply a diversity of strategies - sometimes in combination - that are crucial to understand their functioning and (potential) impacts

Further information

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