

*Challenges for the New Rurality in a Changing World*  
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## Local food and municipal food services: case Kiuruvesi, Finland

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*Abstract* – In Finland, the Kiuruvesi municipality is the pioneer in use of local and organic food (LOF) in the statutory municipal catering services. The LOF strategy is based on territorial approach, and it was adopted as one means of enhancing the attractiveness of the remotely located municipality with unfavorable population development. The local policymakers have been fully committed to the strategy, and this has enabled the consistent development during nearly two decades.

The Kiuruvesi case demonstrates the gradual shift of focus in the competitive bidding process from price-based tendering towards anticipatory dialogue and interaction between the suppliers and catering personnel. Over the years the LOF concept has brought about various kinds of food entrepreneurship to the region. The case serves, therefore, also as an example of the institutional customers' significance for the SME:s in the competitive food market.

Keywords: Institutional customers, public food procurement, SME:s, LOF items, tendering process

### INTRODUCTION<sup>3</sup>

One of the aims of the Finnish food policy is to increase the use of local and organic food (LOF) as means of sustainabilising food production and consumption. The public actors are to be the path breakers in leading the development (MAF 2014; VN, 2010; VN 2014).

In Kiuruvesi the LOF strategy has been determined developed since the 1990'ies. The strategy is founded on the rich production structure of agriculture in the region. It was adopted as one means of enhancing the attractiveness of the municipality, which is located in a fairly remote area and has faced a declining population development over several decades (Risku-Norja, 2015). In the municipal strategy LOF is accounted for by stating that the proportion of the LOF items shall be increased gradually in order to enable local producers to accommodate their supply to the needs of the municipal catering (Risku-Norja, 2015).

The present paper illustrates the development and implementation of the LOF strategy in Kiuruvesi.

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The purpose is to identify drivers and bottle necks in increasing the use of LOF in public catering and to discuss the interplay between LOF strategy and the SME:s entrance to the highly competitive food market.

### METHODS AND SOURCES

The paper presents a case study on Kiuruvesi municipal catering. Background data were obtained from the municipality's official internet page and from published research (Tikkanen, 2013; Risku-Norja, 2015; Risku-Norja, 2016).

The semi-structured interviews carried out in 2014 comprised the main data source. In order to improve the outcome of the interviews the questions were sent about a week in advance to the interviewees together with a short summary of the data compiled by that time from other sources. The interviews were tape recorded, and the recordings were analysed using Atlas.ti qualitative data analysis software. The conclusions of the interviews were verified by the interviewees.

### THEORETICAL FRAME AND ORGANISING CONCEPTS

As part of overall sustainability concerns, interest in alternative food supplies is increasing throughout Europe. LOF is gradually gaining ground also among institutional customers. The proponents stress environmental benefits, positive impacts on regional economy and on the SMEs as well as the health and nutritional value of good quality fresh food. In recent years, attention is increasingly paid also to food culture, food security and food sovereignty as well as to local partnership and community awareness brought about by re-localizing food production and consumption.

In Finland national food policy provides the supporting frame to increase the use of LOF in public catering. The government has launched two programs to promote the use of both organic and local food, and the public actors are obliged to act as path breakers leading the development (VN, 2010; VN, 2014; MAF 2014).

As a public actor the municipal catering service is constrained by the law of public procurements. The law encourages the use of the most economically advantageous tender (MEAT), which enables the contracting authority to take into account criteria other than only the price. This is important for the LOF suppliers, who are SME:s and who, therefore, often have difficulties in getting foothold in the highly centralized and competitive Finnish food markets.

"Local food" is a loose concept allowing various interpretations. Among them two main lines can be identified. One stresses the spatial closeness of food production and consumption ("local food"). It, thus, implies territorial approach meaning reliance

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on local resources, and on genuinely short supply chains, i.e. production, processing and consumption are geographically close to each other (Renting et al. 2003). "Locality food" instead represents products, the value added of which is based on geographic origin or traditional way of production. These are often pricy niche products targeted for specific consumers, who may be very far from the site of production.

#### RESULTS

In 2014 the use of LOF in Kiuruvesi schools comprised 38% of the costs of the food purchases, and in whole municipality LOF comprised 22%. The share is about as high as it can be. This is because the natural circumstances severely restrict the choice of cultivated items that can be produced, there is no slaughter house in the region and even milk needs to be processed elsewhere. In addition, many of the products are not suitably pre-processed for the needs of the institutional kitchens. On the other hand, the price constrains of the LOF products are partly compensated by substituting expensive items with nutritionally equivalent less expensive items, and by menu planning.

The prerequisite for prioritizing LOF is the local policymakers' full support. Implementation of the LOF strategy requires careful planning of the tender calls, so that local products could be chosen among the offers. In Kiuruvesi, anticipatory dialogue between the purchaser and the LOF suppliers and mutual product development have become an integral part of the purchasing procedure.

For the SMEs, the municipality is an important customer. The contracts give the entrepreneurs secure income. Less effort is, therefore, needed for marketing and deliveries, and the entrepreneurs can focus on developing their core activities.

Over the years, the LOF strategy has brought about new entrepreneurial activity to the region. Small scale processing has been developed in view of the needs of the catering sector.

#### CONCLUSIONS

Increasing the use of LOF on public catering is a slow process. National food policy provides a supporting frame, but the most important steps are taken at the local level. It requires above all strategic decisions and strong and persistent commitment of the local policymakers.

The LOF strategy needs to be formulated so as to address the specific needs of the municipality in question and by paying due attention to the experts by experience, i.e. the actors of the catering sector and their customers.

A thorough knowledge on the purchasing procedure is necessary. In order to find adequate criteria for the tender calls the purchaser needs to be familiar with the potential suppliers and the entrepreneurs need to be informed about the institutional customer's needs.

Co-operation among the suppliers may be necessary in order to secure the availability of sufficient volumes of suitably pre-processed products for the needs of the institutional customers. Via division of labor, such co-operation may lead to more efficient use of resources and to an increasing professionalization of the suppliers.

When the purchasing know-how is used wisely, public catering constitutes a protected space for the SME:s to develop.

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